

## THE RIGHT PEOPLE IN THE RIGHT POSITIONS: SUCCESS BEYOND THE CRISIS YEARS

By Dr. Keith Levick

Customer Care News is dedicated to helping businesses improve customer care, customer satisfaction and employee collaboration. To that end, Dr. Keith Levick recently sat down with Daniel J. Weinfurter, CEO of Accretive Solutions, a national consulting and executive search firm that delivers business solutions to help companies manage and improve their financial, operational and IT performance, to discuss some of the keys to finding success in this economic downturn.

**CCN:** You have quite a successful track record, from being on the cover of Inc. magazine back in 2004 to heading up several successful companies. How has the role of CEO or president changed in the past 10 years?

**DW:** I think it has changed quite a bit. Back in the “good old days” in the '90s, it was a rising tide which tended to float all boats, at least at some level. I think in the last 10 years, from 2000 to 2010, it's been more difficult. I think about the downturn in '01 and '02; that was pretty tough for many firms, especially in technology. Most of us had not experienced that level of a downturn. I learned at that point for the first time in my business life that revenue could actually decline. In our case, it was not a profound negative trend, but it did impact us. And then what we really learned in '08 and '09 is that things can get quite difficult, even for those with large, well-capitalized businesses. So, keeping people believing in the overall mission and continuing to work hard in a sea of bad news is challenging.

Time-proven strategies worked in some cases, and in some cases did not. The last two years have been hard for nearly everyone, and people have had to really examine some of



Dan Weinfurter (left) and Dr. Keith Levick talk Customer Service.

Dan Weinfurter in front of  
the Accretive Solutions  
Troy, Michigan Offices.



their core beliefs, and say, ‘Can we make this work despite all that is going on around us?’ Yes, indeed, the job of CEO has become substantially more difficult.

**CCN: What would you say is the greatest predictor of success in today’s companies? And what does Accretive do to demonstrate that?**

**DW:** The greatest predictor of success? The people. I think the only sustainable competitive advantage for any company, over the intermediate to long-term, is getting the right people into the organization and retaining them. It is also important to organize them in a fashion that works and keep them engaged. Because ultimately it’s the people who will create the strategy and produce the outcomes for the company they work for, regardless whether the business is products or services.

This is in part the business that we are in; we make sure we focus on that as we build our internal teams, but it’s a similar notion in that clients are not going to turn to us if the people we provide as consultants are average, or the people that we find as part of our executive search business are average. Clients turn to us, and continue to come to utilize our services, only if we provide either teams of people who are engaged on a project or candidates that they can hire who exceed their expectations. It is essential that we ultimately provide exceptional people to do whatever that the task at hand entails.

**CCN: What does Accretive do to get those people here?**

**DW:** It starts with getting the right people in key leadership roles, who have a similar focus on the importance of talent, and providing those individuals the tools they need to hire people who are going to be the “A” players. One of the things I did when I started at Accretive Solutions was to put an assessment process in place for all leaders – the corporate team, all the sales people, and all the market leaders – the primary revenue-producing roles in terms of building the business. I put them all through an rigorous assessment process, trying to define what good and really good look like, and then training them on how to go about finding talented people we can add to the team. The theory is, if you find somebody who is supremely talented, even if you don’t have an idea of what project they are going to be deployed on or where they are going to fit into the organization, you should still strongly consider hiring them. Really talented people are very hard to find.

The research shows that exceptional talents produces outcomes that are substantially above what an average person could produce. A quantitative study was done in a call center environment where an “A” player produced six to 10 times what an average player produced. The same research study demonstrated that in a complex environment, an average person oftentimes couldn’t do the job at all, so “A” players are necessary for success. In our case, where we

**Dan Weinfurter catches up with employees at the Troy, Michigan office.**





**Dan meets with team members to discuss the importance of Customer Service.**

don't really have a recognized brand in many of our markets, we really need great people, because clients will only hire us if our consultants are better than the name-brand firms they could otherwise hire. So it becomes very real.

**CCN: Define the great people. What does that mean? What are some behaviors or characteristics of what we do see as great?**

**DW:** I think that it varies by role. The behaviors in a great business development person are different than the desired behaviors in a finance role, for example. In a business development role, you look for competencies like social boldness, extroversion, the ability to develop relationships, cognitive capability, and this whole notion of a personality that is intellectually curious, that will work hard to be the advocate for the client. To a very real extent, you want your business development people to wear the client hat and be their advocate, to work hard to understand what their real issues are, and then bring the right resources to bear so those issues can be addressed. In finance professional, you have some of those same characteristics, but attributes such as conscientiousness become more important. Detail orientation obviously is critical, because it the role of accounting and finance require this discipline. But in the end, you still need both of these roles to have similar behavior in that they view the "client," however this is defined for the role, as of paramount importance. And that they work hard

to satisfy whatever initiative the client hires you or the firm to do, of course short of being deceptive or being dishonest. To this point, my view is that it is essential to be truthful, and if some thing a client advocates is a bad idea or is not going to work, we need to say, "I'm sorry, but this is not going to work.... I can't subscribe to this particular theory," and be willing to – and this is hard – walk away if you're being pushed in a way that is not feasible or viable to you. That is really hard to do, but it is important to behave in this fashion as the media constantly reminds us as things blow up when people don't behave that way or cut corners.

**CCN: So, in today's unstable economy and shaky financial environment, the traditional customer service doesn't work as it did maybe 10 or 15 years ago? Is there a new level of customer service that is needed to be successful?**

**DW:** I think so. I think it requires raising the bar to greater heights so that what used to be considered as acceptable, is no longer OK. Organizations have multiple options on almost any product or service, and if you are just OK, you risk defection and giving ground to competitive offerings. And there are countless examples of that happening. I did a consulting project in the hospitality industry and it was quite revealing: say you walk into a very nice hotel on a given afternoon and there might be an hour line just to check in. What's the probability of a consumer coming back to that

particular place? There are plenty of other options for a traveler and my view is that this just doesn't work. It could be that everything else about that experience was perfect, but a long line at check-in to a hotel is a non-starter. It is also not good for an airline, but in this case, the consumer has fewer options, thus the airlines tend to get away with lower levels of customer service.

**CCN:** I find it interesting that, of your 11 locations around the United States, the Detroit office is one of your highest-performing divisions, at least from

about what it is that they face so we can really provide real solutions in terms of how we might help.

**CCN:** So then maybe the client is not as honest, because they see you as trying to sell them something?

**DW:** Absolutely. It's a normal vendor - client, interpersonal reaction. If you think somebody is trying to sell you something, you tend not to disclose fully. So you really need to get the relationship to a level where there is trust, such that the client knows that if they are candid, that we will

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**my research. How could this be given that Detroit continues to dig itself out of what many believe is a depression here in Michigan, compared to the rest of the country?**

**DW:** Well, it is interesting, and it is true: Detroit is one of our best-performing locations. It is either the largest or the second largest that we have in the whole country, depending on how you count. And I think it is the combination of two things. One is that we've worked really hard to assemble a world-class team here, and so we have great people in all the various positions. I think that is a basic requirement when times are tough. This is perhaps somewhat counter-intuitive. The other aspect to this is that we changed our approach. Rather than try to sell something to our clients, we try to understand how we can help them with reducing costs or growing revenue. Even when times are tough, both of those things matter. Reducing costs is something that people will care about from now until the end of time, and growing revenue is also critical, because if you don't grow, it is really no fun at all. It is hard to create opportunities for growth and development for your employees if the company is not growing. So if you can do both, that's brilliant. But our typical project team over time would position themselves to be a true partner with the client, and then try to understand the ways that we can really help - be it helping to grow revenue, reduce cost or improve capability. The hard part is building a relationship that is good enough and deep enough so that you get the clients to be sufficiently honest

behave in a way that is appropriate and we will not make it difficult for them. The goal of course is to develop a "trusted advisor-type" relationship, where we're really trying to be helpful, not trying to sell.

**CCN:** Is this a new philosophy? Or is this something that's a continued philosophy that's led to your success?

**DW:** This is a continued philosophy that has led to the success of the business I have been part of in the past. Our clients are pretty smart; we're not going to sell them anything they don't really want to buy. One has to assume that people are educated buyers, and that they will buy only things, services and products that are going to make a genuine difference in the organization. The product or service has to make their jobs better, easier, faster or drive revenue in a way that isn't being done today. Perhaps unlike things were in the 90's, organizations are unlikely to invest in things that are nice to have; those days are gone, perhaps forever.

**CCN:** I would imagine in each division everybody's working from your philosophy and what you believe. Are there any other reasons why Detroit is one of your strongest performing offices?

**DW:** Most of the reasons for Detroit's success predate my arrival to Accretive. I've been here now for six months. So in

the case of Detroit, the market leadership began to invest heavily in bringing the right people in more than a year ago, and we have seen this pay off in terms of dramatic revenue growth in 2010, with a continuation of this expected in 2011. Some of the other offices and markets have been less aggressive in investing in people, so their growth is lagging a bit. One of the things I'm trying to do as part of my new role, is to put investment in people in place across the board so that the company can again grow at levels that it once did, going back prior to '08 and '09, when things got much more challenging.

**CCN: Correct me if I'm wrong: If you have the right people on board, they're going to be doing the right thing by the customer, so there'll be greater customer satisfaction. As a result of providing better service, there will be more revenue, more profit.**

**DW:** Right. And then the outcome of those engagements tends to be higher levels of satisfaction, which is self-reinforcing. It feeds on itself.

**CCN: So there's a direct relationship between employee satisfaction and customer satisfaction?**

**DW:** Yes, absolutely. A team of academicians at Harvard Business School demonstrated this empirically in the 90's. And the ultimate goal, what we really hope for, is for our clients to be so thrilled with the work we do that they tell other people – in an unsolicited fashion. If we can do this consistently, we will have plenty of organizations call us for help. We will still have to sell, but the job is infinitely easier.

**CCN: If you were to have one message for HR directors, what would that be?**

**DW:** They need to increase their focus on getting the right people into the organization and into the right roles. I still believe that recruiting is the most important, yet least disciplined, process in American business. And very seldom do hiring managers or the HR groups pay adequate attention to the importance of making the correct recruitment decisions. Just OK is not nearly good enough. In our case for example at Accretive Solutions, getting the correct business development manager/sales executive hired is really a \$1 million dollar decision. A leader of any given business unit, such as a market leader or practice director,

is typically at least a \$5 million decision. In all companies, senior leadership positions play a critical role; easily there are hundreds of millions of dollars at stake in these hiring decisions. Do companies really exercise the proper levels of due diligence and discipline to get the right people in those critical roles? I think from my experience the unfortunate answer is that more often than not it does not happen.

**CCN: How much would you say, in selecting that great person, is attributed to diagnostic tools and assessments versus just your personal one-on-one interview behavioral intake?**

**DW:** I think it is some of both. I would never not hire somebody or hire him or her purely based on a diagnostic test, no more so than I would want to hire somebody just based on an interview. I like to have a combination of techniques; turning over all the necessary rocks to find great people, which is hard to do, and putting them through a rigorous interview process, coupled with assessment, and then do reference checks that are not the reference checks of the people they gave you to call. Interestingly, this is one aspect of recruiting that has changed dramatically. With tools such as LinkedIn and other social media, it is relatively straightforward (for almost anybody) to find people that are in your network (or you can get to) that know the candidate you are considering and really check them out. When I came into this job, the chairman of the board talked to 20 people that were not on my reference list.

**CCN: Our readers are very interested in real solutions to customer satisfaction. Do you have any suggestions for them? What could you recommend in terms of satisfying the customer?**

**DW:** ...Readers should pay a lot of attention to the quality of the people they have in front-line roles. Are they trained appropriately? Are the incentives and metrics that govern their behavior correct? But the first thing to consider is the quality of the individuals in these roles; because if you have the wrong people, it doesn't matter how well you train them or manage them. Then consider if they are supported, and if they are managed in the fashion that is going to produce the right outcomes for their clients or their customers. And that, probably more than anything, is what a reader could look at.

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