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In this issue

[hire the best now \(so
you don't have to
fire later\)](#)

[a different approach](#)

[reading list](#)

[announcements](#)

[all-star](#)

[about trek](#)

[Join Our Mailing List!](#)

trekking

**practical strategic thinking and action
newsletter issue #83**

hire the best now (so you don't have to fire later)

In our firm's ten-plus years of management consulting, issues about employee production and contribution have frequently come up. After all, in the segment of the market we work in, Small Medium Enterprise (SME), each employee is critical and a disproportionate amount of time can be spent on those that are underproductive or problematic.

In the Great Recession that started in 2007, many firms used the downturn as a reason to cast out the lower echelon of their employees. That's not to say that this wave of downsizing did not also get rid of some good producers; some talented employees who were let go in the name of survival. But many who were let go were deemed to be expendable, at least in the eyes of their employer.

While some cuts during the recession were so deep that the survivors became very overworked, many times we've seen that letting go of the underperformers actually has a positive impact on the remaining workers. Employees are not blind or stupid. They know who is pulling their weight and who is not.

For example, one of our clients let three under-performing, disruptive employees go after structured conversations with key internal stakeholders revealed the unhappiness the retention of these problem employees was causing. After the notices were given, the CEO/Owner gathered the remaining 25 employees together, explained why he took this action, and laid out a vision for the future. The result was a much improved morale among the employees.

But the best outcome would have been to avoid this situation altogether. Don't let your employees down - when the time comes to once again add staff do so with care. Remember that management sends a strong message about quality and expectations by constantly hiring the best.

a different approach

The importance of hiring well came to mind this month at a two-day company meeting with a client of ours, a software company in the health care space. The owner/founder started the business ten years ago, has always hired strong individuals and given incentives that have kept his entire team intact through the past three years. The company foresees a strong growth phase (the reason why we were brought in). So they plan to ramp up their hiring, using the same approach that has worked for them in the past-encouraging the company's employees to recommend and introduce friends and acquaintances who meet the specifications in the job descriptions.

Although executive search firms may not like this approach because they are shut out of the process, the company finds that this approach to finding new employees is beneficial for several reasons. In addition to potentially landing a new talented employee, there is also a nurturing relationship that will continue to ensure the new arrival's success. Another reason for the success is that the referring employees have a vested interest in furthering the company's success. A bad recommendation into a small company can cause considerable damage.

The buzz during the company's two-day meeting was notable. Promotions, hiring, new product development, improvements in service leading to greater customer satisfaction - this is all leading to a very positive outlook for a company that has survived the deepest recession since the Great Depression and is growing stronger.

The moment is ripe for this company-and probably for yours- to start hiring again. Whether you use a search firm or internal referrals, hire carefully for long-term success.

reading list

[**A Seat at the Table/For CEO's and CSO's**](#) by Jackie Bassett and Daniel Rothman

While this book was written in 2007, it presented ideas regarding the role of the Chief Security Officer and the importance and opportunities around customer data and its security. While normally viewed as a cost center and part of Risk Management for a firm, the CSO can be a contributing player in activities like Marketing (no kidding), Customer Service, and Corporate Strategy.



After all, it's the CSO (or maybe the COO) who knows best what data your firm has collected. Besides protecting against security breaches, the CSO can ensure appropriate access to customer information, storage of relevant data around research for product development and other issues.

While reinforcing the idea of the CSO's importance for disaster protection, the opportunity comes in involving the CSO in strategic initiatives that become revenue-producing, not just a cost center. While protecting customer data must be of highest importance, the opportunities around strategic application of that same customer data to enhance the business was the most interesting angle for me in the book.

Announcements

Tuesday, March 15 at Babson College in Wellesley, MA

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[XPX 2011 Summit](#)

This year's theme is: ***Assess, Adapt and Arrive: Navigating through challenging terrain.***

The [agenda](#) for the day has 19 expert speakers, from keynotes at breakfast and lunch to breakout sessions to 12-minute bursts of inspiration on three tracks for attendees to select.



Tracks include:

- What you need to be more successful at exit planning
- Breaking through to the Owner
- Building Tangible Value
- Protecting Legacy and Financial Well-Being

The expert speaker roster features: Jeff Mortimer, the former CIO of Charles Schwab, along with David Cutler, Tara Goodwin Frier, and Todd van Hoosear on Social Media for advisors, Dick Kimball, Larry Blumsack, Bill Coyne, Stefanie Dhanda, Robert Cronin, Gerald Sherman, Charley Matera, Victoria Nessen Kohlasch, Harvey Wigder, Robin

Ann Bieneman, Dave Lubelczyk, Jamie Grant, Don Hause, Paul Toomey, Doug Baumoel, Jason Baron and Gregg Hamilton-Piercy.

This is a great lineup for a full day of networking with over 150 professionals expected, all adding to their knowledge of the challenges of private company ownership transition in the coming years.

I'm pleased to be co-chair of this year's event. Please contact me at 781.729.1008 if you are interested in attending on March 15.



Trek Consulting is proud to announce that our Trekking newsletter was named a 2009 Constant Contact All Star!

about trek consulting

Trek works with owner-managed businesses to develop and execute action plans for growth frequently by identifying, assessing and improving the intangible capital in a firm. Trek also works with the owners to prepare for their successful exit by coordinating the resources necessary to increase and preserve the firm's value, creating the succession plan and assembling the right transaction team, financing and post-transaction plan. Trek Consulting is one of the founding partners of the Exit Planning Exchange (XPX). Trek's principals co-authored [Intangible Capital: Putting Knowledge to Work for the 21st Century Organization](#).

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781.729.1008.



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