

The 5 Step *Predictive* System – Segment 1

Smarter Business Building Series

Note: The transcription is done by slide – there may be an error here and there, but in general it is verbatim

JoAnn Corley: Welcome to the five step predictive system program. It is and will be a game changing approach to how to build a smarter business, improve your leadership and business management as well. I'm so happy that you're here. You're in for a ride and you're going to be blown away by the value and the impact that this training program is going to have on you, your business, and your dreams.

JoAnn Corley: Now, the system and the program is divided into three sections. First, we have the mindset, which is laying the foundation. We then have the second step, which is I call them segments, which is management, implementing the system. Then we have the five Ms, which are the keys to maintaining the system and to fulfilling out of success. There's a couple of As and Bs in these segments, to give you more information as well. These are really the five three segments that we'll be going into.

JoAnn Corley: This section, this particular video is actually section one, or segment one, which is mindset. It's all about laying the foundation for how to get the most out of this program. We're going to go ahead and start with segment one. Make sure you have your slide notes out and any other materials that you need to really work through and to get the most out of ... Whatever your learning modality is, and however you do that best.

JoAnn Corley: Okay. Our first segment is about laying the foundation, as I mentioned. It's going to provide specific information, thinking and approaches to create a very distinct shift in how you think. In fact, it's a pretty substantial shift in how you think, because we've talked about this being a very radical approach to how you build and manage a business. This particular module is going to be related to how you see and your relationship to money, in operating and building a business. This is super important. Make sure that you're very focused, you've got your notes, and you are ready to go.

JoAnn Corley: Additionally, what I want us to focus on is the fact that how we think and work with money in our decision making, I believe and have experienced, is really an essential non-negotiable leadership competency. I've seen over and over again, the fact that because this doesn't exist, folks are making decisions that really don't even make sense. I think it's a needed competency.

JoAnn Corley: People are making decisions against their own self-interest. Particularly as it relates to employee performance and connecting behavior to money, and employee performance behavior to profits. I call this the 21st century business acumen that every decision maker and their HR counterpart needs to have.

JoAnn Corley: What you're going to experience here is really valuable. You're going to know and you're going to say, wow, this is, just even the first few points that we go through, how this is going to be way beyond what you expect in your return on

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investment. Even to help you solidify that, after a few segments, we'll even help you calculate the value of in the application of this, to your business. We want this to be very tactical, and very practical, although it's going to have some important concepts as well.

JoAnn Corley: All right. Let's dive in a little bit deeper to how to get the most out of this program. This is what we'd call segment one, on mindset. Now, in other words get the most out of the program, here's something that we've got to understand. That is, how behavior and how change occurs. We're going to start with one of my favorite quotes from Albert, buddy of mine, who says, "We cannot solve our problems with the same thinking we used when we created them." Another part of it comes to, "Cannot solve our problems at the same level of thinking and understanding at which we created them."

JoAnn Corley: When you understand change, and you also understand decision making, what you're going to see is, our thoughts and our feelings drive our decisions. That creates a result. If we want to change the result, we've got to first change our thinking. That's what Albert suggests here.

JoAnn Corley: When we look at then, how to change behavior, we've got to see that our decisions are really sourced from that mindset we actually arrived at. It's kind of like rearranging the same thinking, and trying to get out something new, which is the modified version of insanity. Also, feelings have a lot to do with decision making. We're going to go into that in a little bit more detail.

JoAnn Corley: If you want to improve results, you have to increase your knowledge, with relevant information and to generate fresh thinking.

JoAnn Corley: Okay. The entire program here then, is based on valuable knowledge to improve your decision making. Our goal is to take the knowledge bytes that we give you and help you turn them into practical tactical know-how. As we go out the training, you're going to see slides that say stop, ask and think. Those are actually intended to be action slides. I just want to highly recommend you exercise some self-control, which I have a hard time doing when I do these kind of things, and not try to just go through the whole thing, but to really just methodically work through this and let each ... This is built for a reason. Each item builds one on top of the other, and for a reason. That is to help you build the best foundation to maximize the information, really to maximize your profits. That's really what it comes down to.

JoAnn Corley: This'll be an action item slide. Take the time to do the exercise. Here's where you're really going to take the concepts and apply them, because each person that does this program is going to have unique needs in their business or their leadership and management. You want to make sure these concepts are customized and applied directly to your business, because really, that's what matters most.

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JoAnn Corley: We're also going to have certain segments, certain sections that have something called a profit point. That's something we want you to really sit, live with for a little bit, and digest, because those are things we really want to drive home. This segment, segment one, on mindset, is packed with a lot of them. Again, be methodical, go through it slowly, and work through everything we ask you to. By the way, if you have any questions, don't hesitate to reach out, zip me an email. If you feel like oh my gosh, I already need to set up a strategy or advisory call, you just work this program any way that you possible need to, to get the most out of it.

JoAnn Corley: Okay. We're going to start with part one, of segment one. That's enhancing what you see. The outcome of this part is to see the people aspect of your business very differently. All right. As we continue to lay the foundation, the first thing is, that human resource, we want to see that in a literal sense. It's way more than a department. In fact, it is the driving force of your business. If we want to even say foundation piece 101, we must have a reset on how we see and approach HR.

JoAnn Corley: Here's our first knowledge point. Fact is, is that the human resource is the driving force of your business. If we take a macro look at what a business operation looks like, here is a basic formula. You have your vision, then you have the strategy to execute your vision, your plans, your processes, and your tangible resources. Now, what's interesting is, what drives all of that, and what is the determinant to all of that, in getting results, is the human aspect. That every single part, the upper part of that chart, is driven by human beings. It's really what they think, how they feel, how they're motivated. The bottom line is, is that people make or break your business. It's their behavior that executes every single aspect of the business.

JoAnn Corley: With that in mind, we'd like you to think this way. That behaviors in business are either profitable or unprofitable. That either move you towards or move you away from profit. Now, a lot of times, managers and leaders think of people in terms of their names, their personalities, all this kind of thing. I'd like you to do a little tweak, and that tweak is, just look at behaviors as a result of those behaviors, and then categorize them in terms of moving away, achieving your business outcomes, or moving closer towards.

JoAnn Corley: Here's your next important knowledge point. Human behavior is either profitable or unprofitable. It's either moving you towards or away from your results and your profits.

JoAnn Corley: Now, here's our first stop, ask and think. You think that people make or break your business, and human behavior executes every aspect of the business. What's a simple example of this fact in your business right now? We really want you to stop and think, and in your slide notes, write the answer. What's a simple example of this fact? In thinking that behaviors are either profitable or unprofitable, give an example for each, that you can identify in your business,

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whether it's your own behavior, an employee, or a manager or leader in your business right now. I want you to stop the slide, take a moment, think it through, and write down your answers.

- JoAnn Corley: All right. I'm going to go ahead and give some answers. Just in case maybe you were having a hard time thinking of any. Here's a great example. First question was, what's a simple example of this fact. One would be teams creating a plan to implement a strategy, which requires thinking, motivation and willingness to work together. Decision making, communicating. Those are all behavioral aspects of the business.
- JoAnn Corley: When you think about this, they're equally at some times more important, even than technical skills or years of experience in a specific discipline. The highlighted areas here, these are the elements in human behavior that drive the business.
- JoAnn Corley: We actually call that the human quotient. Again, human behavior is really a business resource. This is a very different way of thinking. The very more literal sense of humans, sometimes I say it's putting the human back in human resources. Certain human qualities are actually business resource. Motivation is a business resource. Focus is a human resource. We call that, or business resource. That's the human quotient of business.
- JoAnn Corley: We looked at behaviors are either profitable or unprofitable. Here's an example. Profitable behavior, someone generates a usable idea. Unprofitable behavior, a manager is a sexual harasser. If you start to look at the behavior of your employees, and segment them out, I think that would give you a very unique and interesting perspective of your business operations through the lens of human behavior.
- JoAnn Corley: Now, as we are going through this, one of the things that I want you to consider is, do you know, when you think of the unprofitable behaviors in the business, do you know how much it's costing you? Because it's not enough just to see it, it's part A. Part B is now, how much is this particular behavior costing me in terms of revenue and profit? That's what we really want to help you work through as well.
- JoAnn Corley: All right. I'm parking in this a little bit, because it's a really, really important foundational element to everything, to the whole predictive system. The reason why I'm parking here is because in my years of experience in working with business leaders, a lot of leaders do not act on unprofitable behavior, because they are not sensitive to the impact and cost. In fact, when I do a strategy session, I help leaders work through and create an impact map, because it's a way of building out the big picture of, what is this behavior really doing? Because everything has a ripple effect. We'll go into that in a little bit more detail.

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JoAnn Corley: Everything has a ripple effect. To be able to see that and be aware of it, and to build a sensitivity around that, that is just really hugely, hugely important.

JoAnn Corley: We could actually really say that a better or smarter business building profit point is that human behavior is a business asset. It's a foundation of any business, and should be treated as such. And, if it's not treated as such, it will adversely impact your profits.

JoAnn Corley: Here's our next knowledge point. Human behavior is a business resource, profitable behaviors are a business building essential. Business resource, building resource, it's all centered around behaviors. That is the bottom line. I keep using the word bottom line. It is the critical essence of running a business, is your behavior and the behavior of everyone in your organization.

JoAnn Corley: All right. As we continue the theme of human behavior as a business resource, we want to also add to that thought, that human behavior is really the operational power, kind of like the gas, the engine, in running your business. The gas and power that runs your business resides in the human aspect of your business. We could say the primary source and power from which a company runs, is the human aspect, and business success is really all about power in a lot of different ways.

JoAnn Corley: As we continue to think, we can say then that there's two kinds of human power in business. There's a collective people power, which comes from individual contributors, and I actually like that phrase in the literal sense as well. We'll be adding that and talking about that later on also. Then there is the leadership and management power. They both have financial impact.

JoAnn Corley: Because they both have financial impact, here's another shift in thinking. That is, and I consider every single person employed to be a financial partner. That's why I like the phrase individual contributor. Everybody is contributing to the betterment of the company, financially, or at least should be, or you're hoping so that they are.

JoAnn Corley: Let's look at this a little bit deeper. When you start a business or when you're running a business, or if you have P/L responsibility, your original resource is cash. Sometimes, you can barter, that kind of thing, but in general, your initial resource is cash. That cash, that money, creates the opportunity for people to contribute. You hire them, they become employed. Employment is an opportunity to contribute. I'mma say that again. Employee, employs one is the opportunity to contribute. You could say, I'm giving somebody a job. What you're really doing is giving them the opportunity to contribute, not only to their own wellbeing and their own financial needs, but also, to the needs of the business, and to the needs of their team members and clients and customers.

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- JoAnn Corley: Hiring therefore, is a financial agreement. That agreement is hey, you hire me, I'm going to contribute my talents and skills, to generate more money and revenue for the company, for myself, for the company, and all stakeholders.
- JoAnn Corley: If money creates the opportunity for people through hiring, and then you look at employee participation and employee performance, that impacts all the business resources, because besides using the money, you've got other tangible resources that need to be used, manufacturing. One of my clients is flour, it's a baking ingredient, it's the machinery on the line. It's all those kinds of things.
- JoAnn Corley: Employee participation, people using resources to produce results, that's a lot of power, and I call that people power. It's a lot of power. All of your resources reside in people power. Now, that people power is either going to generate profits or it is not going to generate. That's where the power is, they have the power to make or break your business, to move it forward, to stall it, to cause it to fail. Not only our power as people, but also to those we employ or make a financial agreement with, as well.
- JoAnn Corley: Good people power is profit power. This is an important point, because if we don't understand this as leaders, when we go to make financial decisions around people, we won't see this. This is where a lot of leaders make decisions that undermine the very things they want. They don't understand that they're contributing to their people power, which is really contributing to their profit power.
- JoAnn Corley: Also, you have the negative power. People power has the ability to have negative profit impact as well. It can go positive or negative, either way. Here's our next knowledge point. People have the power to impact your business. Empowered people produce profit. The more you empower them, the more you give them power, the more they will produce profit. An example of this would be, let's say you have low morale for whatever the reason, and you think, I can't afford to do anything special for them, because I don't have any money. Here's the thing. If you don't give them more power, chances are, they're not going to produce more profit.
- JoAnn Corley: What can you do even creatively, even with very little money, to empower them, to give them power, to help them feel good, to increase morale, so that they will then be motivated, a human resource, a business resource, to produce more, to generate more outcomes and results that could generate in profits and revenue.
- JoAnn Corley: Here's smarter business building profit point. See and understand the power of human behavior related to the results of your operations and revenue. Both these positive and negative impact is commonly overlooked and not taken seriously in operating and building a business. I just see this so often. Because most leaders don't consider or see the specific financial impact of human behavior, and this has really got to change. This is a lot of what this particular

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segment is about, and also to the handbook that you received a complimentary copy of, and that is showing the money.

JoAnn Corley: Leaders must be able to see and quantify human behavior in their business. It's a cost, whether you see it or not. Since all successful execution of your business is wholly dependent on people, then how should you see money in relation to that? I gave an example of that, but again, this is something we have to drive home because it's such a huge shift in thinking.

JoAnn Corley: Smarter business building is really about thinking about how we spend money, and whether we see it as a cost or we see it as an investment. I want to encourage you to see it as an investment, versus a cost. Because really, here's what's happening. When you give someone money, you're investing in getting more of the behaviors needed to increase the results. What you could say is generically, I'm investing in people. That's what most people say. Yeah, I invest in my people. What you're really investing in though, in the most literal sense, is to improve what people feel, think and do, to generate better business results. More profitable results.

JoAnn Corley: Here's our next knowledge point. Money spent on people is an investment versus a cost. I'mma say that again. Money spent on people is an investment versus a cost. At any time you give people money to do something with, you're expecting an ROI or return on investment in return. It's way beyond employing people or giving someone a job. It is, they're an individual contributor, they're going to contribute to improving the business and generating revenue and profit.

JoAnn Corley: Here's a leadership dilemma that I find very common. It's called FOS, fear of spending. Here are the traditional reasons why. First, there's a lack of understanding of the role of human behavior in business, and you're being introduced to this right now, and I'm asking you to begin to think differently and adopt this new mindset, new way of thinking, so that you can make different kinds of decisions, that's number one.

JoAnn Corley: Number two, is they don't know how to measure and quantify the investment, and that's what we're going to be moving into here shortly. Number three, oh, the result of that, there's no number three. Result of that is, it creates a cost mindset, which is very restrictive and constrictive. It's like, I want more out of this term, but I'm going to suffocate it and nothing's going to come out of it. I want more for my people, but I'm not going to do anything to help my people contribute more. I'm going to cut out coffee because we can't afford coffee. Then people walk around complaining about the fact that they don't have coffee. Where's all their energy and resources going?

JoAnn Corley: By the way, this is actually a real example. Here's the consequences. We have stalled actions in your decision making, it clouds your own thinking, sabotages needed actions for growth. Now, I'mma use a very overused term, it's a solemn

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no brainer, but it's so different because we've been ingrained to think about money, human resource, very differently than what I'm suggesting to you. This is really got to change, and this is the point of the system and the value of your investment in the system.

JoAnn Corley: Okey dokey. Let's take a breather for a quick minute. Let's look at one of our profit points so far, because I'm asking you to make a lot of shifts, and I just really want this, I want to rush through, I want this to really just percolate and simmer for a little bit. First, human behavior is a business asset. It's a foundation of any business and should be treated as such. Next, see and understand the power of human behavior as it relates to the results that you want for your operations and revenue. Next, therefore, related to people in any way, you should see spending money as an investment versus a cost. You should be looking for the ROI the return on investment. Really, that's what performance management is all about, and we'll go into that in more detail later.

JoAnn Corley: All right. A few more to consider. Your human resource is the driving force of your business. Money spent on people is an investment versus a cost. People have the power to impact your business. Empowered people produce profits. Human behavior is a business resource. Profitable behaviors are a business building essential. Human behavior is either profitable or unprofitable. Moving you towards or away from the results that you want.

JoAnn Corley: What can we say in terms of an overall strategy change? We suggest that you strategically invest in people power, because that's the fuel that runs your company. You're going to either starve it or fuel it. The decision is yours.

JoAnn Corley: Let's just look at a very quick example. I shared one earlier, but I'll share another one here now. Let's say that you want to grow your business and you're starting with your staff count, your current staff count, that you currently have. Sometimes when people think, I need to grow my business, that means I need to have more employees. That's not necessarily true. That's usually a decision or thought process for people who don't know how to develop talent or develop human capability.

JoAnn Corley: One simple way to improve capacity and productivity is time management. Productivity training. Frankly, it doesn't cost that much and it's amazing when you employ certain principles, how much more you can get out of a staff just by saving time. I call it trading time. Let's say the average workshop is three, \$5000, just use that as an example, depending on the size of the group. Let's say that, in fact, there's an example of this in the actual handbook, Show Me the Money, let's say that you save one hour, even a half an hour a day, per employee. How much could that net you out in terms of time, redistributed to grow the business, and also too, what I call return on investment and we're also going to introduce something called return on compensation, meaning, being able to get more out of the contribution of employees as well.

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- JoAnn Corley: Sometimes, it's easier just to do a workshop and improve productivity is to hire a new employee with benefits. Even simple strategies like that, if you understand what it takes to develop human capacity, human capabilities and thinking, how can I grow my business. Then, to say, I'm not sure I have \$3000 right now, or I don't know where I'm going to get that. Yet, you want to grow your business. That's choking your business, because of FOS, fear of spending. We've got to say okay, I've got to be willing to spend because I'm going to be able to tactically and practically determine how to get the hour, and I'm going to be able to track it, I'm going to be able to get the ROI and the ROC, return on compensation, for that.
- JoAnn Corley: That's really what a lot of this program is to help you do that, to build your capacity to do that, so you can make better decisions, so you're not hamstringing yourself in underwriting the very things that you want.
- JoAnn Corley: The new strategies then for how to, for smarter business building, goes like this. You want to see your human resource as a aspect, the human aspect of your operations, and you want to make the best of your people power. Which really goes back to even the time management example. You want to use money to achieve that. That's the general summary of it.
- JoAnn Corley: At this point, I'd really encourage you to stop, because there's a lot that just went on here. We're almost at 30 minutes already of lessons, that's not even counting the fact that you took the time to answer the questions, which I hope you did. You might want to take a breather, because it's a lot of new information. Review your slide notes, review the points, and I want to encourage you to really begin to integrate and adapt that shift in thinking from things that we've talked about so far.
- JoAnn Corley: Okay. Here's what's up next. We're going to learn how to attribute money to human behavior from the measuring, for the purpose of measuring and quantifying the impact for P/L. This is where this is going to get real now, because we're going to teach you how to tactically, with very simple what I call human resource accounting 101, please don't let that freak you out, but it's just ways of measuring and quantifying human behavior as it relates to your P/L, so you can make better decisions and overcome your FOS, fear of spending.
- JoAnn Corley: All right, here we go. Simple approaches to measure and quantify the use of money related to your human resource. Here's what we're going to go over. We're going to go over the six measuring fundamentals. We're going to learn how to simply connect money to human behavior. That's going to result in an enhanced educated view for better, I call it profitable decision making. Better use of people power, say that fast five times, and increase your confidence and competence in people management for significant improvement in operation results. This also's going to help your managers and leaders become better financial partners.

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- JoAnn Corley: All right. Now. I already said all this. I'm just going to say it again. This here, if you haven't done it, because I just know people. I just know that human behavior, you might be tempted to say, okay, I need to get through this. Really, take the time. Make sure you thoroughly review part one.
- JoAnn Corley: Okey dokey. Here we go. Part two. Measuring fundamentals. This is math 101, in its simplest format, trust me. If I can do it, you can do it. We're going to look at the six measuring fundamentals, and then we're going to have our periodic stop, think and apply session, and a few sidebar strategy sessions as well.
- JoAnn Corley: All right, here we go. I would definitely get out your slide notes and even a calculator, because I'm asking you to do some ciphering here. All right. Measuring fundamental 101. Anything related to measuring behavior, which we're calling, we're talking about employee performance at any level, is investing in people for an ROI. We want to measure behavior, it can be measured and we're going to give you some very simple ways to do that, but you got to think about it is, we're investing in people to get an ROI.
- JoAnn Corley: Now, that can be measured in one of two ways, either tangible or intangible. Decisions are made to achieve one or both. Both of these matter, when people are investing money in employee performance. Understanding this is essential in business operations. And FOS, too.
- JoAnn Corley: All right. Here's an example of a tangible. An employee saves one hour on a production line. That's a tangible investment that you can measure. There's an intangible, a leader feels relieved and happy that there's an increase in retention. One is a tangible, one's like okay, it's a feeling, one is something visual and physical. There's two examples, example of tangible and intangible.
- JoAnn Corley: Here's a question. Why is this ... No, sorry. What's the value then of the intangible example? Because if you're saying, I can't really see it, I'm just feeling it, what's the value of that? Good question. The answer all depends on the person and what really matters to them. In fact, an investment in the intangible could be actually priceless. Here's an example. Let's say that you don't pay your employee more money, but you give them time off. That could be priceless to them, to spend more time with their family. Because you would say, how can you measure that. It's priceless.
- JoAnn Corley: That's an example of the financial value of intangible. People will pay varying prices for the same or similar result item or service. It all depends on how much they value it. I was having a conversation with one of my clients, we had just done a pilot of the system, and they were talking about the results. One of the things that I discovered, that I was really surprised at, not surprised at this person, but surprised that this was discussed was, we were trying to do the measuring thing, and he said, "We can do the tangible measuring all day long," because it's a manufacturing environment and there was increase of production

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and all sorts of ways of measuring financial ROI. What he wanted to talk about is the changes in his employees.

JoAnn Corley: Also, how he felt about the difference he saw in them. He just felt so happy about it. He felt relieved that they were getting help in ways that he couldn't give them. I found that so heartwarming. In essence, you could say, how much would he have paid for that? To feel that good, to feel the relief. How much was that worth it to him? That's really a great question, an example of the financial value and willing to invest in something that is not tangible.

JoAnn Corley: Here's a human behavior insight. You can apply a dollar amount to and pay money for an intangible gain. You can apply a dollar amount and pay money for an intangible gain. Insight number two. Decision making reflects values. Whether you're investing in a tangible or an intangible, values are always an underlying element of decision making. In fact, I can tell a leader's values, their knowledge and understanding of human behavior, by looking at the decisions that they make. Easy for me to say, because I have a trained eye. I think it's very, very, very interesting.

JoAnn Corley: Okay. Now, let's do a stop, ask and think and let's apply this. Here's a question. What are some tangible outcomes you would like to achieve from this program, or in general, from ... Or improvements you'd like to make to your company. If you're looking at your company right now, looking at operations or other kinds of things, what are some tangible things that you would like to see change in your company.

JoAnn Corley: There's two different ways to use this example, just holistically, let's look at your company in general, or specifically, related to the predictive program, what are some tangible outcomes that you want to see. Then also too, the other side of the chart is, what are some intangible outcomes that you would like to see or achieve? How do you want to feel, what do you want to ... What's the value to you as a manager or leader, or to your employees. See if you can flesh out these two questions so that they make sense to you in your business in real time.

JoAnn Corley: All right. Let's keep going. We're going to move onto measuring fundamental number two, and that is anything related to measuring behavior, can be done with dollars, percentages and numbers. Both from a performance standpoint and tangible ROI. We're going to give an example of that in an upcoming fundamental. That's measuring fundamental number two. Anything related to measuring behavior can be done with dollars, percentages and numbers.

JoAnn Corley: Okay. Let's move onto number three. We're coupling a couple of these together. In measuring fundamentals number three, in the beginning, a business was born, and money was used to compensate people for providing their human resource, being an individual contributor to assist in fulfilling the business plan. Now, when you give money, expecting something in return, it's

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considered an investment. We've already gone over that, but I had to pull that in there for this next foundational principle and fundamental.

JoAnn Corley: Wages are an investment. Measuring performance is measuring not only your ROI, return on investment, but also your ROC, which is return on compensation, which is also an investment. This is really important when you're looking at what I call the simplicity of performance management, which in our five step predictive program, we completely radically change performance management and how we see it, is to do this.

JoAnn Corley: I want you to calculate, this is one of these, an exercise I want you to do, is to calculate what is your current compensation investment. Meaning, look at your employees and determine what is your total amount in current compensation, whether it's wages, hourly, salary, all that. Total amount of money being spent on wages of any kind.

JoAnn Corley: Now, whatever number you come up with, that is considered your base investment in your company's success, because remember, if human beings drive everything related to your business, none of that can be executed without being you and/or other people. That is your investment in the base success of your company, and investment in driving revenue and driving profits.

JoAnn Corley: All right. Here's the knowledge point again, we're going to try to drive this home. When you give money expecting something in return, it's considered an investment. Compensation of any kind, therefore, is an investment. Better ensure you are consistently getting what you're paying for. That's where performance management comes in.

JoAnn Corley: Right. As you're, this is our first stop, ask, think and apply. Assess your current investment with your simple performance management. We're going to first of all look at whatever number you came up with for your total investment to date. Look what came up to your investment to date, and then ask the following. Of that amount of money, am I getting what I expect and what I'm paying for. Am I getting it in one of three ways. Is it above expected, at expected or as expected, or below expected.

JoAnn Corley: We're simplifying performance management in the assessment of your ROI and ROC, and we're looking at it only in one of three contexts. Is it above, at expected, or below. That's really all you need to look for. Am I getting what I'm paying for.

JoAnn Corley: If you are below, then we can safely say that you're losing money. If it's above, it's a higher return. If you have managers that are not managing to expected, you're losing even more money because that's impacting the performance, generally speaking, of those that they're managing.

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- JoAnn Corley: This is an enhanced calculation. Look at the percentage of your staff, at expected and below, and then you can do one of two things. Just apply okay, of all my staff, this is the percentage, or number, that is above. This is the percentage that's at expected, and this is the percentage of below. Then what you could do is you can do your compensation dollars. There's three ways to do this calculation. Number one, depending on how large your staff is, you can literally say, this is the number of people who are performing above expected, this is the number of people who are performing below expected. These are the number of people who are performing at expected. You can do that by number.
- JoAnn Corley: Or, you can do that by percentage. This is the percentage of people that are above expected or below. Or, you can do of my total compensation dollars, this amount of compensation dollars is related to those who are performing above. I'm getting a higher ROI and a higher ROC on the above. This is the amount of compensation dollars that are for those who are performing at expected, and this is the amount of compensation dollars that are performing below.
- JoAnn Corley: There's lots of different ways you can look at this, to give an enhanced educated view of what's going on with my money, as it relates to my investment to get profits and revenues, to the people that I had hired. This is when you really, one of my park, stop, really think about, and apply some practical numbers to.
- JoAnn Corley: Here's our insight. Employee performance management is really tracking your return on investment. Now, I don't advocate the complicated performance management that many companies are doing. I just would like to encourage you to think of it as at, above and below. We're looking at not only ROI, return on investment, we're looking at ROC, return on compensation. What I do, when I work with managers for teams, I'll say okay, let's look at your team right now, and let's look, who's at and above and below, and then how can you as a leader move them. How is your leadership capability, your leadership influence, what can you do to get some of them up from low to at least expected.
- JoAnn Corley: This is all about low to at least expected. This is all about a manager's effectiveness. That's how we begin to set the framework for measuring that. What needs to be developed for them to be able to do that.
- JoAnn Corley: It's always a way of determining, do you need to coach someone up or need to coach someone out. Is that person coachable. There's many aspects when you're looking at above, at and below, to see how am I going to really manage my talent, manage my human resources, to get the best ROC and the best ROI that I can.
- JoAnn Corley: Here's a key knowledge point. Employee performance management is business management. It's not just some extra HR activity. It's a way of measuring, it's business management. How am I spending my money related to the literal human resource to get outcomes. It is tracking your ROC and your ROI.

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- JoAnn Corley: Now, many business owners are bleeding profits because they do not see or manage employee performance in this way. This is a significant shift in how you see your business and manage employees, and manage your business as well.
- JoAnn Corley: Okay. Here's our first strategy session. This is where we're going to really think a little bit more big picture about your business. I want to just start out by answering these questions. The answers that you received in the previous exercise of applying dollars, numbers and percentages, and calculating your whole compensation dollar amount, what impact did that exercise have, those calculations have on your decision making? How is this going to inform your decision making going forward? And, how is this going to impact your profits and your revenue going forward?
- JoAnn Corley: This is the ultimate in strategic planning related to how do I need to staff, who do I need to replace, who do I want to grow, who's coachable, where is my management energy being spent, where is my leaders and manager's energy being spent. Let me assess the talent of my management leadership team. So many questions go into just this.
- JoAnn Corley: All of that has got to inform your decision making and help you make, my phrase is, more profitable decision making, going forward. As you're looking at this, here's what you want to continue to ask yourself. Am I losing money? Where and with whom can performance be improved? If so, how much investment should be required, time, money and other resources? If someone asked me, if I come in to coach someone, a leader or manager who's derailing or not doing well, and we look at the performance or we look at the behavior that's needed to get this manager or leader up to par to be at least what's at expected. How much time is it going to take for this leader to change or develop behaviors to get to a certain level, and then how much money is that going to take for that leader or manager to get to a certain level?
- JoAnn Corley: You may say, we don't have the time for that. That might be the time when it's time to let that manager go. Or you may say, they have so many redeeming qualities, and they have so much maybe operational capital, intellectual capital that we want to keep them and invest. Even if it takes longer, it takes more money, to get them to where we need them to be. That's an example of that.
- JoAnn Corley: Then the next one, if improvement is initiated, what's the estimate return based on the role or skill as it relates to needs of the business, which is based on this example I just gave you. If all performance is at or above, determine why and keep going. This is another twist on this, is hey, if things are really going well, let's look at what is going well and how can I duplicate that, or how can I mimic that as I continue to make decisions going forward. Be aware, become sensitive to what is working well, and then just duplicate it and keep doing it. Keep doing the good stuff, but you got to notice it to be able to duplicate it.

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- JoAnn Corley: That's really the point of this entire exercise and assessment. Then you can create strategies around it. All of the questions and all this activity really, has a tremendous impact on your business. This is, we're talking thousands and thousands and thousands of dollars. Depending on the size of the business, millions. In summary, I really want to just encourage you to do the exercises.
- JoAnn Corley: You can even add your own additional questions, like of your under performers, how many are managers. Of the under performers, how many can I get them to move to at expected within a month or two. There's so many different ways you can work this to your own advantage. And, ultimately, not only just, that's layer one. Layer two is, what is the ripple effect of the under performers and their behavior? Both as managers, and as individual contributors.
- JoAnn Corley: This might be the moment where you might say, okay, I think I need a strategy call. I need to sort through what's going on in my business as it relates to these principles. This is where we also do an impact map, where I can teach you how to do an impact map. Because that exercise is so eye opening and so valuable, to help you to enhance your business acumen, better strategic planning, better strategic decision making, the impact map exercise is really huge. You can find an example of it in the workbook, but you might want to do it one on one with me as well. I think I'm going to create a round table around it too, for our community.
- JoAnn Corley: Let's stop for a moment then, because one of the things I said very early on is that we're going to help you to make better decisions, and to also calculate the value of this program. I'd kind of like to do that right now. I'd kind of like to sit and think, okay, let's talk through what's been the value of this program to date. Since you did gamble on, to your benefit, gamble on paying for the program, how much money can you say you already can make or save, just with the information you've learned in segment one?
- JoAnn Corley: We haven't even gotten through segment one yet, but just on the things that you've learned so far. You may want to stop this slide, I should've made this a stop, ask, think slide. Let's take a moment and answer these questions related to the decisions, your actions, calculating the financial impact, the ROI on this program. Really take a moment. All right, I'm calling it the value moment. Put some pen to paper related to the questions on the slide.
- JoAnn Corley: Okey dok. Let's move onto measuring fundamental number four. Measuring employee performance can always be done not only with ROC, but also with time. Time, people don't realize this, time is a basic measurement of ROI or ROC, because usually, people are hired based on compensation and the time that they put in based on the compensation. It's pretty simple. We do it. People don't realize that that is a basic measuring tool, everybody's using all the time anyway. We just maybe didn't think of it that way.

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- JoAnn Corley: Time is a common built in measurement for what we're trying to accomplish. If you look at then, calculating ... That's why I gave, by the way, the time management example earlier in terms of expanding capability and capacity for the business, because time is a fundamental factor. Let's also look at another example of the dysfunctional manager.
- JoAnn Corley: Good question to ask around this is, how much time is a dysfunctional manager taking up between himself and his team that is not productive? That is producing unprofitable behaviors. Where is the ROC in terms of at, above or below.
- JoAnn Corley: A dysfunctional manager could be a huge time sucker. You can have employees spending a lot more time instead of driving the business, talking, gossiping about the bad behavior of a manager. That's an example. Think of that in terms of, okay, let's look at those behaviors that we talked about earlier, profitable and unprofitable, and now let's meld those into okay, what's the ROC, what's the ROI, when we're looking at profitable and unprofitable behaviors and connect those dots.
- JoAnn Corley: Moving onto measuring fundamentals number five. Measuring the impact of human behavior, employee performance should include immediate short term and long term impacts. If you're charting out the ripple effect and if you're doing the impact map, or even saying okay, here's the immediate impact to what's be done, in fact, if you just do at, above or below, but then also add okay, if someone continues to perform below or if they continue in an unprofitable behavior, immediately, what's going to be the cost, and then if they do that, short term, but if they do that long term, what's going to be the impact. Not only to team, clients, customers, and to the P/L.
- JoAnn Corley: You want to chart not only how is this being impacted, and then for how long. That's what the impact map does. It helps you create the largest, biggest picture, when you're looking at long term loss and/or gain.
- JoAnn Corley: Here's an important point. To make the best decisions, you have to establish the broadest view. Determining the ripple effect, via the impact map, is the way to do that. We're going to attempt one here. They're easier done in person, really, they're mind mapping. It's great to try this exercise.
- JoAnn Corley: All right. Let's just take a situation, specifically a certain behavior of an employee, and create an impact map based on these questions. I call it using the power six. It goes like this. Who, what, when, where, how and why. Your map needs to reflect answers to those six. For example, who's been impacted. How have they been impacted. What's been impacted. How much is the impact costing us. How is the return on compensation ROI. How does it impact customers. What's being impacted. Why is a good question, because that can lead to some coaching questions when you meet with a person. When. Timing,

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usually, if you have an unproductive employee in June, but you're a dot com retail, and the disruption is in December, that can make a difference in your P/L.

- JoAnn Corley: The when is also important. All of these, you just have to really customize for the type of business that you have. There's so many different questions and then answers related to the power six when you're creating an impact map.
- JoAnn Corley: Again, we're looking at, once you create the initial map, then adding short term, immediate and long term impact. If you can put any kind of numbers to it, that's great as well.
- JoAnn Corley: After you create your impact map, what you want to do is assess your answers and then create a strategy. You've got to come up with an action plan. You've got to act on now, what you know, what has come to light, what you see differently. This is key. Remember I said earlier, a lot of leaders do not act on behavior, because they don't see or are not sensitive to its cost. What we're seeing now, at least from the fundamentals of time and ROI and ROC, basic measuring fundamental, that hey, you're losing money if those, at least are not being met.
- JoAnn Corley: The questions would be then, what are your answers teaching you, what are you learning about your business operations that you didn't see before, maybe filling in some blind spots, what insights are you gaining, and again, what are some things that you didn't see before that you now see and link. Holy moly, there's some things that I didn't see, and some things absolutely need to change.
- JoAnn Corley: All right. Here's our key knowledge point. To make the best decisions, you have to create the broadest view with thoughtful information. That's what an impact map does. We have arrived at measuring fundamentals number six. This is how to, a basic formula for how to calculate ROI. I'm going to let you work through this, because my explaining it to you, you'll hear me talk about, it's really not going to be that helpful. If you just, you'll have to just, in quiet, figure it out. Here's an example that I've left from the time management workshop. You can even calculate your ROI from this workshop or this program so far, if you want to do that.
- JoAnn Corley: This is just a formula, have in your back pocket, part of your competency, to do the actual physical calculations of ROI, related to an investment, something like this.
- JoAnn Corley: I want to give a few examples of the return on investment you can get on coaching, which impacts return on compensation, by the well. If you can go from below to at or at to above, with some investment and coaching or training, then hey, you're in a good spot. Okey dokey.

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- JoAnn Corley: Couple examples here. If you start, a salesman increases revenue with one session of three months of coaching. I had to figure out, had to kind of read what the heck that was. With one session of three months of coaching. Number two. An executive improves with communication to key team members, and the results is, there's an increased level of trust, and because there's more trust, people are more likely in this situation, to reveal mistakes, and those mistakes were caught early, and that was a huge impact to the ripple effect, which impacted the money.
- JoAnn Corley: Another example, number three. The executive improves communication, which results in another valued leader deciding not to stay. Sometimes, when you have dysfunctional leaders, other leaders who are just more with it, they say hey, I'm not going to put up with this, and they leave. If you can turn around one member of the team, or a manager, it definitely can save talent.
- JoAnn Corley: Another example, number four. Key leader improves his or her decision making, resulting in actions taken for quicker revenue acceleration or saving money. That's even related in our case as leaders, we can improve our decision making, we can act quicker, be more confident, and that's going to impact our P/L.
- JoAnn Corley: Okay, those are just a few examples. As I mentioned earlier, and I really want to reiterate, many leaders ignore harmful behavior, underperforming employees, and refrain from investing in growth or change, because they are unaware of what's costing them. Ultimately, they do not understand the role that human behavior plays in the relation to their business plans.
- JoAnn Corley: All employee behavior impacts profits, one way or another. I have that head, (singing). Okay, somebody, who sings that song? Name that tune. Anyway. One way or another, profits are impacted by human behavior.
- JoAnn Corley: Employees are not a minor part of a business. They are the business. They drive the business plan and the results. How money is used, related to employees, should be a business strategy that fulfills a business plan to drive results. Ultimately, if you want different business outcomes, you need to focus on two primary elements: a plan and the right people and performance to execute it.
- JoAnn Corley: Remember, without this new view and approach, the whole point of this first segment, mindset, leaders will continue to make decisions against their own best interests, and that of their company's. They will continue to experience stalled action, clouded decision making, and sabotaging behaviors from their employees, because they're not dealing with the employee behavior and not acting in a timely manner to address it. That's just delaying growth. Nobody really wants that in their business, and they can't say yes, I'm the leader that delayed growth because of X Y Z. We're not going to say that.
- JoAnn Corley: All righty. Here's your final value moment. We made it to the end of segment one. Yay. Laying the foundation. Let's assess the value you have or will achieve

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so far. Seriously, this has so much content, it's probably worth going through again to just do a solid review. I want to end this by asking these questions, what's going to impact your decisions, what's going to be your action going forward, what can you act on specifically in the next few days or upcoming weeks. Start to calculate your financial impact. Are you going to let somebody go.

JoAnn Corley: I was talking about this in one workshop, and one manager called out, "I feel the need to weed." Are you going to go weeding in the next couple weeks? There's just a lot of things that you can ask about this. What I'm really hoping for, is that your confidence level and your business acumen has already substantially increased. That you're saying okay, this is a really interesting way of looking at my business, I already know I'm going to be managing my money differently just from these mental shifts and pieces of information. I'm going to have more confidence when I need to fire someone. I'm going to do it more quickly, or I'm going to everything help more quickly, or there's lots of different ways that this information can impact how you behave as a leader and as a business manager.

JoAnn Corley: Before I move onto segment two, I do want to ask this question. Imagine if every leader and manager in your organization understood these principles and their actions, and decisions were consistently influenced by them. I ask that question because, one of our running themes throughout this segment has been, really wanting your leaders and managers to become meaningful financial business partners, and be good stewards of the money that you are giving them, that you're investing in them, to get a huge return.

JoAnn Corley: You may want to consider bringing this program to your organization, or enrolling additional leaders in it, on a virtual level. If there's some other arrangement that you need or want to make with us, we can certainly do that as well. It's something that eventually, I highly recommend that every one of your leaders is on the same page with. Of course, with the five steps, the predictive ... The actual five steps, that is the crux of what every leader/managers needs to do, because just really, your whole organization needs to be doing that, because that's part of your organizational and operational infrastructure.

JoAnn Corley: They'll be exposed to it one way or the other. This piece right here is also something I think is really, really important that they understand and have on straight.

JoAnn Corley: This might be a good time to schedule your strategy call. We've got the calendar link on your platform that you can connect with me on. I really just really am excited about what you've gone through, what you've learned. I'd love to hear about your numbers. Your ah-hahs, your oh my gosh, I didn't realize that. Feel free to email me if you want to schedule a call with me, but really, would like to get some feedback.

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JoAnn Corley: Of course, we try to just touch base with you anyway. Maybe we've already had a conversation midstream about where you're at in the program and what you're getting out of it. In any effect, just keep talking about it. Attend a round table to hear what other participants of the program are gleaning from the information, so that you can maximize your learning experience. Ultimately, your competency and profits as much as you possibly can.

JoAnn Corley: Okay. Signing off for now.