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## Getting and keeping your key people fully engaged in your success

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Recently we were privileged to work with a company owner who bought this company two years earlier. The Upstate New York company was founded in 1958 and had long been recognized nationally as a top fabricator.

The owner previously owned other companies, but never a fabricating company nor a company of this specific industry.

In a short period of time he has managed to double the amount of work

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being produced and has orders booked through 2014. The most amazing aspect of this story is that he has not yet hired any new employees. Certainly the reason for such success and the complete company turn around are numerous. However, he was clear that without his top four key employees each taking a leading role the results would likely be less significant.

Who are your key people? Do you know who they are and perhaps equally important, do they know how much you value them?

Be sure to acknowledge your key people so they know that you see their hard work and the contributions they make toward the company's success. Of course your expectations may keep changing, that is how a company succeeds and thrives. In turn your key people's expectations should as well if they are to remain on top of their game, growing and demonstrating continued leadership.

Often the owner of a company will boast that they have no company turnover, never lose employees and they especially never had a key person leave. Clearly these companies are doing many things well, but unless a growing company recharges their key people, will they continue to prosper?

Just because a company may not be experiencing turn over, doesn't mean they shouldn't review how motivated and efficient the people in key leadership positions are. Many organizations just keep functioning at mediocre levels and have minimal employee turnover. This is not necessarily a sign of a healthy company. Think Postal Service.

Acknowledging key people is not always part of a company's benefit strategy. It is not surprising since many benefit approaches are not only directed by government protocol but also follow bureaucratic guidelines as well.

Few if any government sanctioned benefits allow an employer to treat their most productive employees any differently than their least productive. For example, an employer often can't

contribute more to the key employee's retirement plan than the least productive employee. Consequently the key employee ends up receiving the same proportion of company contributions.

Using only conventional compensation tools such as a 401(k), a qualified Profit Sharing Plan or other conventional retirement tools, you are not

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acknowledging your key performers. In an effort to address this limitation great efforts have been made and increases in expenses taken on and after all that effort little can be changed and as a company you can't acknowledge the few most productive employees properly.

### **Long Term Incentive Bonus Plan**

With the above mentioned fabricating company, we did create what we describe as a Long Term Incentive Bonus Plan.

When the owner rolled this out to his top leadership team, one guy got quite chocked up by the very act of being acknowledged for his skill, maturity and the example he sets for everyone under him

Aside from the fact this gentleman will have more funds and resources at retirement and family protection while he is alive, the simple act of acknowledging him had the greatest impact.

Selective benefit strategies are not

for all businesses. Some company owners are quite proud that everyone is treated the same, and this is why they have zero turnover. I cannot help but ask, while you don't have turnover, is that really an accurate gage? Are you thriving? Is your leadership team growing or is everyone content... keeping the status quo?

### **Retirement Plan Enhancement**

Lastly, an important consideration for all businesses to acknowledge is the significant underfunding of individual and company retirement plans.

The numbers of ill prepared Americans for retirement is frightening. It seems that for most individuals they avoided facing up to how far behind they are in preparing for retirement. Social Security will be the greatest income resource these individuals have and for anyone who has advanced their career aspirations farther and consequently have earned a higher level of income, Social Security will rapidly fall short.

Yes, these might be your key people as well. Take a look at their balance in the company retirement accumulation funds and consider for yourself how secure their retirement might be. If you don't like what you see but feel the employee is one of your best, it may be that an opportunity is staring you in the face.

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