

Topgrading

The Best Approach to Interviewing

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"I was totally taken with the Topgrading premise when the book first came out. Bought it, used it, ordered copies for our leadership team," notes Frank Buonanotte, founder of the Atlanta-based The Shopping Center Group and Party City of Atlanta. "We had AWESOME Topgrading results....46% turnover to 5% one year after implementation," notes David Rich, President of 14 employee ICC/Decision Services, a mystery shopping service for national retailers. "Almost as important, we have avoided a couple of hiring disasters by using Topgrading," concludes Morris Miller, Co-Chairman of Rackspace, a managed hosting firm that has grown to \$87 million in 5 years.

As a business leader the single most important skill you can develop is how to interview and hire the right people. What all of these small and growing firms have discovered is a process that some of the leading companies in America have used for several decades. In fact, when I was completing a mini-thesis on employee selection as part of my MBA twenty years ago, the guru at the time was a gentleman named Brad Smart, author of *The Smart Interviewer* (still in print).

His latest book is *Topgrading* and the revised addition is set to be released in April. For thirty-five years Brad Smart has been the undisputed expert at employee interviewing, yet he's been relatively unknown to those running small to mid-size firms. Hired in the early 80s by Jack Welch to design GE's process for selecting management talent (I would say GE has done pretty well!), Smart has interviewed over 6000 people himself and has taught thousands of business leaders how to increase their success rate of picking the right candidate from a group of prospects from a paltry 25% to the high 80s to low 90s.

Having witnessed and experienced myself all the headaches bad hires have caused growing firms over the past two decades, the past two years my firm Gazelles (in the spirit of full disclosure) has been promoting Brad and Geoff Smart heavily to the growth company market. I wanted to see if the interview and selection skills the Smart's have taught large firms would work inside smaller firms and the answer is a resounding yes! And realizing it's relatively difficult to learn the process from reading a book, we've helped the Smart's create an interactive DVD training video and have been hosting workshops so business leaders of smaller firms can learn how to master the process.

RECRUITING

If there's a weakness to the *Topgrading* method, it's in the area of recruiting. Besides Smart's discussion of creating a "virtual bench" there's not much useful advice for smaller

firms in how to attract “A” players. You would expect larger firms to have an advantage here. However, there are a few basics to recruiting that can go a long way toward making sure you’re getting the right people applying for your job in the first place.

A useful tool you can use to access a high-quality pool of applicants or any source of people—for example, for funding or getting a referral to a top executive at a potential customer—is to make a simple Top 10 list. I’ve done this with many CEOs looking to fill key positions. Take out a piece of paper and write down at least 10 people (20 is best) you could e-mail tomorrow who have contact with the kinds of people you want. Then put together a two-paragraph summary describing your firm, the position, and the kind of person you want to hire. Make it a point to call the people on your list as quickly as possible and let them know you’re sending the summary by e-mail. Follow-up a week later to see if they know anyone or if they at least know someone who might know someone. This, by the way, is essentially what headhunters do, so if you’re unwilling to do this, hire a headhunter.

Another important basic for hiring, whether you’re sending out an e-mail, placing ads, using a headhunter, or utilizing several of the online services like monster.com, is to make sure you’re truly selling the company and its vision. You need to market your firm to potential employees with the same vigor you use to attract potential customers. As shown in the following example, I had a client that simply changed their ad from the first one to the second one below and increased the number of applicants (and quality of applicants) three-fold:

EMPLOYMENT AD — Exceptional opportunity! Rapidly growing promotional marketing agency with Fortune 500 clients seeking: ACCOUNT EXECUTIVE (description only delineating qualifications).

versus

WHEN WAS THE LAST TIME YOU HAD FUN AT WORK? It’s a great time to join our promotional marketing agency team. Get all the benefits of working with *Fortune* 500 clients in a small-agency environment. Not only do we take pride in what we do, we have FUN. Your creativity & energy are what we need. PROMOTIONS MANAGER description (delineating what you’ll do) and ACCOUNT EXECUTIVE description. Enjoy coming to work. Send resume to _____.

If using a headhunter, work with them to create a persuasive description of the company and position they can share.

Again, attracting and selecting the right people makes all the difference in whether or not you have sleepless nights, customer issues, employee morale challenges, and strong

financial performance. And it's a process not for amateurs so take the time and focus on a process within your firm to make sure you're getting it right.