

# YOUR PEOPLE, YOUR **PROCESSES**



Entrepreneurs'  
Organization

**DECEMBER 2008**

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**Entrepreneurs'  
Organization**

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Entrepreneurs'  
Organization  
500 Montgomery Street  
Suite 500  
Alexandria, VA  
22314-1437 USA  
[info@eonetwork.org](mailto:info@eonetwork.org)  
[www.eonetwork.org](http://www.eonetwork.org)  
T +1.703.519.6700  
F +1.703.519.1864

**Regional Support  
Services Offices**

*Panama City, Panama*

T +507.264.5869

*Berlin, Germany*

T +49.30.280.998

*Victoria, British  
Columbia, Canada*

T +1.250.391.2959

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KURTIS MISHLER, EO LOUISVILLE

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"Learning to control one's body language is an art form that can be used in any business avenue. This type of language can be advantageous when it comes to building business relationships, interviewing prospective employees and conducting sales."

# A MESSAGE TO OUR MEMBERS

As we conclude the second quarter of FY2008/2009 and prepare for the promising months ahead, I'd like to address a special part of this organization: the people. When I came on board as Chairman in July, I introduced an acronym—TEAL—that embodies the organization's initiatives for FY2009. TEAL represents the Technology, External Awareness and Leadership aspects of our plan. One of the most impactful components of this particular philosophy is Leadership.

Since our inception 21 years ago, EO has been the world's leading community of entrepreneurs. This is largely due to the incredible people behind this organization. As in all businesses, the continued success of EO is predicated on the support of its "staff"—members, partners, employees and board leaders who, united, guide this organization toward new territories of excellence. Like in your company, there are certain roles that need to be filled in EO, expectations that must be met and responsibilities that have to be delegated. That's where the Global Board steps in.

The same principles we apply to our own companies, we apply to this organization. We leverage lessons learned, connect to experts and apply our business experience to ensure EO maintains a

foothold in the lives of our members. Our mission is to ensure that EO stays on the path from success to significance, and we're doing that by developing new leadership, reaching out to new partners, expanding our membership through chapter growth and, essentially, giving the people what they want.



The success or failure of any organizational structure stems from the people with whom you surround yourself. By managing a team that's committed to EO's mission, we are investing in a brighter future for current and incoming members. And that's what this issue is all about—the mechanics of managing the people you rely on in order to effectively pursue your business dreams. I hope you enjoy this issue, and that you find something you can immediately apply to your own business.

Respectfully,

A handwritten signature in black ink that reads "David".

**DAVID GALBENSKI**  
EO CHAIRMAN

## EO UPDATES

### → 2008 EO Singapore University

More than 200 members eager to gain priceless knowledge on the how-tos of business left satisfied after attending one of the most anticipated Universities of the year. The 2008 EO Singapore University, held 5-9 November, offered attendees a chance to think big and explore the dynamism of Singapore's entrepreneurial base. Highlights of the event include a tropical beach party at Sentosa Island and intimate learning with Calvin Soh, Vice Chairman of Publicis Asia.

### → Experience the West, EO-style!

Are you looking for a once-in-a-lifetime adventure? Attend the 2009 EO Arizona University and experience plenty of blue skies and wild frontiers! To be held 25-29 March, this University will be jam-packed with innovative learning sessions and enough action to kick your adrenal glands into overdrive. From a keynote session with Jim Collins to horseback riding in the Sonoran Desert, prepare to experience the famed West, EO-style. To learn more, visit [www.eonetwork.org/globalevents/2009EOArizonaUniversity](http://www.eonetwork.org/globalevents/2009EOArizonaUniversity).

### → 2008 GSEA Winner Announced

On 6 November, EO announced Dominic Coryell as the winner of the 2008 Global Student Entrepreneur Awards (GSEA). His company, Husky Express, is a high-tech laundry and dry-cleaning service. A student from Northeastern University, Dominic emerged from a group of 26 finalists to win the annual competition. This year's GSEA, presented by Mercedes-Benz Financial, attracted more than a thousand collegians from 300+ universities around the world. The finalists' businesses represented more than US\$20 million in sales.

### → EOtV Debuts

EOtv, a weekly Webcast that provides business tips from global EO members, speakers and business experts, made its debut on 8 September. This online video series features member-generated learning content and has a library of member experiences and speaker tips available for browsing. Every week, visitors to the public and private Web sites can see highlights of EO events, as well as interviews from high-profile entrepreneurs like Steve Wynn, Gene Simmons and Rachael Ray. To watch an episode, visit [eotv.eonetwork.org](http://eotv.eonetwork.org).



# THE MECHANICS OF STAFF MANAGEMENT



As entrepreneurs, you are drivers of your own destiny. Each day you travel along winding roads of adversity, motor up mountains of contention and blaze by professional mile markers. Fueled by a passion for greatness, you repeatedly go the distance with your ideas— and look where they've gotten you! While you've accomplished so much thus far, it's important to note that no matter how quickly you accelerate, how smooth you drive, you cannot stay the course without the dedication and support of your staff.

Your employees serve as the engine of your business. Without them, you'd have inspiration without action, ambition without opportunity. As such, it's important to understand your employees and provide them with a comfortable work environment in which to grow and excel. Whether you operate a startup or own a long-standing company, learning the mechanics of management is imperative, especially since it directly affects the success of your business.

As business leaders, hiring the right people, and then empowering, investing, backing, commending, thanking and supporting them, is critical. Great leaders manage their staff both strategically and tactically, and because one stems from the other, they know when to do which. These leaders also display integrity, consistency, loyalty and openness— hallmarks of a trust-based management

style. And perhaps, most importantly, they imbue their staff with their spirit and passion, encouraging each employee to instinctively do the right things; look for new opportunities that may exist in this topsy-turvy market; monitor, evaluate and adjust to situations; and deliver ever-more value and service to clients and customers. It's a tall order, but one that could very well spell the difference between success and failure.

In this issue, members address various topics regarding staff management, human resources, leadership and employee care. Some writers share tips on how to effectively manage difficult people, increase employee retention and hire smartly. Others talk about how to create stellar employee-orientation programs, the dos and don'ts of firing and the benefits of bonus plans. These articles are written by your peers, all of whom face these challenges on any given day. While there are no shortcuts to being a successful leader, these articles will provide you with invaluable insight into the magic of successfully managing your staff.

And isn't it nice to know that you have plenty of colleagues with whom you can share your journey from success to significance?

Regards,

**BOB STRADE**

EO EXECUTIVE DIRECTOR



**Arizona University**

Scottsdale, Arizona, USA • 25-29 March 2009

## QUENCH YOUR THIRST FOR LEARNING

Are you thirsting for something different? You normally wouldn't look to the desert to quench your thirst for knowledge, but the 2009 EO Arizona University will be filled with too many educational opportunities to count. Whether this will be your first or fourteenth Global event, the 2009 EO Arizona University's new learning format will take this EO experience to another level. Join us in one of the fastest-growing regions in the US, and prepare for a high-powered University.

### Fast Facts:

**Dates:** 25-29 March 2009

(Wednesday afternoon through Sunday morning)

**Destination:** Scottsdale, Arizona, USA

**Accommodation:** Camelback Inn, a JW Marriot Resort & Spa

### Registration Fees:

US\$3,150 Member/Full Guest

US\$2,550 Limited Guest

To register, or for more information, visit

[www.eonetwork.org/globalevents/2009eoarizonauniversity](http://www.eonetwork.org/globalevents/2009eoarizonauniversity)  
or contact [events@eonetwork.org](mailto:events@eonetwork.org).



# DON'T GET STUCK WALKING THE DOG

**KURTIS MISHLER**  
EO LOUISVILLE

Have you ever found yourself in the pouring rain, holding a leashed dog that's more interested in sniffing around than lifting its furry little leg to a tree? Meanwhile, you're soaking wet and wondering, "How in the world did I get myself in this position?" Oh, you know how you got there.

Your child gave you that look that melts your heart, and he begged you to buy that dog. He promised to walk, feed and love the mutt. But now, during this rainy night, you're realizing that while junior is snuggling in bed, you're left walking a pet you never really wanted in the first place.

This scenario is similar to the hiring process. As entrepreneurs, we often wind up taking care of employees we shouldn't have hired in the first place. As the owner of a national staffing organization and a firm who designs hiring systems, I know all too well the ramifications of poor hiring. I've hired hundreds of people over the years— some have been fantastic, others forgettable. Here are a few lessons I've learned on how to avoid surrounding myself with the wrong employees.

## **Avoid Emotional Decisions**

Recently, I was with a client who had to excuse himself from a meeting to attend to one of his employees. This employee had been hired against his better judgment, and the colleague who had convinced him to hire this person had left. My client confided in me that the employee was not a good fit from the get-go, and that he had made a purely emotional decision. I make it a point not to hire someone based on emotion, but rather on performance-based criteria. Personality can only get you so far— it's the employee's performance history that really matters.

## **Identify What Outcomes Are Expected**

I've adopted a systematic and measurable performance-based approach to hiring. Instead of starting with a job description, I start from the outcome I must achieve with the new employee. Before the interview, I look at the candidate's history and ask myself, "What are the specific outcomes I need to have the employee accomplish in 90 days, 180 days and one year from the hire date?" And, "If I met with him or her one year after their hire date, what has to have happened during that period for me to feel happy with his or her progress?" Once I have the answers, I can start working on the ideal performance description.

## **Use the Outcome-Based Model to Define Performance Descriptions**

Once my team has defined performance requirements, we work backward and list the competencies a person will need to have to successfully accomplish these tasks. I am specific about the knowledge base, as well as the skills and abilities that are needed. I stay away from typical generalities, such as "must be able to multi-task" and "is a strong team player." Not only are these phrases trite and overused, but they do not give my hiring team objective competencies to look for, making it difficult to recognize the best candidate. The more specific we are when it comes to writing the performance description, the interview process will be easier and the odds of hiring a needy employee will drop.

For me, it all comes down to advance planning. In my years of hiring experience, I have found that when you go from making emotionally based decisions to a targeted and quantitative hiring method, you will avoid standing in the rain with a leash wrapped around your leg. I know, because I have the rope burns to prove it. ☹



Kurtis is President of PrideStaff, a specialty staffing and recruitment service. He is also a founding Partner of AxiomOne, a company that designs hiring systems for small and medium-sized organizations. Kurtis can be reached at [kmishler@pridestaff.com](mailto:kmishler@pridestaff.com) or [www.AxiomOne.com](http://www.AxiomOne.com).





# MANAGING DIFFICULT PEOPLE EFFECTIVELY

SHAMIT KHEMKA  
CEO NEW DELHI

Difficult people on the job, whether they're employees or customers, can do more than just raise your blood pressure. Managed the wrong way, they can seriously jeopardize your business. My company provides clients with affordable solutions for improved business performance, so effective management is a vital part of our success. Here are some dos and don'ts I follow when it comes to managing my employees and customers:

## **Do Listen When Someone Gripes**

I learned long ago that ignoring a complaint or turning a deaf ear to business problems can be costly. One long-time Web application customer of ours hinted repeatedly that she would like a more secure and advanced ordering system on her Web site. Rather than take the time to talk with her and find the right solution, I let her hints go in one ear and out the other. Sure enough, a few months later she e-mailed me to say that she had found a new outsourcing developer. I lost an important client because I failed to pay attention to my client's needs.

## **Do Stay Calm and Professional**

A peer of mine recounts how a call-center employee patiently let him vent his anger about a shipment problem before moving on to resolve the issue. My friend was in a fury when he first called, yelling loudly into the phone. But the service representative defused his anger by calmly and professionally responding, "OK," until he quieted down. Sometimes, all an angry person needs is the opportunity to "blow off steam." I've discovered that responding in an irate tone only makes situations worse.

## **Don't Blame or Be Afraid to Say You're Sorry**

I learned another valuable lesson from a peer. Alan Sharland, a U.K.-based mediator, resolved a conflict between a dentist and a patient by getting the two to talk together in a blame-free fashion. The patient complained that the dentist had done more work than she felt was needed, and she was even more offended that the dentist noted her "poor oral hygiene." With Sharland's

help, though, the woman learned the dentist was simply using standard "dentist-speak" in assessing her condition (to protect himself legally). Once the patient understood she had not been personally insulted, the dentist felt comfortable saying he was sorry she hadn't been happy with his work.

## **Don't Ignore What Works for Others**

I usually try to stick to my instincts when it comes to managing difficult staff members or clients. While I might like to manage customer or employee problems in one way—in person or over the phone, for example—my customers and employees might prefer different methods. I find it's important to consider their approaches before deciding which to undertake.

For example, by having a system to monitor blogs and social networking sites, an executive at Comcast Corporation was able to learn about a widespread cable outage and get it fixed. Comcast launched its "Web 2.0" customer-care system after several widely publicized incidents with disgruntled customers. Cases like this illustrate why it can be valuable to take a different route instead of the traditional approach to problem-solving. By teaming up with an information technology specialist, Comcast was able to improve communication with their staff and clients and help prevent problems before they start.

All in all, there's no secret guidebook to help entrepreneurs become more effective team leaders, especially when they're faced with difficult people. In my experience, I've found that it comes down to being aware of your staff and clients, and working toward a resolution with everyone's best interests in mind. ☺

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Shamit (pictured above) is the CEO of Synapse Communications Pvt. Ltd, a CMMI-3 organization that provides custom Web and software development to global, small- and medium-sized enterprises. Shamit can be contacted via e-mail at [skhemka@Lwbbs.com](mailto:skhemka@Lwbbs.com).

# WHEN BUILDING A LEADERSHIP TEAM, SHUT UP AND LISTEN!

JOYCE LASECKE

EO MINNESOTA

Building a team of leaders has been the most rewarding and frustrating challenge I've taken on as an entrepreneur. It's rewarding because I get to hear my own words coming from the mouth of a director. It's frustrating because I have to watch that director slowly work through an issue for which I can so clearly see a resolution. I have learned that in order for me to be free from the day-to-day operations of my business, I need to shut up and listen.

As an entrepreneur, I love to have all of the right answers. In school, I was always that kid who raised her hand in class, eager to be seen as knowledgeable. Six years ago, when I started building my leadership team, I would always "raise my hand" when I was running meetings, as if I was the only person in the room who had the answers. I eventually started to wonder why the directors kept bringing issues to me instead of thinking for themselves. It turns out I never gave them the chance.

One day, during a routine meeting, it dawned on me that I might not be the only person with the right answer or best solution to an issue. I decided to hold back my comments so that I could hear how other people viewed the situation. By listening instead of speaking right away, I learned that the instincts of my directors were very good, but that most of them still needed guidance on thinking through issues. That realization led me to change my behavior and the way I approached delegation. I made it a point to help the directors gain perspective and confidence so that they could solve more issues without me.

Changing my behavior was, and is still, not easy. To stop myself from blurting out a solution while I wait for a director to think it through, I have to grit my teeth, sit on my hands or cover my mouth. Here's what I do to ensure I do more listening than speaking:

- **I prepare a list of topics I want to hear about in advance.**
- **I ask my directors about the topics. If I need to clarify with a statement, I start with "I understand that..." or "I'm getting the sense that..." I avoid stating what I think should be done, and instead ask for their opinions.**
- **I look for signs of clear thinking, consideration of options and action steps. I assess the director's judgment and whether he or she seems to know what to do and is comfortable following through.**
- **I give feedback based on my assessment. Usually, I'm able to compliment the director's thinking and proposed action steps. Sometimes, though, I need to say something like, "What's stopping you from taking action?"**
- **I ask another layer of questions to get at the director's feelings.**
- **I ask the director to tell me what he or she feels the next action step should be. It's important that I hear how he or she understands what we've agreed to.**

Finally, I ask the director if he or she would like me to be involved, and if so, how. If all goes well, the person is confident enough to handle the issue without me.

By following these methods to grow my leadership team, I've found that things run more smoothly. Because I'm able to keep my mouth shut and listen, I can cultivate self-sufficiency among my directors. This has freed me from being involved in the daily operations of my business, and I am now able to look at the bigger picture. ☺



Joyce is Co-Founder and President of Fredrickson Communications, a custom-training and communications firm that helps project teams design and build information and learning tools, such as eLearning courses and Web sites. Joyce can be contacted at [jlasecke@fredcomm.com](mailto:jlasecke@fredcomm.com).





How do you keep good employees around? Throughout my entrepreneurial journey, I've discovered that a strong corporate culture is the cornerstone of a successful employee recruitment and retention program. That's certainly the case with Medical Solutions, a healthcare staffing company I started in 1997. Not only has our culture kept us creative and proactive as a team, but it has led to major growth in the past two years. Building and instituting this culture has proved rewarding, but it wasn't easy. Our effort to sustain healthy employee retention involved two major components:

**1. Hire the right kind of people.**

This has been the focal point of our approach to creating a healthy company culture. Hiring the right people begins with a very careful evaluation and selection process that involves at least two interviews for every position. After the manager and a team member interview a prospective employee, the other owner and I interview them ourselves. This ensures that we are always hiring people who want to be empowered at work and who fit our culture.

**2. Build a culture that empowers and excites employees.**

The second part of our approach was to make our employees excited about coming to work. We did this by knowing that each employee is our number-one customer. Over the years, we have implemented several programs that have reflected this belief, including instituting a casual dress code when we hit weekly goals, creating a fun break room with a foosball table and pinball machine, employee of the month awards and others.

While all of these programs are beneficial when establishing a comfortable work environment, what helps us retain key employees are the little things we do each day.

**Here are a few things we implemented that have resulted in healthy employee retention:**

1. New employees are assigned a company mentor to guide them through the first month on the job. I've found this helps give new hires someone to talk to and learn from.
2. When a new employee comes on board, we have a program to celebrate their arrival. This includes having a welcome sign and greeting card waiting for them, sending flowers and a gift card to their homes and taking them to lunch with company personnel.
3. Every month we take the afternoon off and go off-site to engage in a fun activity, such as going to baseball games, taking a river cruise and playing paintball. This kind of activity has been crucial in helping us build a true team and not just a collection of employees.
4. Another step we have taken toward building a unified team is our peer employee-recognition program, where employees nominate each other for the "Go Beyond!" award when they go the extra mile. This program has inspired peer-to-peer growth and encouraged teamwork.
5. We provide all of our employees, not just management, with two full-time concierges that can help make their lives easier, such as run errands for them. This specialized service lets our staff know that we appreciate their busy schedules.
6. We have an open-door policy. We want every employee to feel comfortable talking to the owners about anything that is on their mind. By creating an atmosphere of honesty and openness, I've found our team is less inhibited to be proactive and adopt new measures.

What I've learned about the impact of a company's culture on employee recruitment and retention has helped my company reach new levels of success. Our employees are the main factor in making us successful. When it comes down to it, it's all about the people you employ and ensuring that they're as happy to be at work as you are. ☺

# CARING FOR YOUR NUMBER-ONE CUSTOMER



Dale is a partner in Medical Solutions, a company that serves 900 hospitals by providing nursing and allied contract staff. Medical Solutions was the only Nebraska company to be listed in the 2008 Inc. 500 list, marking the second time Dale has made the list with a business. He can be contacted at [dale.williams@medicalsolutions.com](mailto:dale.williams@medicalsolutions.com).

# BUILDING A BONUS PLAN THAT WORKS

SCOTT FRITZ  
EO LAS VEGAS

Throughout my experience as an entrepreneur, I have been a part of, created and destroyed many a bonus plan. And through it all, I have discovered three keys to cultivating a results-driven team through rewards. Here is what I consider before creating a plan for the entire company, select departments or an executive team:

## Fine-Tuning the Financial Preparation

Before I pursue the creation of a bonus plan, the first and most critical thing I do is ask myself: “Can we even afford a bonus plan?” In my experience, this is the number one failure of most plans. Owners and managers love to put together elaborate plans with multiple tiers and triggers without ever putting a pencil to paper on the “true” cost of the plan. I try and put myself in the shoes of my employees. As an employee, there is nothing worse than having a bonus plan changed or canceled mid-stream due to bad financial preparation. Conversely, as an employer, there is no bigger killer of morale and respect.

Making sure my company can afford the plan is simple: My plan must be focused on performance, and more importantly, on productive activities that go above and beyond the basic job description. My rule of thumb is that for every dollar paid in bonus to the employee, ten dollars needs to be realized by the company. I make sure these dollars are realized on the net income line, or at the very least, the gross margin line.

## Fitting into the Formula

The second thing I consider is whether or not the bonus plan falls into the categories of Actionable, Realistic, Measurable and Dated (ARMD). Actionable – Can everyone involved in my plan participate and be a part of the challenge? Realistic – Are the numbers and levels realistic, but beyond the forecast and/or minimum standards of the company? Measurable – Is every aspect of my plan measurable, with clear metrics attached to the results for the employees and management team to view? Dated – Clear, defined dates must be set for results, payout(s) and changes to the plan. If my bonus plan meets the ARMD criteria, I know I have a winner.

## Motivating the Employees

The final thing I ask myself before instituting a bonus plan is: “If I’m an employee reading this plan, am I motivated to achieve the maximum payout?” I realized back when I was “working for the man” that without a bonus plan that fired up the discretionary effort inside of the employee (me), the plan was useless and bound to fail. I find that the best bonus plans touch that inner drive for excellence and promote competition between the employees I want to motivate.

Over the years, these three guidelines have helped me create some outstanding, results-driven bonus plans that have pushed my employees to reach new heights of professional success. I know that if I keep my bonus plan simple, short (monthly or quarterly) and available for all to see, I can recognize those who are leading the pack. ☺



Scott is an entrepreneur, business coach and angel investor. He recently founded Growth Connect to help entrepreneurs and companies break through the box and escape the status quo. Scott can be reached via e-mail at [scott@growthconnect.com](mailto:scott@growthconnect.com).



# HOW A BONUS PROGRAM \$AVED MY COMPANY

ALLEN NOLL  
EO PHILADELPHIA

I am a big believer in productivity-based bonus programs. So much so that half of my production staff's annual income comes from a production bonus. Not one of them could live on their base salaries—they have to earn bonuses to survive. Sounds harsh, huh? On the contrary!

Eight years ago, I had a situation where my company could not get all of its work done on a quarterly basis. As a result, I was required to hire temporary help. In the payroll business, we have double the production that needs to be completed in April, July and October, due to the filing of quarterly reports and the payment of corresponding taxes. I needed a solution to increase productivity without breaking the budget.

After some deliberation with my team, I chose to implement a productivity-based bonus program. The goal was to encourage my staff with additional incentives without running them into the ground. Before I developed the program, I asked myself the following questions:

- What am I willing to pay for the specific production?
- Can my budget support an increase in labor costs?
- Are there enough incentives for the additional work?
- How will I track the production?
- When is the bonus paid?
- Will the production compensation reduce their normal work output?
- How will I implement the new pay structure?
- What are the federal, state and local employment laws to consider?

Once I found the answers to these questions, I got the ball rolling. I started by encouraging my staff to give extra effort when meeting set goals during the high-pressure months. The results were immediate. During the first year, we never missed a target date, our clients were happier and there was a lot less stress on my staff.

Eventually, I changed the bonus program from team goals to individual production earnings and made the decision to pay the production staff to increase sales. Soon, my employees were competing with each other to see who could do the most production. I never asked them to work more hours, but they did anyway. They knew that if they wanted to earn more, they had to produce more.

Over the next two years, the “work harder” mantra turned into “work smarter.” Our work became cleaner, my staff designed systems to become more productive and there was less to clean up or correct during the quarterly months. I even had some pleasant surprises. First, I was told to stop helping, as my productivity took away from my staff's bonuses. This allowed me to work on my company instead of in it. Next, my employees began to treat our clients better, going the extra

mile and really paying attention to the little things. My staff continues to create and maintain better relationships with our clients.

Why make the extra effort with our customers? Because when a client quits, the staff loses the ability to earn bonuses on that productivity. It's not just the shareholder's income that is reduced, but also the staff's income. The more clients we have, the more money they make.

I am always improving and adding to our incentive program. There are still challenges when it comes to hiring the right people, as our culture depends on great people to achieve great results. And while it takes time to implement, track and maintain the system, I wouldn't have it any other way. Implementing a bonus program was one of the smartest business decisions I've ever made. ☺



Allen is the sole shareholder of PRFUSA, Inc./The Payroll Factory, a full-service, payroll-check-writing company that helps clients update processes, systems and technology to improve productivity and reduce overall labor costs. You can e-mail him at [allen@prfusa.com](mailto:allen@prfusa.com).

One of the first lessons I learned about business is the importance of hiring slow and firing fast. When it comes down to it, creating a winning organization is all about employing the right people and knowing when to cut the bad ones loose. As Managing Director of The Results Group, New Zealand's leading provider of business coaching, I have had to deal with my share of firings.

In my business circle, I have been confronted by employees who are in constant struggle with their senior staff. However, because these difficult people are seen as key players, the employees have bent backward for them and put up with their shenanigans. In my experience, doing this sends a message to the rest of the team that the company's values and vision aren't that important, and even worse, that they can be compromised. Over time, this will kill a company, culturally and financially.

Usually the simplest solution is the best. In most of these cases, I have found that the best thing to do is let the difficult employee go and have another go at hiring the right person, methodically and carefully—one who fits both the skill and values required. In my company, no one is irreplaceable, and our values and vision must come first if we want to have a future. Ultimately, I have to protect my company's infrastructure if I want it to survive in a competitive industry.

We recently had a situation in one of our offices where a coach who had been a top performer had stopped learning, attending training days, etc. He felt his MBA, accounting degree and coaching qualifications meant he was already good enough. Of course, this type of stagnation was completely contrary to our values. Eventually, his complacency affected my company's retention numbers.

After a couple of meetings, I decided that this employee was no longer a good fit in my company. It became clear to me that we were holding him hostage, and it was time to let him go. After all, why keep a square peg in a round hole? Several members of my team didn't agree with my decision. They were concerned about the negative financial impact, as they knew the high regard that other coaches had for his abilities. I listened to my gut and fired him anyway. While we did lose revenue and clients, I was eventually able to right the ship.

Today, the difference in that office is huge. There's a completely different culture, and the atmosphere has been invigorated. The engagement of those employees who stayed has a whole new intensity. The understanding that we are serious about the company's values has been completely revitalized and performance is now far ahead of previous levels. Thankfully, my decision to weed out the lethargy proved successful. In the end, I've learned that it's important to fire fast, hire slow, and if you need to, free a hostage or two along the way... just to show you mean business. 🎯

# DEALING WITH HOSTAGE SITUATIONS IN BUSINESS



Ben is the Managing Director of The Results Group, a business-coaching company focused on mid-sized firms. Their vision is to be the global benchmark for business-coaching companies. Contact Ben via e-mail at [ben@resultsinbusiness.com](mailto:ben@resultsinbusiness.com).





# TOOLS TO MANAGING GENERATION

# Y

**KENT LEWIS**  
EO PORTLAND

As entrepreneurs, we all know one or two members of Generation Y. I happen to work with a team that consists primarily of Gen Yers, and I've come to notice that they have very different strengths, weaknesses and motivators than those in my generation. In an attempt to keep my business competitive, I've spent the past few years collaborating with my management team to develop a culture that both attracts and retains Gen Y employees. Here are some of the insights I've gathered along the way:

## OPPORTUNITIES

Also referred to as "Millennials," Gen Yers are sociable, talented, well-educated, collaborative, open-minded, influential and achievement-oriented. Born between 1980 and 2000, they're the first generation to be surrounded by digital media. I've discovered their traits include optimism, goal-orientation, civic-mindedness and inclusiveness—all attributes one desires in an employee, especially when it comes to business opportunities.

## CHALLENGES

As with any generation, Gen Y employees offer a handful of challenges. I've noticed there is the general distaste for menial work, minimal skills for dealing with difficult people or situations, impatience and a general lack of experience and (sometimes misplaced) confidence. Additionally, they tend to have unrealistic expectations, compounded by the inability to consistently meet or exceed those expectations.

## ENVIRONMENT

I've noticed that Gen Yers require a positive work environment. They also appreciate a little fun, excitement and irreverence to lighten the day-to-day workload. In my company, we've incorporated happy hour on Fridays, monthly potlucks and quarterly field trips for this reason. Similarly, Gen Yers are environmentally conscious. I've found that "going green" can be a great recruiting tool.

## COMMUNITY

Along with being environmentally aware, Gen Yers are also socially oriented. This means that they are accustomed to being organized in teams, making certain no one is left behind. Similarly, Gen Yers prefer to work with people they like, and they are very community-focused. I make it a point to provide one volunteer day per employee, per year.

## GROWTH

It's not that previous generations lack ambition or drive, but Gen Y blows the bell curve. They are particularly growth-minded, which means they expect a clear career path, training and other professional development opportunities. I have found it wise to outline growth opportunities and how individual contribution will make a difference. Gen Y appreciates (if not expects) personalized rewards, in addition to group-based rewards.

## EMPOWERMENT

Due, perhaps in part, to their wired nature, members of Gen Y prefer to conduct their own research in order to make informed decisions. As such, they prefer not to be "sold" ideas by management. In fact, Gen Yers prefer to be a part of the decision process. In their day-to-day work, they also like to work the best way they see fit.

## MEANING

Gen Yers are particularly focused on deriving purpose out of their profession. As such, they expect a workplace that is challenging, collaborative, creative, fun and financially rewarding. One way I create meaning in a job is to demonstrate the impact of Gen Y's output, and how it moves the needle for my company. I've discovered that companies that are inherently compartmentalized or do not provide opportunities to socialize are at a disadvantage.

## STRUCTURE

Creating an organizational structure that works for Gen Y is tricky. Members of this generation enjoy flexibility and a dynamic work environment, which seems counter to a highly structured corporation. At the same time, their lack of experience and confidence can wreak havoc on an unstructured company. One solution is to empower leaders with honesty and integrity to communicate the company mission, vision and purpose.

## COMMUNICATION

I've learned that a clear and concise approach to communications is critical to retaining Gen Y employees. In my company, I set expectations up front, outline objectives, provide necessary training and manage expectations. I also embrace technology as an element of corporate culture, as it is a means of sharing company information and fostering collaboration. ☺



Kent is President and Founder of Anvil Media, Inc., a search-engine marketing (SEM) agency. He is also an adjunct professor at Portland State University. He can be reached via e-mail at [kent@anvilmediainc.com](mailto:kent@anvilmediainc.com).

# THE LAWS OF ATTRACTION

BRUCE POWELL  
EO TORONTO

As an entrepreneur in the human resources field, I understand the impact successful hiring can have on a company.

My business helps intelligent companies hire better, hire less and retain more. When it comes to hiring for our clients, we practice what we preach.

Before we interview candidates, we have to get top talent in the marketplace interested and excited enough to apply. We have found that one of the best ways to do this is with a well-crafted job description. Here are some of the things we do to ensure we produce elite hires for our clients:

## TIPS FOR WRITING A COMPELLING JOB DESCRIPTION

### KNOW WHAT YOU WANT (SHARPEN YOUR FOCUS)

It is important that we focus our job description on capturing a prospective employees' attention and interest, and that we have a clear vision of the type of person we want to hire. For example, we may be looking for a marketing guru to help us take our business to the next level. In this case, we would look for someone who understands the potential of the various marketing levers available and knows, or is interested in learning, how to use them. We would cater to this type of person when writing our job description, as this is quite often the only opportunity to "market" a role to a target audience.



## KNOW WHAT THEY WANT

Before we can set out to create a job description that will attract top talent, it's important for us to understand the things our client's target demographic view as important. Job traits like frequent travel might seem great to young professionals who aren't tied down, but they could be a deterrent to senior executives who value spending time at home with the family. We figure out what it is the target candidates value, and then we highlight the ones that our client offers.

## ANSWER THE 'WHY' (BENEFITS VS. FEATURES)

Many job descriptions simply list the duties and responsibilities of the position, followed by a list of skills or experiences the role requires. Since the opportunity we are describing also offers unique benefits to job seekers—like a chance to work with the agency's most famous clients or get in on the ground floor of a new client/agency relationship—we ensure the job description communicates them. When a person asks themselves “Why do I want to work here?”, we give them the answer to that question.

## SELL YOUR COMPANY

Whatever position we are recruiting for probably exists in other companies. While it's important to communicate specifics about the role itself, it's also critical to convey information about our client's company. A great candidate is not just applying for an opportunity; they're joining what they hope is an innovative team. There are a lot of great things about our clients that employees value, and we do our best to explain how the job will help the candidate achieve their objectives and fast-track their marketing career.

## MAKE IT INSPIRATIONAL

Job descriptions shouldn't just be informational... they should be inspirational! When it comes to actually writing the job description, we have found that there are a few important points to consider. Here is what we do to make our job description stand out:

- We write job descriptions in a natural voice that conveys some of the personality of our client's companies.
- We avoid clichés and keep the business jargon to a minimum.
- We ensure the most appealing aspects of the job are highlighted and stand out.
- When we're done, we read it back to ourselves. We also put ourselves in the reader's shoes and ask: “Would I be excited about this opportunity?”

Finding a great hire in today's viral network can be a daunting task, but with the right preparation and delivery, it can net some fantastic employees. Adopting the best practices above helped me give my job descriptions a life of their own, and in turn, hire key people to strengthen my company. ☺



Bruce is Co-Founder and Managing Partner of IQ PARTNERS Inc., an executive search and recruitment firm specializing in the marketing, communications, digital, creative, media, sales, technology and financial industries. Bruce can be reached at [powell@iqpartners.com](mailto:powell@iqpartners.com).

# TO HR, OR NOT TO HR?

**DAN ARRIOLA**  
EO CHICAGO

As entrepreneurs, we are routinely faced with important questions that could impact the inner workings of our businesses. I have found that one, in particular, is common and relevant in today's competitive business world: Does it pay to invest in a human resources (HR) department?

In my experience, it's worth it. I have found that investing in an HR department to handle compliance and talent needs helps when it comes time to execute a human capital management strategy. As a service provider, talent is my company's primary competitive edge, and human capital management is a vital component of our strategy.

Given our size (we have almost 500 employees) and the ethnic, racial, generational, socioeconomic, educational and professional diversity of our employee population, it became obvious to us that we needed a department focused solely on our people. We couldn't outsource that. We couldn't afford a one-size-fits-all approach. We needed human-capital professionals in the trenches, people intimately familiar with the day-to-day inner workings of our operations, people with the capacity to be proactive to our challenges and keep up with our changing requirements.

How did I come to determine if an HR department was right for my company? I simply analyzed our need for one. Before executing a decision, I performed a gap analysis to determine where my company was and where I wanted it to go. I asked myself several questions that helped me make the right moves:

- **What is my aim in having an HR department?**
- **Does it make sense, given the makeup of my organization, its available resources, its priorities, its placement in the growth cycle and its strategic direction?**
- **How much HR ground can I cover with my current resources?**

I did my best to answer these questions realistically. What I uncovered helped me formulate an objective that showed me how necessary an HR department was for my company, as well as my department's overall composition. For example, if my company had only 10 people, little to no attrition, was struggling for financial solubility and depended primarily on a CFO, I might have been better off working under a Professional Employer Organization (PEO) environment and delegating the talent management and employee-relations responsibilities to an office manager. Or, as president of my company, I could have chosen to take on those important responsibilities. Instead, I elected for an HR department because it fit the fabric of my company and met my employee-management needs.

Though other entrepreneurs may choose to employ a different approach to managing their human resources, I found that mine needed to address five key functional areas:

- **Workforce planning and employment**
- **Development of human capital**
- **Total rewards for human capital**
- **Employee and labor relations**
- **Risk management**

A deficiency in any one of these areas could potentially derail my company or keep it from performing optimally. By fulfilling them strategically, however, my company's success has skyrocketed, and my employees are managed better than ever. ☺



Dan is Vice President and part owner of Inktel Direct, a leading, direct-marketing services company that provides fulfillment, call center, direct mail and e-commerce for Fortune 1000 companies. He can be contacted via e-mail at [dan.arriola@inktel.com](mailto:dan.arriola@inktel.com).



# GLOBAL LEARNING CALENDAR

EO Global events let you network with your peers from around the world, connect to experts from a variety of disciplines and create once-in-a-lifetime experiences. Make plans to attend at least one of these events, and discover the true power of a global community of entrepreneurs. For more information, or to register, please visit [www.eonetwork.org/calendar](http://www.eonetwork.org/calendar) or contact [events@eonetwork.org](mailto:events@eonetwork.org).

## FEB



### 2009 EO LATIN AMERICAN/CARIBBEAN CONFERENCE **REGISTER NOW!**

**25-28 February 2009** Punta Cana, Dominican Republic

<http://www.eonetwork.org/globalevents/2009eolacconference>

## MAR

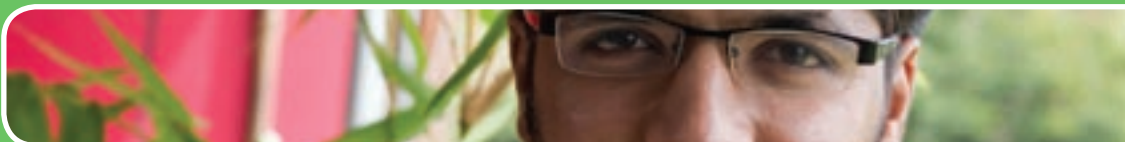


### 2009 EO ARIZONA UNIVERSITY **REGISTER NOW!**

**25-29 March 2009** Scottsdale, Arizona, USA

<http://www.eonetwork.org/globalevents/2009eoarizonauniversity>

## MAY



### EO/MIT ENTREPRENEURIAL MASTERS PROGRAM

Applications for the Class of 2011 are now available. Due 6 March 2009

**Class of 2009, Year 3 | 27-31 May 2009**

**Class of 2010, Year 2 | 24-28 June 2009**

**Class of 2011, Year 1 | 17-21 June 2009**

Dedham, Massachusetts, USA

<http://www.eonetwork.org/globalevents/emp>

## JUN



### 2009 EO FAMILY CONFERENCE **REGISTER NOW!**

**30 June - 3 July 2009** San Diego, California, USA

<http://www.eonetwork.org/globalevents/2009eofamilyconference>

## AUG



### 2009 EO CANADIAN CONFERENCE

**12-15 August 2009** Ottawa, Ontario, Canada

## SEPT



### 2009 EO BARCELONA UNIVERSITY

**30 September - 4 October 2009** Barcelona, Spain

# LESSONS LEARNED

## Being an entrepreneur isn't easy.

In this special section, EO members and experts from around the world weigh in on key business topics related to staff management.



### ON TRYING TO FIX EMPLOYEES

**ARLENE VERNON**

EO SPEAKER  
Owner of HRx, Inc.

"When I think about 'fixing' an unfixable employee, I think of one analogy: If I'm in a relationship and I haven't been able to change my partner's habits after so many years, what makes me think I can change the habits of an employee? If strategized, employee-development methods aren't working, I look elsewhere for solutions."



### ON LEADING DURING TOUGH TIMES

**DAVID MAMMANO**

EO WESTERN NEW YORK  
President of The Next Step Magazine, Inc.

"Great leaders know that only dead fish swim with the current. When I'm dealing with difficult times, I take a moment to pause and think, because I know that I shouldn't react impulsively. Only after careful consideration and preparation do I act."



### ON IMPROVING EMPLOYEE RETENTION

**AJAY DATA**

EO JAIPUR  
CEO and Managing Director  
of Data Infosys Limited

"We measure the satisfaction of our employees through retention surveys. This helps us know the overall satisfaction index of our staff on regular intervals, and it ensures that we understand employee needs and requirements, as well as the priority at which they should be solved."





## ON LEVERAGING TECHNOLOGY WHEN HIRING

**CHERYL NAKAMOTO**

EO VANCOUVER

Co-Founder of McNeill Nakamoto Recruitment Group

"I use the Internet to my advantage when it comes to hiring employees of value. I Google prospective hires' names and check Web sites for red flags. The popularity of social-networking sites like Facebook, Myspace and Friendster can tell me more than I ever wanted to know about a job candidate."



## ON HOW BRANDING IMPACTS YOUR STAFF

**JULIE MITCHELL**

EO TORONTO

Principal of Parcel Design

"In my experience, branding is a powerful tool when it comes to expressing your company's intangible values to staff. It helps produce greater team alignment, loyalty and overall performance."



## ON GETTING JOB DESCRIPTIONS MORE EXPOSURE

**JONATHAN DAVIS**

EO AUSTIN

Executive Vice President of American Workforce Companies

"When I'm hiring, I make sure my job postings are in places where people can easily find them. When I post, I ensure that the Web site is tied in with some of the more popular job posting aggregators. I also try to find niche sites where the traffic will be much lower and the quality of the eyeballs much higher."



## ON PLANNING EMPLOYEE ORIENTATIONS

**MICHAEL MICHALOWICZ**

EO NEW JERSEY

President of Obsidian Launch

"The variables that most influence my company's productivity are morale, purpose and enthusiasm. I find that planning a powerful employee orientation program is the key to success. The orientation is not about paperwork—it's about building a great company around great people."



## ON SCREENING PROSPECTIVE EMPLOYEES

**JAFETH RODRIGUEZ**

EO SYDNEY

Chairman and CIO of RECRUITadvantage

"When it comes to screening potential new hires, I avoid yes-or-no questions whenever possible, and I try not to ask too many questions. I make it short, relevant and easy for the candidate. I don't want the screening process to be a reason for the candidate to discontinue the application process."



## ON HELPING SUCCESSFUL EMPLOYEES GROW

**CARL ROBINSON, PH.D.**

EO SPEAKER

Managing Principal of Advanced Leadership Consulting

"The key to nurturing successful employees is to solicit constructive developmental input from people you trust and whose opinion you value. Once you sort through the feedback, you should identify the top suggestions and begin to work on those."

# GIVING TOUGH MESSAGES IN TOUGH TIMES

**MARNIE GREEN**  
EO SPEAKER



Marnie is the Principal of Management Education Group, Inc., a worldwide training and development firm that specializes in supporting leaders who face tough challenges. She is also the author of *Painless Performance Evaluations: A Practical Approach to Managing Day-to-Day Employee Performance*. Marnie last spoke for EO at a Global event in 2003. She can be reached at [mgreen@managementeducationgroup.com](mailto:mgreen@managementeducationgroup.com).

About 20 years ago, I was hired by an organization and quickly put into a gut-wrenching situation. Within three months of my arrival, the company experienced a major period of cutbacks. Jobs were being lost and my position was on the list to be eliminated. Because I was the most junior person in the office, this meant that I was a prime target for layoff.

After a long, three-month process, it was determined that my job was safe. During those three months, I was on pins and needles. But looking back, I am grateful that my boss kept me informed and provided me with options as early as he could so that I could prepare for the potential loss. His honest approach to delivering tough messages during tough times taught me how to be a better business person.

Today, organizations and employees are facing similar cutbacks and turbulence. If they aren't laying people off, they're cutting budgets big time. As entrepreneurs, we know that a slumping economy translates into difficult decisions for the workplace, and how these decisions are carried out impact how employees feel about their organization.

While these tough times are forcing business owners to deliver bad news, it doesn't have to lead to decreased employee motivation or commitment. Here are a few lessons I've learned regarding how to effectively communicate with staff during difficult times:

- 1. TELL THEM ALL YOU KNOW.** Hiding details or facts from employees rarely benefits anyone, and employees eventually find out the full truth anyway. If you haven't been 100 percent upfront with the details from the beginning, your lack of transparency will be held against you in the future.
- 2. TELL THEM WHEN YOU WILL KNOW MORE.** Sometimes you don't know all of the facts or possible outcomes. The best thing you can do is to admit what you don't know and inform them when you expect to have more information. Of course, you'll want to deliver on your promise to follow up.
- 3. PROVIDE OPTIONS.** In uncertain times, entrepreneurs want to know that they have viable options. In the case of layoffs or budget cuts, you may not have a choice when it comes to making tough decisions. However, you can offer options to employees about how the changes will affect them. For example, one struggling organization I know is offering employees a chance to take a lower-paying job or a severance package. At the very least, the choice leaves the employees in control of their own destiny.
- 4. SHOW YOUR PAIN.** These are painful times when people are losing the status quo. It is completely appropriate, and often times welcomed, for the person delivering bad news to show that it's a tough and painful decision. I still remember a former boss of mine who said, "This was one of the hardest decisions I've ever had to make." I believed him.
- 5. DON'T SUGARCOAT OR MINIMIZE THE MESSAGE.** You may want to deliver the bad news in a way that makes it seem "not so bad." You may even sprinkle in a few "look on the bright sides." While a certain amount of optimism may seem appropriate, be careful not to overdo it. What may seem like "no big deal" to you may be a huge deal to the employee who is hearing the bad news for the first time.

Giving tough messages during tough times can be difficult, but I've learned that by being honest and forthcoming with your concerns, you'll set yourself and your staff up for future success. ☺



# The Art of Body



DR. JAN ONNO REINERS  
EO SPEAKER

Karen Walker, the gin-soaked millionaire and protagonist of the American television show, “Will & Grace,” summed up a key problem of human understanding when she said: “Honey, I don’t look. I am looked at.”

The pitfalls of human body language couldn’t be summed up more precisely. While our bodies are constantly sending out signals about the way we feel and think, the signals sent out by others most often fail to register on our radar screen— they are neither recognized nor interpreted consciously.

In fact, even those entrepreneurs who may not be particularly chatty people (like me early in the morning) are constantly, unknowingly sending out signals with their bodies. How you move, stand, sit, look, hold your head and hands— they’re all signs of who you are and how you’re feeling at the moment. In many respects, body language is how we emit our true feelings through action rather than words.

So how can an entrepreneur leverage this skill? I am often asked whether one can learn to control his or her body language, or even learn to “fake it.” Yes, it is possible. There are people who excel in doing just that. They are called actors. You can recognize these types of people by muting your television (or by stuffing popcorn into your ears at the movies) and seeing if they’re able to convey their feelings and objectives by body language alone.

While we are not all actors, learning to control one’s body language is an art form that can be used in any business avenue. For example, this type of language can be advantageous when it comes to building business relationships, interviewing prospective employees and conducting sales. However, consciously controlling—or even slightly altering—one’s body language requires a lot of energy and attention. This means having less brain capacity left for other important tasks, like getting a message across or responding to outside signals.

There is another way, though, to work on body language. It doesn’t concern the “sending” part of the system, but rather fine-tuning the antennae which receive body language signals sent by others. It’s like learning to listen again, but this time with your eyes, and on a much deeper level. As a professional speaker, I practice this skill whenever I can. I make it a point to watch people and try to deduce how they’re feeling, what they’re thinking. In doing this, I can better react to my audience and understand how to handle my messaging. It’s a remarkable skill to have as an entrepreneur!

I also frequently tape myself or others during training sessions. In this observing role, I constantly watch out for moments when things don’t “feel” right. When it comes to body language, our feelings are very good at interpreting what we are observing, much more than our analytical brain. Whenever something doesn’t feel right, it is likely that the body’s language and the words spoken are out of sync. As a result, the person in question loses his or her authenticity and appears disingenuous. When in doubt, I listen to the body language.

Ultimately, what I’ve come to realize is that instead of spending a lot of time and effort on “faking” my own body language, I try to enhance my attention to, and awareness of, the signals that other people are sending. This way, I will be more likely to recognize and respond to their true objectives. This makes me a stronger businessperson and a more attentive leader, and those are the true markings of a successful entrepreneur. ☺



As a top-executive coach, trainer and keynote speaker, Jan Onno advises many high-level European executives on leadership, presentation and communication issues. His diverse background includes a Cambridge PhD in biotechnology, seven years of high-level strategic management consulting and improvisational theatre. Jan Onno was a speaker at the 2007 EO Berlin University and can be reached at [jan@jorhd.com](mailto:jan@jorhd.com).

# QUOTED & NOTED

## EO Dallas' Chris McKee Talks Credit Crisis



EO Dallas member and Managing Partner of Venturity Financial Partners Chris McKee was interviewed for a front-page story in the *Dallas*

*Business Journal*. Chris discussed the US financial crisis and its impact on his clients.

## EO Hong Kong Member's Bar among Elite



EO Hong Kong Forum Chair Tony Yeung's restaurant/bar, Azure, was recently named one of the world's best sky bars by Times

Online. Azure is located in Hotel LKF, a hotel situated in the renowned dining/bar district in downtown Hong Kong. It offers a breathtaking night scene and tribute to Hong Kong's vibrant spirit, past and present.

## Philippines Member Recognized for Stellar Financial Support



EO Philippines member Dean Lao Jr. was recently recognized by the *Philippines Daily Inquirer* for being one of Quezon City's

top taxpayers for 2007. Lao's company, Chemrez, Inc., contributed a huge chunk in revenue to the city's coffers.

## College Hunks Entrepreneurs Among Coolest



EO Tampa members Nick Friedman and Omar Soloman launched College Hunks, America's first all-student junk removal

franchise, three years ago. The duo was recently recognized by *Inc.* magazine for their innovative approach to entrepreneurialism by being named to the magazine's "30 Coolest Young Entrepreneurs" list.

## Jewelry Designer Talks Branding on CNBC



EO Austin member Kendra Scott made an appearance on CNBC's popular business television program, "The Big Idea," hosted by

Donny Deutsch. As Founder of Kendra Scott Jewelry, Scott discussed the steps she took to build a multimillion-dollar company from only US\$500.

## EO Member Lunches with Warren Buffett



EO New York member Guy Spier recently had lunch with his hero, Warren Buffet, considered one of the world's greatest financial

minds. Spier and a friend bid in an auction to secure a spot with Buffett, and the money went to charity. Spier's once-in-a-lifetime experience was detailed in an issue of *TIME* magazine.

## EO Elumni Named "Entrepreneur of the Year"



EO DC Elumni member and President and CEO of The Ralls Collection Marsha Ralls was given the honor of "Entrepreneur of

the Year" at the 2008 NFTE Dare to Dream Awards Dinner in New York City, New York, USA. Ralls supports issues involving children, education and human rights. She was also recently named CEO and Publisher at Children's Pressline.

## EO Atlanta Member Makes Esteemed List



EO Atlanta member John Daviston was recently named one of Georgia's "40 Under 40" business leaders.

John was recognized for making a mark in business, government, education, the arts and the world of non-profits.

## Hong Kong Entrepreneur Talks Toys



EO Hong Kong member Ivan Ting Tien-li was recently published in the *South China Morning Post*. In the article, Ivan

talked about his company's role in the toy industry, the importance of quality craftsmanship and staying on the right path for progress.

Share your news with your EO peers by sending a detailed e-mail to [octane@eonetwork.org](mailto:octane@eonetwork.org). Please include a 300 dpi headshot with your submission.



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