





# Building The Perfect Management Team

WHETHER YOU'VE GOT A HANDFUL OF EMPLOYEES OR HUNDREDS, IT'S IMPORTANT TO PUT TOGETHER THE RIGHT MANAGEMENT TEAM.

“**B**uilding High Performance Teams.” “Create A Winning Management Team.” “How To Find Top Managers.” How many books and articles have you read about this topic? How much time and money have you spent on seminars to learn these secrets? From my experience, what most authors and speakers don't tell you is that there is no magic formula for putting a group of people together to create a great organization.

For most entrepreneurs, hiring and building their executive team is a daunting task. However, recruiting, hiring and integrating the right people into your business is essential to your growth and success. Most of the time, building

the team is a strategic process; other times luck plays a big role. And just when you think you have the answers – something happens. Someone quits, a new competitor emerges, or the financial landscape changes. It is an ever-changing process, and you need to adapt to the change, which is just as important as putting together the team. As the person in charge, you have certain responsibilities to your employees, since the people you hire are a reflection of your leadership style, personal beliefs and values.

So what do you do? Ask questions, and listen to everyone who will hear your management plans. Reflect on what you heard, observed and learned, and prepare for a wild ride of change

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BRAINSTORMING  
WITH OTHER  
EMPLOYEES IN THE  
COMPANY.

and ambiguity. However, you don't have to take that wild ride without direction. Here are 12 steps to help you build the perfect team, regardless of whether your team is two people or two dozen.

**Step 1: Map your action plan.** If you don't spend the time planning, you'll waste time and money in the long run and this will surely interrupt your business-planning activities. It's not unreasonable to take a few months to plan the hiring strategy for your management team. Some organizations actually do the planning and test the waters for candidates before forming the company. This eliminates the emotion of "hurry up and hire," which can get you in trouble fairly quickly. It's important to recognize the size of your company, its growth potential and big-business implications before you start hiring employees.

You can develop your strategy by brainstorming with other employees in the company (always a good source for feedback), colleagues and/or friends who have organized a team. Understand what your competitors look like and how they may have structured their organization. Yes, I said competitors. It's always a good idea to shamelessly steal the things that work and throw out the things that don't.

**Step 2: Be ready for prime time.** The most embarrassing and fruitless moments in establishing an organization are often the result of shooting from the hip and hiring people you used to work with, relatives or, worse yet, single-discipline-minded people who just know marketing, business development or finance and aren't able to adapt to the multiple functions needed in small companies or start-up organizations.

It is important to articulate to potential employees what makes your company a great place to work. You should be able to explain your business to someone who will be able to ask intelligent questions that will make you think further. Have a company sales pitch ready to go, and be able to answer the question, "Why would I want to work for your company?"

**Step 3: Build organizational capacity.** Examine your team members' core competencies. What skills do you want your team to possess? Create a list of essential talents all employees must have, i.e., creative thinking, interpersonal skills, communication skills, leadership skills, problem-solving abilities, etc. Then overlay these talents with the technical skills for a specific position. This will make your organi-

zation more agile and better able to share resources among departments. You will be able to easily write job descriptions after you think through the core competencies.

Also remember that in some cases, you may be recruiting talent from large organizations, where executives are used to thinking of budgets in terms of tens of millions of dollars, not thousands. These people may not be used to struggling to raise funds to start up a business or keep a small company afloat. Sometimes it's really hard for these executives to ratchet down to smaller-sized companies or a different way of managing. It is not impossible; it's just harder.

**Step 4: Know your budget and compensation specifications upfront.** Here's where it's easy to spend a lot of money – money you may not have. Many executive placements are made via networking. Placing an ad in a trade journal or newspaper may or may not bring you what you are looking for in a candidate.

Many organizations turn to executive search firms, which can be a wonderful source for recruitment if you know exactly what the terms of the search agreement are and how to maximize them. Hiring the search firm is the easy part; managing their success takes work. Have your position description written and your perfect candidate clearly in mind before you engage a search firm. To build a successful partnership, chose a search firm that you feel comfortable with and partner with the firm every step of the way.

In terms of compensation, know the market base salary. Create the pay for performance bonus arrangements upfront and know the expenses for relocation. Always leave room for negotiation, but know your maximum compensation limits. Don't be held hostage to high sign-on bonuses or large stock option portfolios that may not be worth much these days. If the individual really wants the job, he or she will make realistic compensation decisions.

**Step 5: Identify key management issues.** Once you've identified your core competencies, find the balance between hiring too early or too late. Knowing the milestones your company must meet will be a key factor in determining if hiring an interim executive or outsourcing the executive's function would be better than hiring a full-time employee. Sometimes it is more cost effective to hire an interim executive than a full-time staff member. Interim executives can

# Team Building for Sole Practitioners

Just because you're a one-woman shop, that doesn't mean you have to sacrifice the benefits of a management "team." Just as we all share household duties with our spouse, children and outside "consultants" such as dry cleaners, maids and the local pizza-delivery place, it's also important to share your business duties with outside experts. No one person can do it all – and you'd be a fool to try. While you're busy doing what you do best, does it make sense to spend your valuable time doing something that doesn't require an accountant?

It's all a matter of hiring the right person for the right job, even if "hiring" really means outsourcing. Many small companies, especially sole practitioners, may fall into the trap of trying to do it all to save money. In the long run, outsourcing the right projects to the right companies or individuals may save you money since you'll be able to spend your time more wisely. In addition to the dollar savings, there are a number of other benefits to using outside specialists rather than hiring full- or part-time staff.

According to AllBusiness.com, both small and large companies outsourcing various tasks can also benefit by:

- ▶ **Controlling capital costs.** Outsourcing converts fixed costs into variable costs, releases capital for investment elsewhere in your business and helps you avoid large expenditures in the early stages of your business.
- ▶ **Increasing efficiency.** Companies that do everything themselves have much higher research, development, marketing and distribution expenses, all of which must be passed on to clients.
- ▶ **Reducing labor costs.** Rather than hiring and training staff for short-term or peripheral projects, which can be an expensive proposition, outsourcing lets you focus your human resources where you need them most.
- ▶ **Starting new projects quickly.** A good outsourcing firm has the resources to start a project right away. And if it doesn't, you can find one that does. Handling the same project in house might take weeks or months to hire the right people, train them and provide the support they need.
- ▶ **Focusing on your core business.** Every business has limited resources, and every manager has limited time and attention. Make sure you're spending your time on what you do best, and send the rest elsewhere.
- ▶ **Leveling the playing field.** Most small firms simply can't afford to match the in-house support services that larger companies maintain. Outsourcing can help small firms act "big" by giving them access to the same economies of scale, efficiency and expertise that large companies enjoy.

Many sole practitioners fall into the trap of thinking they must do it all themselves, but through the proper use of outside resources, you can do the jobs you wanted to do when you started your own company, and have someone else handle the rest. In the long- and short-run, it's a win-win situation.



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often get you through the initial milestones faster and with more focus.

**Step 6: Know it's okay to change your mind during the process.** That's the great news about planning and having core competencies established for your company. They become interchangeable and make it easy to change courses should new information alter your mindset about how the team should be structured. Every time you meet someone, you further shape the way you want your team to look.

**Step 7: Ready. Set. Stop.** Are you really ready to begin looking for your team members? Let this process take as much time as you need. Make sure you've identified all the critical steps. If you need to retool some aspect of your planning, now is the time to do it.

**Step 8: Ready. Set. Go.** Whatever recruiting strategy you use, conducting the search and the interviewing process are the next steps. It may take awhile to organize the candidates and schedule the interviews. Don't forget you'll need to be flexible. These tasks may be time-consuming, so try and build in a cushion of time so you don't fall behind your overall schedule.

**Step 9: Don't miss out on hiring opportunities.** With all of your planning and searching, it's going to be hard to make a decision. Selecting a candidate means a commitment of people, compensation and personal chemistry. This step can be scary, and if you wait too long to make a decision, some other company may hire "your" candidate. However, sometimes quick decisions don't work out. It's a fine line and a bit of a balancing act.

**Step 10: Put your high performers together.** Don't expect your new executives, whether it is one person or 10, to mesh instantly. Recruiting these people was the easy part. Now it's time to make sure they all work together, share their talents and work off of each other's ideas and experiences. Remember, you'll have to mentor them no matter how long they've been in business. You'll need to provide some framework as to how you want your organization to function so the culture you've created so far will continue to thrive and prosper with your new team members. This will take time and a great deal of involvement from you. Don't think, "Wow, now that I've hired a marketing executive I don't have to think about marketing anymore." That's the wrong train of thought. Together,

you and the marketing executive will figure out the strategy and implementation of the plan.

**Step 11: Provide an orientation and training time.** Make sure you spend time with new team members and have an orientation plan ready for them when they arrive. The plan could be as simple as spending time with some of the existing employees or as extensive as visiting clients, reading briefs and interviewing staff. Provide some sort of training on the technical part of your organization if the people you've hired don't have knowledge of your specific business.

**Step 12: Remember to take care of yourself.** As the person in charge, it's important to continue to develop yourself. Give a speech at a national or local conference. Participate in an industry council breakfast or lunch. Get involved in local efforts to link industry to education, such as giving a talk to high school seniors at a career day. Surrounding yourself with a team of awesome professionals will give you a chance to take some time for yourself and clear your head. This will rejuvenate your thinking and reenergize you to be able to continue your hard work and dedication with your business. And if, after you've settled in with your team, you think you're ready for your next adventure, you'll have the time and right frame of mind to recruit your successor.

Throughout this whole process, keeping a timeline helps ensure your activities stay on track. Some tasks will take more time than others. Being focused and determined will help keep you on course. But be flexible too; the process for every new team member will not necessarily fit into this timeframe. It all depends upon how clearly you have defined the core competencies, technical skills, scope of responsibility, competitive market salary and the current market conditions.

Although building a great team is time-consuming, the pay-offs to your organization are immeasurable. By following these 12 steps, you can lead your team down the path of success.

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