

# League of Extraordinary Minds

*Dan's Notes from Session 4 of 9 from the League of Extraordinary Minds*

## The Three Key Levers that will Multiply ANY Small Business from the Inside Out.

Expert panelists:

**Lou Adler, Bo Burlingham, Dr. Eric Flamholtz, Michael Gerber, Kerry Patterson, Brad Smart, Marilyn Tam**

Again, take note, that what follows are my insights gleaned from my notes from the excellent webinar series being presented by Rich Schefren and Jay Abraham.

This session has a lot to do with hiring the right people and managing your company's growth as a leader. Now may not be the best time for many to actually be hiring but by preparing now, you'll be well positioned to acquire the best employees and partners ever when the time is right. Let's go!

### ► 1. Tell us what you can teach business owners regarding finding, interviewing and hiring top talent that takes their business to higher levels.

The first realization is that most business owners don't know that their business is actually broken. In many cases, the owners have simply taken what they've always done and decided to open their own shop, in essence giving themselves a job as chief cook and bottle-washer. This is working IN your business, not ON it. Big mistake!

Business owners who become successful realize that real businesses are built by design and administered by top talent who specialize in systems operations, training, management, finance, product development, marketing, production and so forth. The leader is in charge of vision, corporate culture and communicating the visions, goals and objectives.

Understand first that you have three types of hires that are rated A, B, C:

A stands for your STARS which number about 25%

B stands for Not So Great employees which number 50%

C stands for Nightmarish Energy Vampires who sabotage your efforts at 25%

Your goal is to put all A's on your team at every position and let them do great things!

Don't make these classic mistakes when hiring people: Screening from a stack of resumes, as this is incomplete and you'll see why in a moment. Asking competency questions is ineffective as well: i.e. "Can you give me an example of what you did at XYZ and how that worked." Lastly, relying on references, as anyone can get neighbors, friends, old co-workers to cover for them and sing artificial praises.

There is a process to finding your STAR players when hiring and four conditions should exist.

1. Understand that you must first have a great list of challenging things for them to do; this isn't duties and responsibilities but more about a mission, goals, achievement, advancement and continuous growth.
2. Realize that "A" players care more about career growth and achievement as opposed to just earning a paycheck.
3. Be aware that the managers you have placed in charge of hiring in most cases do not understand the true process of interviewing to be able to cull out the stars. Give them these guidelines and motivate them to find the best for obvious reasons.

4. When writing up the initial job description of the vacancy to be filled, phrase it so that the interviewee looks at your request as a career opportunity, not a J.O.B.

Key attributes of STAR "A" players may include the following: They operate from a substantive knowledge base, they find new ways of doing things to increase performance, they are good communicators in high stakes situations and influential speakers under pressure, they employ facts instead of opinions and emotions, they have clarity of mission, purpose and goals in support of servicing and satisfying customers in meaningful ways.

Note that you also have internal STARS in supportive roles within your company on the inside not just the public facing side. Who is leading your marketing department, production, human resources, operations, management and corporate culture? Every single employee will have personal, team and organizational challenges; having STARS in every position helps to support everyone from the top down.

## ▶ 2. When hiring STAR employees, what is the single most important change you would suggest to help the business grow?

The business owner must first fully understand what the supreme purpose, passion, vision and goals of their own company are before you can convey those values to a perspective employee. The leader must make the rules, provide the initial plans, policies and procedures along with the vision to convey the big picture to potential hires.

The leader needs to ensure that the career seekers understand your big game plan from the inside out, how the score is kept, what their stake in the future outcome is, how they can contribute, how they fit in and how they can make a difference. Once they have your big picture, they will be able to more accurately gauge their ability to contribute and accept a position that lets them grow as an "A" team player for years to come.

As the leader of your company you must understand what drives each individual interviewee to want this career opportunity! Are they A, B or C material? Before you ever accept an applicant make sure that they know that you will need direct contact information to arrange in-depth reference calls to their former bosses in the near future and that before you hire them, these calls will be made and assessed.

Most of the C players will fade out rather quickly when they know their bluff has been called; "A" players on the other hand can't wait for their former employers to sing their praise!

Chet Holmes, in one of the best books on hiring and managing sales superstars, wrote in "The Ultimate Selling Machine" that once you think you have found the perfect applicant, do this one last exercise.

Say to the applicant that you thought they were the best of everyone you've interviewed but you still feel something isn't quite right, that they just don't quite have the ability to handle the position you're offering. You'll get one of two responses:

Reaction 1. They'll say, "Well, O.K if you really think so, thank you for your time" and they'll accept your decision and leave. This indicates that they'll crumble in front of critical client situations which will lose you business!

Reaction 2: The superstars will literally jump on your desk and tell you what a fool you are for not recognizing and employing their talent and ability while you have the chance, and they'll back it up! These people are supremely confident in their abilities and have the stuff of greatness within them. Once they show you that powerful character, that is when you say **YOU'RE HIRED!**

### ▶ 3. What are three important lessons that entrepreneurs can use to help grow their business from the inside out?

When starting out it's best to begin with the end in mind. Visualize how your business is going to transform the world; nobody grows in mediocre circumstances. That is using future forward thinking to design your course! It's also helpful to look at past performances to learn what has and has not worked in the past to capitalize on your experience but what matters most to applicants is what your doing now and what they can do in the now to make a difference.

As the entrepreneurial leader it is your job to lead, motivate and guide your team. What innovations are you trying to bring forth? What systems are you designing to orchestrate and quantify measurable results? When starting a business most entrepreneurs are considered the Super Doer as in they are doing it all, but growth demands that you learn to manage other people to begin letting them be the doers while you assume the leadership roles of vision, planning and chief cultural architect.

This all leads back to hiring the right people from the start! Ask yourself what this person needs to know and what they need to be able to do to be the very best in the position offered. Are they competent, motivated, accomplished and results driven action takers?

Find these things out by using the TOP GRADING Chronological tandem interview process. This type of interview uses two people to conduct the interview and it seeks to learn how the interviewee has grown over time in their chosen career path.

The interviewers start off by asking what the interviewee's first fulltime job was, then the second, then the third and within each what were their successes and failures in each. Then the questions move toward asking the person what they think their strengths and weaknesses are, which are then followed by the age old question as to why they left.

**Side notes regarding your leadership role:** Ask plenty of "what if" questions. Be flexible, adaptable to change, know when to say no, prepare in advance by having contingency plans that allow you to react quickly. Don't hold debates or avoid problems. Invest in improving the qualities of your conversations in an effort to achieve true communication that works through differences. These actions will help you to communicate better with your core leadership team (board) in helping to design, manage and drive your vision, culture, operations and systems toward hyper-success. Hire the right people!

### ▶ 4. What are some common factors that can help transform average businesses into stellar performers?

Most people think too small when they first decide to open a business, in effect only creating a job for themselves. Consider dreaming big towards creating stunning transformational world impact. Wal-Mart started in small town America but Sam dreamt big and learned from J.C.Penney and other world class merchants by working for them and observing best practices then incorporating all that he learned into what you see today.

Prolific leaders, founders and CEOs know who they are and what they want. They often have visions that are about creating perfection for others through their companies, their teams, their customers, suppliers, vendors; everything is about inspiring others to strive to make a difference through higher purpose!

These leaders also understand that their employees come first because they are the ones who will be face to face with the customers. They ensure their employees have a stake, know how the score is kept and understand the business inside and out through constant communication, training, collaboration and feedback.

Jack Welsh of GE had a 90% success rate at putting the right people in the right jobs at the right time. He focused on recognizing trouble signs early. Having manpower plans that foresee future needs helps you to plan your hiring strategically without rushing to fill a position. Jack didn't use Monster.com last minute. He hired from within and from references of key industry players that he knew where in a position to spot and recommend real talent. Jack himself was hired that way!

**Don't be a one trick pony:** identify your market, satisfy it, scale your business up, build on it, evolve your systems and maintain a favorable corporate culture to build longevity based upon infrastructure.

## ► 5. How can you identify attitudes and distinctions of those who don't from those who can?

Can do attitudes are found in people who are often committed to pursuing what others deem impossible. Norman Vincent Peale called them possibility thinkers. These people accept challenges and discover truth and possibility; they have a thirst for knowledge, they're passionate, they read, listen and constantly learn from their own mistakes as well as others. They adapt, change roles, admit mistakes and move forward.

Doers want to be first; they act quickly to out hustle their competitors using their experience, expertise and passion to be pro-active in serving the needs and wants of others well ahead of the curve. They experiment quickly by taking action to validate or trash, checking and making changes within days and weeks, not months and years.

Doers are eternal optimists bolstered with resilience which allows them to learn from mistakes that in turn teach them to be more successful. They know it's what you learn after you think you know it all that counts the most! These people are not afraid to surround themselves with people who are smarter or stronger than themselves because it's not about control. T.E.A.M. Together Everyone Achieves More

The can't doers don't want to learn, grow or achieve. They have no passion, goals or commitment. They crumble under pressure and seek to avoid it at all costs. They don't adapt, change, learn or grow. They repel people and despise the successful in many cases. Let's just say they are the total opposites of the doers and move on. If for some reason you know a can't doer, please forward them this link: <http://changethis.com/14.PositiveAttitude>

It's true that one's attitude most often determines one's altitude. Look at obstacles simply as stepping stones towards success and realize that it takes a ton of oar to mine an ounce of gold. There is no one secret to success it is a combination that only true passion reveals.

## ► 6. What are some of the most common habits of transformational entrepreneurs?

Transformational entrepreneurs are passionate people who tend to do things based on a higher purpose. Rarely is it just about the money, if at all. They know who they are and what they want; they're purpose driven, mission oriented, goal achieving revolutionary transformation agents of change who continuously read, think, listen and learn from their mistakes in addition to others.

They consistently seek to reinvent, experiment, evaluate and test new ideas by taking specific action to avoid stagnation and are often found to be future forward thinking to see where they can take existing things to the next level. They are restless dreamers who understand day to day operations but are never satisfied with the status quo.

These "A" team players and entrepreneurs keep their talent bars high. When an existing "A" player goes to a "B" as a result of an organization's growth, they will go find another higher level "A" to pack and restack their team with higher performers. A's tend to gravitate and congregate amongst their own kind and they often recruit from their own networks. Getting references from the best 20-40 close contacts that they know who in turn know other top performers that can help carry the load.

These individuals are able to maintain focus to accomplish their major strategies. They build off of interaction, listen to others ideas, use advisors, attract top talent, discern wisdom and strike balances to serve their customers, clients, community and world using a socioeconomic lens focused on a purpose higher than themselves.

## **7. What question should we have asked but didn't and what would your answer be?**

In an economic downturn such as this, it pays to bring people together to schedule crucial conversations and healthy dialog: takeaways, cutbacks and downsizing should be addressed quickly to come to decisions that make sense for the continued success of the organization as a whole. If you as the leader are driving a Porsche to work and laying off employees at the same time, you may decide to start driving the Jetta instead! Publicly sacrifice your own sacred cows when you can.

The ability to articulate and manage a corporate culture through strategic planning is important but core values regarding how you treat your employees and customers matter too. Are you fulfilling existing promises, satisfying existing needs and concerns? Ask yourself: are my family, friends, customers and employees happy with my performance - and if not, ask yourself why.

Why should people care about business owner success? Possibly to help teach them life strategy, to help them deal with the variety of issues we've previously discussed here today. Business owners create and provide everything in the world we live in: value, quality, selection, availability, service, circumstance. Society's success depends on business owner's success. They are the engine that provides for and drives the economy.

Avoid costly mis-hires in favor of always hiring sharp people who can help you best manage and grow through strategically executed tactics. Connections can often refer top talent to you. Remember "A" players want to be surrounded by other "A" players. Make hiring a process.

## **LET'S WRAP IT UP AND PUT IT ALL TOGETHER NOW WITH SOME HELP FROM RICH & JAY:**

As the entrepreneurial business owner it is your job to be the chief dreamer in charge of change. You create the vision for your company, you state the purpose and create the mission statement, and you will initially need to design and deliver the systems to make things happen.

As the leader you must have a firm grasp on the numbers as they are the most important benchmark that everything else most often gets measured against. By envisioning with a laser focus what worldly transformation your company will accomplish, you can begin to create plans that are based with the end result in mind.

In real estate the old adage is location, location, location. In business its planning, planning, planning, and focus, focus, focus. Progress is made in a sequence of timelines, so persistence in reaching intended targets is paramount.

The real value that you bring is in the thought quality of your plans. Once you have solid plans you can initiate, execute and begin course correcting as you take essential actions towards your goals.

Take inventory of the talents you have and the talents you need to acquire. If you can't learn it, go find people who have it and show them your plans to get them on board so you don't have to do it.

Brace yourself to be prepared to overcome adversity. You'll need resilience to bounce back and adapt accordingly. You'll have to create an initial structure, find the right people, outline the functions of the business, import the technology, systems, management - then establish a culture and deal with the mindsets of those who have come on board, in addition to ensuring you're properly funded to ensure growth.

Offer great career opportunities to grow with the company to people with experience, competence and motivation. Ask past employers about the new potential hires strengths, mindset, views and ability to work with others - and let the candidate know that you will be checking with prior employers thoroughly before acceptance.

**Remember:** don't advertise for skills, duties and responsibilities but more towards an opportunity to grow in a long-term career oriented organization.

Take your time when looking to devise your manpower plan. Think ahead and know who you'll be needing in the future as you grow. You cannot rush the hiring process when you want to find top talent A Team players. Top players will want to know what goes on, how you will earn money, what the mission is and how they fit in. Just say no to B & C players!

Beware that one of three things is usually the problem with employees. They may be late either getting to work or completing the work, they may have patterns that don't fit with your model or it may be a relationship communication style that doesn't fit. Focus on one issue at a time and remember the way you treat customers, employees, the standards you uphold, and your willingness to accept change will determine the eventual culture that you create.

Success will come in stages, so be prepared to change roles. When starting out it's all you as the doer of everything, once underway you'll become a development coach for your managers so they become the doers. That will free you up to be the leader who guides, directs, innovates and sets the tone for corporate culture towards taking your business to higher and higher levels of achievement.

Now take ACTION to make it happen!

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