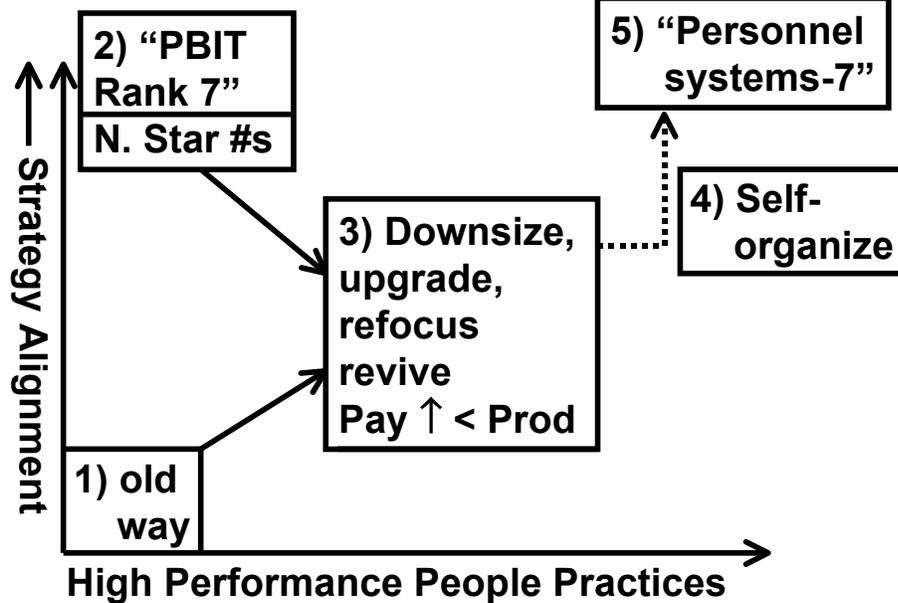


**High Performance  
Personnel Systems**

**Overview  
(19 slides)  
June 11, 2003**

**Merrifield Consulting Group, Inc.  
D. Bruce Merrifield, Jr.**

# MAKE IT ALL SIMPLER

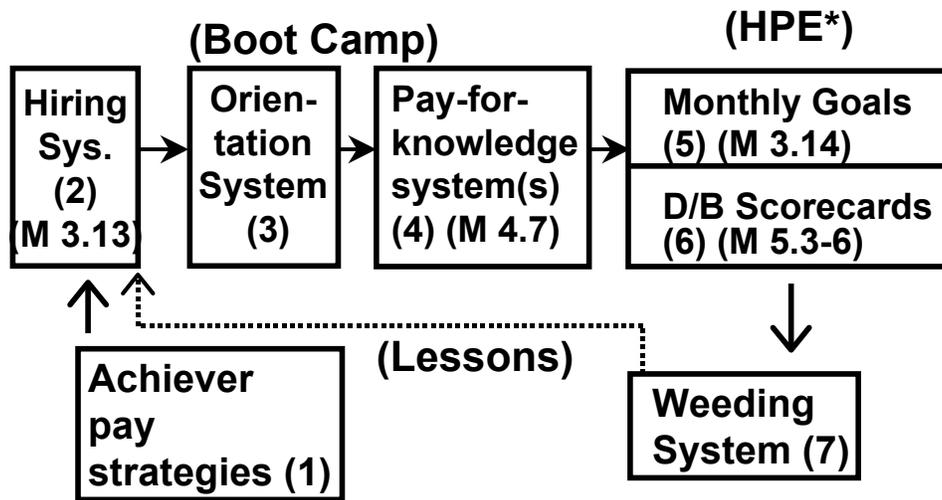


2

This is a modified slide that has appeared in previous posted slide shows. Distributors want to eventually be in the Northeast corner. Here are the simplest steps to take:

1. Let's assume you are currently practicing top-down, financial management and are guilty of offering product promotions to too many customers, many of which you probably lose money on. Also, you don't share all of the general financial numbers with all of the employees on a regular basis. This prevents you from making them more responsible for creating better service value for the right customers to better support better and growing margins and ultimately improve profits.
2. You have reviewed our strategy slide shows and our "strategy paper" (available via email from karen@merrifield.com) and have decided to pursue the due North corner and have measurable strategic alignment information. First, you do the customer profitability ranking reports. Then, you start pursuing some or all of the seven productivity plays that flow from the profitability rankings and that are prescriptively explained in both our strategy paper and video, "High Performance Distribution Ideas for All". Finally, you start posting 12 month trailing GM\$/employee trend numbers; the Big 8 of service excellence; the top 5 most profitable and top 5 most promising target accounts within your number one historical niche.
3. By going to work on the small order problem you have reduced your daily transactional activity by 10 to 30% and have actually seen your margin dollars hold steady, especially if you have done well with the "lead into gold" large accounts that were abusing the small order privilege. What to do with the huge personnel slack that results? You can do some combination of lay-offs to afford raises for key people and to gain more profits. Take time for everyone to learn about and improve service metrics and to team sell the right accounts that will grow you. If, for example, you reduce daily transactional activity 20% and lay off 10% of your least effective order fulfillment process people while giving the rest 10% raises (the company pockets the healthcare, etc. cost savings), you will be amazed at how morale jumps, service levels improve and stress of all sorts drops.
4. Now you are ready to begin to evolve, as a team, a new set of personnel systems that will help you to attain and maintain a high commitment, high performance service culture.
5. For an overview picture of 7 chronological and circular personal system steps, see the next slide.

## UPGRADE 7 PERSONNEL SYSTEMS



**\*HPE - high performance environment; D/B - database  
Article 5.7**

3

(THIS SLIDE IS THE BIG ORGANIZING SLIDE FOR ALL THAT FOLLOWS. I WILL REFER TO THE NUMBERED STEPS 1 TO 7 IN THE REMAINING SLIDES.)

Every company already does the 7 chronological steps in the hiring, training and firing cycle that is diagrammed above (whether they know it or not). Because great people, well trained and retained is the key to high performance service management, we can all benefit from doing each of these necessary personnel steps more consistently, consciously and effectively. You might consider doing the following initial steps:

- Create a binder with 7 tabs (for each step) and begin to write down what and who is currently doing any degree of formal practices for each step.
- Identifying the big holes and the obvious dumb-stuff that could/should be improved.
- Pay extra attention to “how we pick them” (step #2: “hiring”), because picking thoroughbreds that want to win the derby instead of donkey’s that can’t is more than 80% of a successful, high performance service culture.
- Rethink initial hiring pay ranges. If you want good aptitude and attitude, you have to pay more (step #1: “achiever pay”). More on how to do this in forthcoming slides.
- Assessing whether we really have the educational and informational tools and systems to make employees far more strategically productive. Otherwise, we can pay more, but can not systematically make the team productivity grow more than the wages to afford both premium pay and profits. Paying more to fewer, better individuals to lower total pay as a percent of GM\$ is a bit counter-intuitive, but that’s what UPS, FedEx, LL Bean and all top 3%-ile service firms do.
- Figure out how a team of two or more might skim through all of my distribution specific ideas for these 7 steps to see what they can agree on that is worth trying on a test-cheaply-and-quickly to learn-by-doing basis. Perhaps you and “the team” might start by going through the rest of this slide show. Then, consider: skimming some of the articles that are referenced that are on our web site; buying our \$95 audiotape product on “Hiring, Training..” (6 hours of me rushing along in an all day seminar on the 7 steps above. Great reviews, especially from those with driving time.) And/or, buy our free-trial, videotape on “High Performance..”, preferably through a re-seller, for almost nothing compared to the cost of your time and the upside ROI it will yield.

For now, let’s look at the next slide with some summary points and then two more on that support step #1- “achiever pay”.

## KEY POINTS

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- 1. Start a binder, continuously improve**
- 2. 100% of us must revere & support P. S.'s Vital to HPS\* culture**
- 3. Do whatever to reach North Star #s**
- 4. Sweat Equity, bottom-up & “outside-in” leadership vital**

\*P.S. - personnel systems

\*HPS - high performance systems

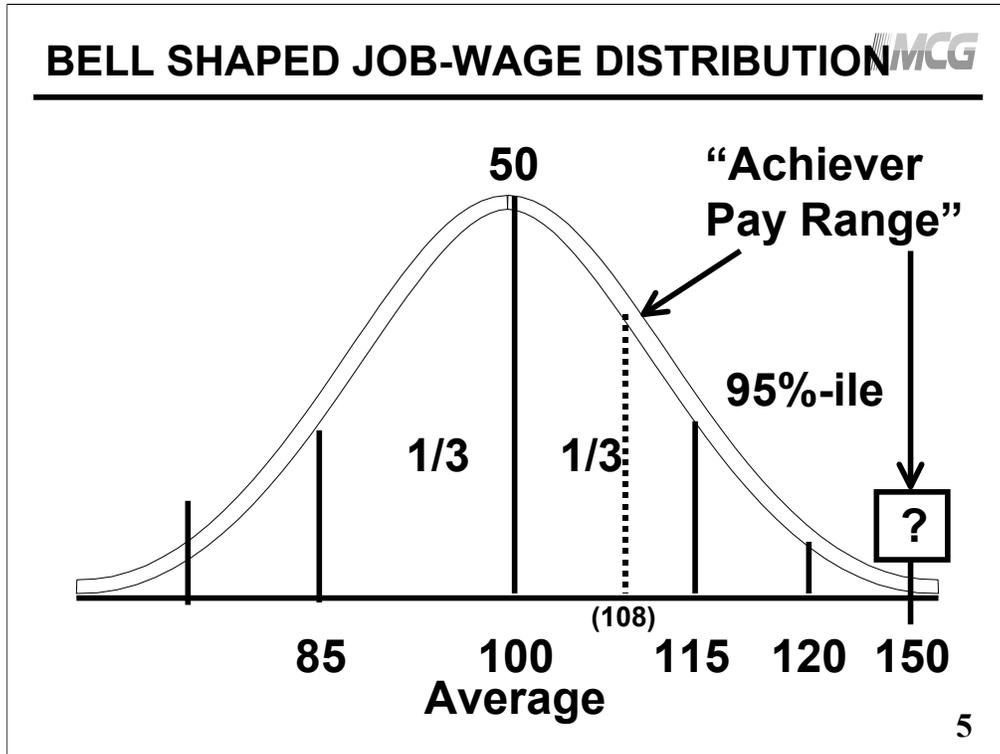
4

On point two above: it is important that all employees be treated from now on as educated, strategic value and profit improvers in order to earn for themselves: premium wages for their job niche, job-security, growth, pride and more enjoyment; etc. They need to be sold on the importance of having, participating in and supporting high-performance personnel systems. Without the support of a total personnel systems schema (TPSS), they will not be able to achieve their personal and collective desires from the company. It can not be the commonwealth solution for their objectives.

“Sweat equity” is my term for employees spending their own free time on educationally improving themselves and the systems around them that will continue to enable them and others to get what they want. If they don't want to donate some of their own time to make themselves more employable, more valuable employees, why should any employer take the risk of investing (company equity) in their unmotivated state of being?

“Bottom up” means educated, motivated employees are coming up with ideas and experiments to improve things in order to directly or indirectly move closer to North corner (and “star”) numbers.

“Outside –in” refers to the on-going advice we can get from our most progressive, core, profitable accounts within are #1 niche. They should be the final arbiter of everything we do in our business to make sure that for the lowest total cost and investment we are giving the customer exactly what they want, value and will pay for.



This slide and #6 that follows both support step #1 of the TPSS. They are both included and discussed in our video (modules 2.2 and 2.3). If and when you use our video module #2.2 entitled, “Who invented the marketplace and its’ wages?”, you may be surprised at how naïve many employees are about this subject. You may also be quite surprised at how excited they get about the idea of being part of the solution for earning a “premium wage for their job niche” by helping to grow GM\$/employee high enough to support those target wages.

Video Modules 2.6 – 2.11 deal with how much profit the company really makes, why it isn’t enough (for 95%+ of all distributors, what it is used for and why everyone has to get serious about improving profits which are really both the cost of capital and everyone’s future.

The next slide illustrates the math for “paying (as much as) 150% of the going wage (for a given job niche), because GM\$/employee is running at 200% (of the average for that job). Article 5.2 on our site tells the story for both this and the next slide.

**WALEHOUSE PRODUCTIVITY CASE:  
100 + 95 > PAY?**

---



- |  |              |
|--|--------------|
| <b>1. Work steadier on your honor</b>      | <b>+ 10%</b> |
| <b>2. Lower turnover costs</b>             | <b>+ 5%</b>  |
| <b>3. Smarter service processes</b>        | <b>+ 10%</b> |
| <b>4. Lower total error costs</b>          | <b>+ 10%</b> |
| <b>5. Less inspection overhead</b>         | <b>+ 5%</b>  |
| <b>6. Less supervisory</b>                 | <b>+ 5%</b>  |
| <b>7. X-train flexible benefits</b>        | <b>+ 10%</b> |
| <b>8. Last-look (+) service premium</b>    | <b>+ 20%</b> |
| <b>9. Better customer profit economics</b> | <b>+ 20%</b> |

This slide illustrates the story of what is going on behind what might seem to be the outrageously high wages that get paid to warehouse people and drivers at places like LL Bean, UPS, FedEx, etc. Article 5.2 on our site and our video modules in section 2 and # 4.7 (learn-n-earn certification program) all tell the entire story.

## **HIRING SYSTEM FOR ACHIEVERS (1)**

### **Assumptions:**

- 1. 95% of businesses = our farm club system**
- 2. Pay more → get more → co-create 200% productivity**
- 3. Higher paid rookies vs. vets problem**
  - **downsize the weakest**
  - **up-front contract for all to the same target maximum wage**
  - **begin a cultural transformation**

7

“Hiring System” is step #2 in the TPSS. Some comments on the numbered bullets above:

1. If we hire only the best work ethic people, they tend to already be working for some other local employers who are statistically trying to hire at a “competitive, fair wage and work them hard in a less strategically defined way that yield poor profits. This makes 90%+ of all local businesses a high performance distributors’ farm club from whom we skim the cream. High performers should always be recruiting in order to have people they would love to hire warehoused at other employers learning about business and the job that we want to hire them for at some one else’s expense. Have you lost best employees to cherry-picking high performance companies? Switch the process around.

2. We have to have a lot of confidence that if we offer a premium wage (learn-n-earn) scheme, we can then pick the achievers who have the potential to be part of a high performance team, system and culture. If we pick carelessly, then a new bad apple will spoil the entire bunch quickly. Thus creating lots of expensive problems down the road. An ounce more of hiring deliberation will save pounds of cure.

3. If we hire in a new stripe of cat at a higher wage (say 140% of average with max learn-n-earn wage of 150%), what will veteran salary sucking coasters think who might be making 110%? The vets will, after all, be more productive than the rookie for at least the rookie’s first few weeks. The answer is to share new people’s resumes (track records) and starting wages with everyone. Tell the rest that if they want to put their resume together and make a pitch to the rest of the group as to why their track record supports a higher wage then they will get an immediate bump in both wage and speed training expectations to reach 150%. This means that, if and when a rookie comes in at a high starting wage, they are being pre-paid for a big portion of their eventual max wage, because of what they presumably learned somewhere else. But, if they don’t certify in record time, they will be weeded super fast. The more we pay, the more we can expect from go. If the vets want to take the same gamble and learn super-fast or be replaced by new achievers we would love to hire that are on file and still working somewhere else, then they can step up. They don’t! In fact, they all look to the new achievers to help them certify at their own traditional few roles. And, the new achievers often become the de facto developers, guinea pigs and then new trainers for the learn-n-earn programs that must be created from scratch.

## **HIRING SYSTEM FUNNEL**



	<b>Pool</b>
<b>1. Ad for 110-140% going average wage</b>	<b>800</b>
<b>2. Send resume´ &amp; letter</b>	<b>80</b>
<b>3. A, B, C piles</b>	<b>20</b>
<b>4. Audit “A’s”</b>	<b>10</b>
<b>5. 2 on 1 management interview</b>	<b>4</b>
<b>6. Peer interviews</b>	<b>3</b>
<b>7. Immediate practical test(s)</b>	<b>2</b>
<b>8. Up-front deal on orientation (boot camp)</b>	<b>1</b>
<b>9. 4-week probationary orientation</b>	<b>1</b>

8

This slide also supports step #2 of the 7 in the TPSS (slide #3). This funnel process is exhaustively covered in great how-to detail in our audiotape product.

The slide lists chronological steps that winnow a magnitude of 800 employees who might want a premium wage for the type of job we are advertising to the few who could truly be part of our high performance vision, the true ‘achievers’.

Any system solution for this screening challenge must be efficient, as goof-proof as possible and useable by distribution branch management with a little training and true buy in. This funnel system was designed to meet those criteria.

For some color commentary, a bit more on step #7 in the funnel, “immediate practical tests”. For this step have the people who are doing the job(s) that a new hire will be expected to do put together a simple set of questions and tasks that a new hire will confront on the job. The test and exercises should take no longer than 15 to 30 minutes. You will be amazed how many good looking, sounding, con artists who can get to step 7 will blow the test, because they are illiterate, innumerate or in some cases physically not up to the test. One foodservice distributor client has finalists re-stack 40, 50# boxes from one skid to another in some necessary time; this company needs “industrial athletes” for their warehouse and delivery posts. Some refuse to sign the medical release form and leave, others quit before they finish.

(The last two steps of the hiring system, up-front contracting and probationary orientation, are covered in more detail in the next two slides, 9 and 10.)

## **UP-FRONT CONTRACTING**



- 1. Continuous mastery improvement;  
2+ hours/week in sweat equity**
- 2. X- train on maximum # of jobs**
- 3. Loyalty = mutual economic performance**
- 4. Big 8; GM\$/emp.; Trx/day/dup; etc.**
- 5. 100% (self) leaders, value/profit creators**
- 6. Boot camp education to be “strategic partner”**

9

We are still on step #2 of the TPSS, “hiring”, looking at the last two steps of the hiring funnel (slide #8). Assuming that a distribution location gets a prospect past the immediate practical test, it is important that management then try, in a sense, to sell the employee on why they don’t want to take the job. A general theme should be “privileges exist in proportion to responsibilities; everyone wants the privileges of a high performance company, but not everyone wants the responsibilities. Do you really want this responsibility?” This privilege-responsibility contract is covered in video module #2.4.

A few comments on the terms used in the bullets above:

- 1) Everyone is expected to spend 2 or more hours outside of work, on their own time, without pay, to educate themselves to be a better contributor (more on this in video module #3.14)
- 2) Everyone has to cross-train at as many other jobs as necessary to insure 100% on time receiving, shipping and phone answering in spite of surges and to insure zero errors. (video modules #4.5-7)
- 3) “Loyalty” will be much more dependent upon measurable objective service performance numbers and anonymous team self-assessment surveys. Not just being nice, politically helpful and showing up.
- 4) The service process numbers and heroic service for key accounts that matter are all inviolable. We do whatever it takes to make the numbers happen that let us know that we are taking care of the customers who in turn take care of us.
- 5) Everyone has to be able to explain: what they are doing to improve service value and profits directly and indirectly and why.
- 6) Show prospective employees the curriculum for the 4-week, probationary-employee orientation period to make sure they feel up to the work and the risk of being let go without any benefits if they don’t make it through. “Boot camp” in the military works the same way. This step has weeded a number of finalists at both my companies and client companies. Other prospects have started the orientation and then quit in the first few days to go back to their old jobs that don’t pay as well, but don’t involve any learning stress. Early exits due to these last two steps of the entire hiring process will save you lots of expense down the road.

## **ORIENTATION FORMAT**



- 1. Probationary employee for 4 weeks**
- 2. The last hiring hurdle, like boot camp**
- 3. AM study sessions/test; PM - visits**
- 4. Each module has weakest mentor (?)**
- 5. Nights & weekends for slower learners**
- 6. Different teaching methods (x) different learners**
- 7. Re-take test(s) until 100%  
they care, we care**

10

This slide covers step #3 of the 7 in the TPSS in slide #3. The how-to's of an orientation program are covered exhaustively in our audio tape product and our video product. They would be a big part of the orientation education for any new employee at a distribution company. Some clarifying comments on the following slide bullets:

#3 – the new employee might spend the morning watching, answering and discussing video modules or other types of pre-packaged modules with an assigned “mentor” or tutor. Then, they will spend the afternoon on field trips: visiting customers with different sales reps; following a process chart through its employee stations and learning about the related process measurement systems; being with individual employees while they do their job; or, learning hands on product knowledge/nomenclature.

#4 – I'm a big believer in: “repetition is the mother of learning” (and therefore the rule of 5 to 7; video module 2.12); and, “first time teachers learn more than first time students”. So, it has always been my working guideline to try to have the veteran employee whom I thought was weakest at a given module to be the mentor/tutor for that module. The new employee will pass the rule of 5 to 7 (or 15 if necessary) to get an eventual 100 on the module test, then what they memorized will start to decay. But, the anxious first time teacher will actually “get it” with new insight, appreciation and permanence.

## **LEARN-N-EARN EXPECTATIONS**

**100% average wage → 150% for:**

- 1. X-train at all certification process**
- 2. Supervisory & inspection overhead way down**
- 3. Errors 70/1000 → 35 → 15 → 10 → 5, 4, 2, 1**
- 4. Fill-rates (same day receiving) up ↑**
- 5. Cycle count accuracy 80% ( - ) → 95% (+)**
- 6. Dept'l squabbles → process teamwork & results**

**“Certification Program?”**

11

This slide is taken out of video module #4.7. For those of you who have the “Implementation Guide” you might want to go to pp. 176 – 178 and check out all of the slides, etc.

This slide is also the learning system behind pay for – knowledge, skills and flexibility – that all support the merit wages from average wage to premium wage touched on in slides 5 and 6.

## **KEY POINTS TO REMEMBER**

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- 1. Distinctive service requires x-training**
- 2. We must all co-invest towards a shared high performance economics vision**
- 3. We must match wage growth with productivity growth over time (12 - 24 mos)**
- 4. Our new assumptions & productivity plays will work, if we all do!**

12

To expand on point one is this slide:

If we want 100% on time service performance given that there will be surges in both receiving and ordering along with vacations and absences, then everyone along the entire order fulfillment process path will have to be perfectly cross-trained and substitutable on short notice. OR, errors will go up; fill rate averages will suffer; because of lack of same day receiving; and, on time shipment/delivery averages will drop.

## **LEARNING ASSUMPTIONS**

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- 1. Company's progress = sum of individual progress**
  - **Like the entire body getting fitter (better)**
  - **We all have to grow together or weak links**
  
- 2. Education is the first step of (successful) change**
  
- 3. Can't achieve excellence & promote from within if everyone isn't doing 1 & some 2**

13

To expand on some of the bullets:

#1 – learning at the microcosmic level (the individual) to make the macrocosmic level (the company) more strategically effective is not a 1 to 1 phenomenon. The individual must learn how to be a “10” at their job as well as the other tasks up and down their service process(es) to make the total process performance more robustly consistent and flexible. Then, each employee must be able to understand how their job “elements” not only fit into a process “block”, but how the new improved processes support the general “service retention economics” strategy for the company. And finally, how all of the superior economics from service retention will take care of and grow them and all other stakeholders. Our video product is designed to make this type of micro to macro understanding, appreciation and motivation happen for 100% of all of the employees at a distribution location. If you know of any other educational solution that can do this at any price (ours is a screaming bargain 😊), let us know. We haven't seen anything that begins to come close.

## **MONTHLY BOTTOM-UP ED. EXERCISE**

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- 1. One page form (voluntary!):**  
**Top: My education growth plan**  
**Bottom: How I'm progressing**
- 2. Due to annual review person 1st business day each month**
- 3. Have a 10 minute visit on what the company can do to help you grow to where ever**
- 4. But, it is co-investment, sweat equity all the way starting with 2+ hours a week outside of work hours - unpaid!**

14

This slide touches on the “monthly goals” exercise that is step #5 out of the 7 in the TPSS. It is covered in great detail in our audio tape product and general detail in our video tape (module 3.14). This exercise is meant to replace the generally disliked and ineffective annual review process by using more frequency and putting the responsibility for growth, improvement and assessment of the progress on the employee. The manager is repositioned as the “how can I help you get where ever you want to go” coach. If an employee can't turn in timely, thoughtful reports on true learning efforts, then their lack of growth is apparent within a few months. As a general rule, I think it is important to get every new employee happily into the high-performance culture within six months or start shape-up or out remedial work which leads to step #7, being “PRICE'd”. Without a record of continuous improvement and “mastery”, any consideration of wage increases is postponed and after due process or “fair treatment” in the eyes of their best friends, dismissal will happen.

What if a person can't think of any educational project to work on for the top half of the page? (The “how I plan to grow/improve myself” part). Learn-n-earn certification, team improvement projects, product knowledge modules, plus anything else that they might want to study and master (not even job related, but preferably so) are all possibilities. If a person doesn't or can't (there are many with hidden mental and psychologically challenged problems) care enough about themselves to spend 2 or more hours a week of their own time to become an educationally and more competent human being, then why should their employer invest in them? Some people may sincerely want to do this exercise, but can't self-manage themselves. They might be able to do it with a study budd(ies) outside of work, if that is possible. What is not possible is paying premium wages to someone who is under-performing, it will wreck the team spirit.

## **DATABASE SCORECARD GUIDELINES**

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- 1. High-expectation, stretch #s/goals everywhere**
- 2. Systematically published (scored) “praisings”**
- 3. Optimal (?) educational stimulation for all**
  - **false heroes & bums**
  - **all be top 10%-ile for industry**
- 4. Competition is light-hearted to teach more**

15

This slide touches on step #6 of 7 of the TPSS outlined in slide #3. “The Balanced Scorecard” is a business measurement concept that has been around for over 10 years. The idea behind it is that you have to measure more than financial numbers to get high performance, better financials. If you read articles 5.5 and 5.10 you will get a distribution specific version of the why’s and how’s of a balanced scorecard approach. Video module 5.5 also covers this concept. These are “database” numbers, because general trend charts for service process performances are important tracking tools, and ideally a chain will be able to compare similar measurement trends amongst branches for benchmarking motivation and best practice sharing.

One of the objectives of these scorecards is to make sure that every employee is constantly able to score how they are doing and improving at their input, service process tasks. Then, see how these inputs lead to faster growth and greater profitability for the company and superior economic and psychological benefits for all stakeholders. These measurements should also reveal and document who is not doing their fair share of the work and improvement which is subject matter for both steps #5 and #7 of the TPSS.

## **JOB “SCORECARD” DESIGN**



- 1. 4 - 8 #s that surround the job**
  - ▶ **(Final) output of a process**
  - ▶ **Timeliness**
  - ▶ **Accuracy**
  - ▶ **Flexibility (subjective?)**
  - ▶ **Heroic recoveries (subjective?)**
  - ▶ **“On-the-team” score (subjective?)**
- 2. Jobs vary in pro-activeness!**
- 3. Weight them for composite rank (?)**

16

A few comments on the bullets above:

#2: Jobs vary in their proactive opportunities. All of the order fulfillment people – inside sales, warehouse and delivery – do more reactive work. Their throughput #s will rise and fall with the volume of sales which they have no short-term control over. Their service quality numbers are crucial, however, in the longer run for retaining business and deserving some of the last-look+ premium that can be won for distinctive service over the mediocre competitor.

The outside sales and branch management have more proactive and strategic possibilities. Selling the right customers, the right concepts, the right way at the right time are all choices, for example, that may be wise or unwise. There are three video modules that cover the measurement of these two groups of employees and how those numbers might be benchmarked.

## **(#7) BEST GARDENS ARE WEEDED**

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### **1. Good & bad work norms perpetuate**

- 1 bad apple . . .

### **2. High speed geese**

### **3. Fire with: “fairness, due process”**

- no politics
- “I’m secure”

### **4. Equal pay for unequal work - not OK**

17

With effective use of database scorecards to spark “pushing the wheel of learning”(video module 5.7) and “making good mistakes” (video module 5.8) to fail on our faces forward toward continuous service value improvement and productivity, we can:

- a) Improve the quality and quantity output for the working norms at a distribution location; and,
- b) Expose those people who really can’t keep up.

The laggards will feel a lot of pressure from the numbers that surround them, but even more from their peers who are dedicated to being the best service providers and should be tied directly or indirectly into some team performance measurements if not economic gainsharing. The hard workers will quickly and correctly perceive that the laggard(s) are holding them back and being subsidized by them. It is the constant peer pressure that will then result and ultimately weigh the heaviest on the least productive. Employees can fool their supervisors for months, but they can’t fool their peers for longer than about 30 minutes.

Some comments on the bullets above:

- 1) Once norms are created it takes a lot of work and usually some weeding to improve them, but if they become excellent, then one bad apple in the bunch not addressed quickly can drag performance down quickly.
- 2) When geese fly fast, they honk continually to maintain a tight formation to maximize drafting and minimize wind resistance. High performance, high commitment workplaces are the same. If one player isn’t doing what they are suppose to do, everyone notices and comments right away.
- 3) If we dismiss someone, we want to make sure that it is done in such a way that everyone else perceives that: there was nothing whimsical or political about it. Was the employee in question given fair warning, chances and support to improve to some measurable, objective level? Are the rest secure about what they need to keep doing to keep and grow their jobs/career? If there is a threatened lawsuit from an 800-lawyer, will our documentation from monthly goal planning documents and database scorecard information win any potential court case?

## **“PRICE” PROMPTLY**



- 1. Pinpoint - determine the performance area of interest**
- 2. Record - measure current performance level on a graph**
- 3. Involve - agree on performance goals & strategies for coaching & evaluation**
- 4. Coach - observe performance & manage consequences**
- 5. Evaluate - track performance progress & determine future strategies**

18

This is step #7 of 7 in the TPSS outlined in slide #3. It is covered in sufficient detail in our audio product.

I have re-applied the “PRICE model”, which you can find adequately covered in the second of the “One Minute Manager” book series entitled “Putting the One Minute Manager to Work” by Robert Lorber and Ken Blanchard. Lorber’s original intent for the model back in the mid-70’s, when he was a resource for a management retreat that I attended, was to simplify the application of classic behavior modification. So, the PRICE model can also be used for proactive, improvement opportunities at any time, not just in a remedial, shape-up or out situation. But, I needed a simple, memorable solution that a branch manager could use effectively for a crucial step in any turn-around, transformational journey from good to great.

A big problem with turnarounds is that companies have collected too many mediocre(-) people who just can’t and won’t be part of a high performance culture. Previously no one really wanted to first confront and fire someone and then figure out how to replace them with another pay less, get less, mediocre employee. And, there usually is not any measurable, documented case for dismissal, so lawsuits are an honest fear.

At the outset of a turnaround, revival program, the coasters can all be treated liked achievers in the new high performance environment, but one by one they will either quit (the best type of exit) or have to be weeded. But now the documentation process has been laid down from the start of using steps #5-7.

Lastly, remember that in slide #3 there is a dotted line that goes back to the hiring step. For every person that is currently on your payroll that you would not hire again knowing what you know now, make them a case study for testing and improving your hiring process. Eliminate blind spots in the system and the managers who will use it with past experiences before trying it on new candidates.

## **CONCLUSIONS**

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- 1. Buy the 6 hours of audiotape**
  - + 66 page handout**
  - \$95**
  - 2+ listen, discuss, modify**
  
- 2. Do the “PBIT Ranking 7 “plays, post:**
  - GM\$/employee**
  - Top 5 best; top 5 targets**
  - Big 8 of service excellence**
  - PBIT/customer per strata**
  
- 3. Self-organize your way to “Personnel 7”**

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For more on the “PBIT ranking 7 plays” see articles 2.19, 2.16 and 2.18. Section 4.1-14 of our video is dedicated to the Big 8 metrics of “service excellence; how to define, measure, achieve, sell, get paid for and leverage “Perfect Service”.

The “self-organize” term was also used in slide 2 of this presentation. You will find that if you can define and measure a distribution location’s historic, most profitable strategy/customer niche and service metrics, then all a manager has to do is listen to both the core customers and key, most caring employees as to what else needs to be done to make the service numbers happen. The problems raised will all point back to the need for re-thinking the 7 personnel practices reviewed here. Use this slide show as a roadmap and fill in all of the details by using and adapting ideas from our audio tape and video products. Then, you will have a critical mass educational capability for all of your employees to start successfully down the high performance service path.