

Fortune 1 Perspective: Creating An Organization of Rainmakers and World-Beaters

Introduction

The right people are critical when you are small and growing quickly. Small companies rely heavily on their most capable people. Those people who can wear many hats and hit the ground running. Those people who do not require a lot of time for training and development; self-starters who are motivated and learn fast; People who perform multiple functions and who thrive in an environment of self-direction and too much to do. Success all comes down to finding and keeping these people – the rainmakers and world-beaters.

I think of some of the very successful multi-level marketing gurus I have known through the years. I am not prejudice about where my ideas come from, so regardless of what you think of network marketing, the lesson is still a good one: a) These people were focused on building organizations, and b) These people were focused on surrounding themselves with motivated people. As multi-level companies go, as one went bankrupt or created a program that was no longer workable, the multi-level guru would simply move his team to another multi-level company. First his organization is selling diet drinks; two years later the same group of people are selling insurance. Indeed, a motivated, talented group of people can make you and your business successful in anything.

The point is, to achieve success, an entrepreneur relies so much on good people that his focus needs to be above and beyond the business idea, and on building an organization filled with the most capable and motivated people possible. An idea can be copied, out developed, or simply fall flat in the market. There are a lot of very successful companies selling products, which are competitive, but no *better* than the competition. In the end, a company lives and dies by the successes created by its people.

The human capital experts remind us: In the long run people are the only competitive advantage a company has. OK, we can probably agree, a small company needs rainmakers and world-beaters, but how do you build an organization of them?

Today's Environment

Although unemployment is up and the job market has loosened somewhat in the last two years, the fact still remains that the United States has a very real and significant generational labor gap. In terms of employment, it is a sellers' market. As in any sellers' market, the sellers (employees) are more demanding and at the same time less satisfied with what they receive. This is a fundamental shift in the balance of power in the employment environment, at the employers' expense. And the changes in employee's attitudes are more or less permanent, because demographics tell us the generational labor shortage will continue for two more decades or longer. Employees are in the driver seat for the next 20 years.

Especially in the last five years, in an effort to stay competitive, companies have been throwing more and more compensation and benefits at their employees creating spiraling costs and spiraling expectations. The press is filled with so called enlightened firms who

offer on-staff chefs to cook free gourmet lunches, on-site (or even at-desk) massages, and expensive profit sharing and stock option programs. In the eyes of many people these have become prerequisites and are no longer even viewed as perks. Hence, these costly fringes have lost their ability to recruit and retain talent. Furthermore, small companies cannot play the game of keeping up with every new thing other companies offer. These are hard dollar costs where the payoff is at best hard to measure and at worst counter productive to their intent.

Compensation and Motivation

Throwing money at people DOES NOT work. The two most primitive ways of motivating people are bribery and threats, and neither works very well, not in the long term anyway. Money and perks are not *satisfiers*. They are only *dissatisfiers*, meaning they have no satiating effect on employees' demands or expectations. Compensation and perks need to be at a minimum level otherwise employees are dissatisfied, but beyond this level they offer diminishing returns. In fact, the ironic outcome is that companies who are constantly upping their levels of compensation and perks succeed in recruiting those people most likely to jump ship for a better deal with another company.

So, what is an honest, hard working small company to do? This is what I believe: **Successful companies give their employees something to be devoted to!**

Do not get me wrong. I am not a believer that happy employees are productive employees. Happiness, like money, is another one of those *dissatisfiers*. I am also not of the mind that employees must be nurtured and cared for. After all, they are not children, and to treat them as such will simply offend them or make them ask for even more. But, I AM of the mind that people are every company's most strategic asset, and key people are increasingly the only sustainable long-term advantage a company has. Following from that, senior management's primary responsibility is to create an organization that hires the best people and makes those people want to stay around and work hard.

Building An Organization

Jack Welch, GE's famous CEO, proudly admitted to his inability to design and build a jet engine or a CAT Scanner. He very much viewed his role in terms of aligning people and capital with the most promising opportunities. That was his job. People and the organization cannot be the secondary or tertiary responsibility of the CEO and his lieutenants. It is their primary deliverable.

An old Jewish insult, for someone you dislike, is to *wish them a large number of personnel*. So, is it a struggle? It is a huge one. In most cases small company CEOs and entrepreneurs would rather be doing anything else, but managing people and organizational issues, or they try to push this off on to a half-baked HR Department. In the end though, the organization reflects the CEO and the most powerful members of his management team – all the quirks and weird things too. Simply put, a CEO has to be prepared and have the *want-to'ness* to build and run an organization, not just sell products.

To build an organization of rainmakers and world-beaters, you need to think in terms of giving employees something to be devoted to. I am in constant wonder at the number of companies who run around screaming CULTURE CHANGE, and those companies who mill

about tweaking and re-tweaking how they “do business.” Real culture change is a long, long, long term issue; and for most companies that change ultimately occurs at the top, so if you’re at the top, I’d caution you on shouting CULTURE CHANGE! Of course, no doubt, compensation and motivation of employees is drastically important, and training and communication are too, but these are often shortsighted fixes or merely the treatment of symptoms. I think a lot of CEOs would be surprised by how many shortcomings employees will happily live with, if they are really devoted to what they are doing.

So, how do you make your organization a place where employees are devoted to what they are doing? The gurus of culture change try to make their places “fun” or “family friendly” or “supportive and caring.” The problem is each and every employee has a different set of needs and desires. And the new generation work force is not about the group mentality. On the contrary, you as CEO need to be tuned into what turns each employee on. This requires a lot of two-way communication – that means a lot more listening and less RAH RAH Go Troops.

ABC’s Of Organization

Building an organization of rainmakers and world-beaters begins with a simple, elegant, but gut-wrenching process. To really build your organization you need to focus on your top performers. Bear with me while I circle back around to Jack Welch... Welch had a simple system for cutting through the shrift and getting into the heart of GE’s top performers; and I used a similar system in my management development days to rank candidates and create development opportunities for executives.

1. First and foremost, you need to rate every employee in your company as an A, B, or C player.

Now, once you have made these three lists, you need to:

2. Know your A’s really well. This is the group you have to listen to; who’s needs and desires you need to know and meet. These are your rainmakers and world-beaters. Your business will grow on the back of their successes.
3. Get to know the B’s. And then move them to either your A List or C List.
4. Have one-on-one’s at least two times per year with you’re A’s. And have group a session with all your A’s at least once per year.
5. Do not let C’s permeate your A List. Your A’s will hate you for it.
6. Do not worry about your C’s, they are not critical. You may like them, that’s fine, but they are not critical to your business.
7. Worry about your B’s, because you need to push your B’s into being A’s or relinquish them to the C List.

During your one-on-ones with your A rated people, you need to do the following:

Ask Them ...	And Then...
What do they like about their job?	It may sound simple, but make sure these things stay in their job, and add more of it if possible.
What do they dislike about their job?	Remove these things.
What are their future career aspirations?	Build in projects or new responsibilities, which help them move in this direction. If possible, move them into a position or function, which best provides them a career track in their desired direction.
What are the things they want to know and learn about, but have not yet had the opportunity?	If they want to understand financial budgeting, get them involved. If they want to learn how to sell, get them on the road with a sales person. If you can't do this from inside the company find or create a program outside of the company to help them learn what they want to learn.
How do they want to contribute to the company's strategy and its future?	Let them do this. Select their best idea and have them implement it. They should report to you, the CEO, for the implementation phase.
Do they have any questions about the company, about you, etc.?	Be very open and forthcoming with your answers. Do not let anything be off-limits. Answer any question they throw at you with honesty and sincerity.

During your group sessions with your A rated people, you need to do the following:

Get the Group's Input on...	And Then...
Who are the other top performers (A players) in the organization?	Verify these people in your mind – you have veto power over the A List. If you agree, then move these people on to the A List.
What are the gaping holes in the company?	Prioritize them. Put a timeline and a budget next to each one. Put an A Player in charge. He reports to you, the CEO, for the implementation phase.
What are their thoughts on your top 3 - 5 competitors?	Implement at least one suggestion. Implement it with full force. Preferably, put the person, whose idea is being implemented, in charge of implementing it. He reports to you, the CEO, for the implementation phase.
What is their input on new product development?	Implement at least one suggestion. Implement it with full force. Preferably, put the person, whose idea is being implemented, in charge of implementing it. He reports to you, the CEO, for the implementation phase.
What is their input on customer service?	Implement at least one suggestion. Implement it with full force. Preferably, put the person, whose idea is being implemented, in charge of implementing it. He reports to you, the CEO, for the implementation phase.
How can the company be more profitable?	Implement at least one suggestion. Implement it with full force. Preferably, put the person, whose idea is being implemented, in charge of implementing it. He reports to you, the CEO, for the implementation phase.

Conclusion

The top concern of rainmakers and world-beaters is doing meaningful work – meaningful to them. More people will move to worse working conditions to do more interesting work, than will move to great working conditions to punch numbers all day. Your best people – in order to keep them – must be doing things at your company that they cannot be doing elsewhere; they must have opportunities that will be damn hard to find in another company. Making the work of an organization meaningful – not to ALL of its employees, but to it's A PLAYERS – is the most important job of a CEO. THAT is how you build an organization of rainmakers and world-beaters.