

Attention Business Owners; Don't risk losing your most valuable asset, your key people

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It is Time to be Proactive Because Leadership and Legacy Go Hand in Hand...Key People May be On the Move...

It is hard to witness an employee that you believed to be key to your organization up and leave and go to the competition. Unfortunately that is exactly what is happening more than ever as opportunities are greater than ever for talented employees.

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Leadership and legacy go hand in hand and in order for a company to remain prosperous and grow, the company will need the leadership team to remain committed to the company mission. All businesses will eventually go through cycles, people will come and some will go, but managing the relationship with your key people is at the core of what the next cycle of your company will look like.

Growth or decline, what does the next phase of your business look like? Managing your key people is one of the most important aspects of running a continuously growing company. Continuously growing are the key words.

For many businesses the leadership team has been graying and although they have successfully contributed to the company for decades bringing it to where it is today, they may not be the ones to take it to the next level. It is inevitable that these leaders will be retiring.

As successful companies are facing the graying of their talent they are also recognizing the impact of technology on their continuous growth. More and more businesses are faced with embracing technology or face becoming irrelevant. Consider how technology has changed many industries and brace yourself for even more change.

To fully embrace evolving technology it will be a talented younger generation that will take a company to the next level.

For companies that are committed to continuous growth, they are steadily and continuously building the next generation of leadership. Recognizing that the leaders who brought the company to where it is today perhaps won't be the ones taking it to the next level.

However, for many reasons, it is more common than not to lose sight of who the next generation of leadership will be. But be assured that smart competition may not risk recruiting your most senior key people who are perhaps less able to adapt to a new environment.

It is often the case that the companies that have their sights set on tomorrow want to recruit the next generation of leadership before they become fixed in their ways.

Who is going to keep your company in the front of the pack going forward? Consider that back in 1886 economist Vilfredo Pareto identified the Pareto Principle also known as the 80-20 rule. This principle is still relevant today 130

years later. For a successful company this translates that 80% of a company's profits come from 20% of its customers and 80% of a company's profits come from 20% of staff time. Also for a sales organization, 80% of sales come from 20% of its sales staff. In other words it translates that it is likely only 20% of your employee population is responsible for 80% of the results.

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Therefore many businesses have an opportunity to access dramatic improvement in profitability by focusing on the most effective areas and people. It may also be time to be brutally honest about who the top performers in your organization are.

Yet often companies approach employee benefits as if they must treat all employees the same. Why do we tend to structure benefits as a flat proportion of wages and salary? Why not treat that 20% that drive the company success in a way that encourages their continuous commitment to the company's growth and success.

It is a smart business culture that creates selective incentive and long term rewards for the small percentage of key people responsible for creating the greatest results. The alternative may be that your competition will seek out your rising talent and create a very attractive incentive for them to leave your company and join your competition.

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