

Commercial Finance Association Blog

Thoughts By Professionals in the Asset-Based Lending and Factoring Industry

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It's People that Make the Difference



<http://cfanational.files.wordpress.com/2013/04/katz-rob-08-07.jpg> By: Robert D. Katz, CTP, CPA, MBA

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Keeping and retaining excellent personnel is hard to do, whether you are a professional services firm, a lender, retailer or manufacturer. And yet rarely does anything have as much impact on an organization – for better or worse – than its employees. For example, one of the first touch points a prospect has with an organization is either the receptionist or a customer service representative. Usually, neither is the most highly compensated individual, but if they don't leave the right impression, the prospective customer may be lost without the business owner ever knowing.

Finding opportunities and means to reward excellence will separate you from competitors. Just like when an entrepreneurial owner is developing that new product, being able to step back when others don't will enable you to establish best practices and find opportunities for one of your most important assets to excel: your workforce. After all, if you don't have the right amount of human capital, you'll never have enough working capital.

Find a way to reward excellence even when times are tough. The first people who leave or who are courted by your competitors are usually your stars. Acknowledging superior results and loyalty will permeate throughout the organization, and employees will know their efforts are appreciated.

Rewards don't have to be money....although I never met anyone who turned down a pay increase or bonus. Ironically, it's not usually money that has the most impact or that leaves the biggest impression. Typically, the day you give somebody a check, it is spent and long since forgotten; but if

an employee is given a gift card to a place they may never have the opportunity to go to (especially with a significant other) like the Four Seasons or a limousine ride and/or premium seats to a Broadway show, now *that* will leave a lasting impression. It is something that the recipient will remember and will tell two friends, who will tell two friends and so on and so on.

Sometimes making a difference can be as simple as saying “thank you” and/or “I appreciate your efforts, well done!” For the most part, people don’t hesitate to criticize or find fault, but offering a sincere compliment is a dying art. If you think that is not the case, consider your favorite restaurant. So many times people ask to see the manager to complain, but how many times have you seen or been in a group where someone asks to see the manager because they wanted to pay a compliment for a great experience? It happens so rarely, yet has a tremendous impact and costs nothing but a little bit of your time.

Exceptional people and exceptional entities have leaders with great vision who do extraordinary things. Doing extraordinary things for your people can put you in that exceptional category. Make sure you allow the appropriate time and resources to maximize your people’s potential. Remember to do unto others as you would like them to do for you. While it may be a cliché, it never becomes obsolete.

Each Sunday evening I receive a “weekly economic report” from a prominent CFA member. It always includes a pithy and thought-provoking quote. A recent one was from Hall of Fame Coach John Wooden, the legendary head coach of the UCLA men’s basketball team, who won ten NCAA national championships. He said, *“A great day should include doing something for someone who will never be able to repay you.”*

Finding ways to inspire and motivate are what great leaders do and sometimes it comes in the most basic ways. Take the opportunity to say “thank you” to your stars, especially when the pressure is mounting and most people forget. Not only will it usually pay exceptional dividends, relatively speaking for minor cost, but also the positive impact it has will be exponential. It may even raise your spirits and make you feel good, something that we all don’t get enough of.

Robert D. Katz, CTP, CPA, MBA is a Managing Director at Executive Sounding Board Associates Inc. He has led numerous operational and financial turnarounds for publicly traded and private companies, generating substantial cash flow and operating improvements. He has acted as an interim restructuring officer for companies both in and out of bankruptcy. He sits on the CFA’s Education Foundation, is a former TMA Executive Committee member, and an Adjunct Professor at Temple University. Learn how he can do the same for your clients. He can be reached at (215) 568-5788 or rdkatz@esba.com (<mailto:rdkatz@esba.com>).

One thought on “It’s People that Make the Difference”

Lori says:

May 6, 2013 at 4:49 pm

Awesome!!! Very well said. I had a boss once that “thanked me for all my efforts” EVERY SINGLE day when i was ready to go home. His appreciation actually meant more than a raise.

Reply

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