



# Your Most Valuable Performers

**Y**ou want all the talent that you can get in your business. You know that the more talent you have, the better your edge on the competition. In our work as executive coaches and leadership development consultants, we are often asked to find ways to recruit, develop and retain talented or high-potential employees. Business leaders recognize that one of their most important jobs is to match the right person to the right job, and then to build stable groups populated with these matches. Time and budgets are set to find and develop talent, yet retention of valuable talent is often left to what World War II pilots in a battered aircraft relied on when returning home—“a wing and a prayer.” Businesses rely on compensation and potential for advancement, as the wing and the prayer is, as you would expect, still a prayer. Prayer is a valuable activity in your private life but it is no way to run a business.

## A Management Need

A few years ago during the height of the boom economy, Tom, a senior executive from one of our client companies, asked us over a working lunch if we could help him address a major concern he had regarding the launch of a new product. The launch required a coordinated effort by many often-contentious

departments, each department staffed by a good dollop of talented people driving the product to the launch point. Having just been told that a talented person from marketing had accepted an offer to jump to a new company, he was concerned that her example might create a hole in the dike; others might also choose to skip away with their critical product skills and knowledge, which had taken more than two years of on-the-job experience to create. Without the resources to match outside recruiting offers, Tom knew that he had to do something and do it fast. As all good consultants would do, we told him that, even though he wanted it good, fast and cheap, we could probably deliver only two of his three requests. He immediately chose fast and cheap for now, with good to follow after this product launch was successful. So we got to it:

Authors: About how many talented people do you have in the departments working on the launch?

Tom: Out of about 70 people in the departments, I'd say that about 20 are talented enough to be considered vital right now.

Authors: Okay, think of those 20 talented people. Who are critical right now and in the future?

Tom: About half, maybe 10.

Authors: Great, we don't need you to, but can you name them?

Tom: I know 6 of them well because I work with them everyday and I know 1 by sight. I can never seem to remember his name. Maybe because he is a finance guy and I spend more time with development and marketing types.

Authors: Okay, of the 10 who are most critical right now, who would put the launch in jeopardy if they left?

Tom: Bob and Mike, two of my direct reports. They are almost always one or two steps ahead of me; they keep me sane. Jane in sales; she is magic with our large customers and I know that she is always getting calls from

recruiters. And Tina in manufacturing—Bob’s counterpart. Bob tells me that she really understands what we are trying to do and that without her he couldn’t be sure that product would be shipped when committed. I guess that these four are my *most valuable performers* on this project.

Authors: Okay, let’s think about how we can inoculate these four most valuable performers from leaving in the middle of this critical game. This is the “fast and cheap” solution. Later we can talk about how to create “good” ways to keep these MVPs over the long term.

We worked with Tom to develop a plan. Tom kept his 4 MVPs but did lose 3 of his 20 or so talented people. The six-month launch cycle was a success. During our work with Tom we recognized that, while talent development and retention are important, it is *critical* to know your MVPs and actively manage their development and retention in a manner that is specific to their needs.

Over time, as we have talked with senior executive clients such as Tom, we have found that while concerned about the management of their MVP-class employees, managers cannot, typically, point to any specific plan for MVP recruitment, development and retention. They can readily talk about their programs for finding and keeping their “high potential” talent but cannot define a plan for keeping their MVPs. That is what put us on the trail of MVP management best practices, a trail that led to this book.

## The Concept of the MVP

Of course, we did not originate the idea of recognizing MVPs. Baseball created the MVP award in 1910 and today most professional sports leagues offer a similar honor.

The MVP award began as a marketing strategy by an automobile manufacturer. Since 1931 the Baseball Writers’ Association of America has voted on and presented baseball’s MVP award. The formal election process for baseball’s MVP is

based on thinking that is similar to that used by most business people to identify their MVPs. A clear and organized but *subjective* judgment is made.

As we looked into the idea of Corporate MVPs, we realized that the concept is well known within the business community but is not well defined. We were struck by a comment from Bill Gates of Microsoft: “Take away our twenty most important people, and I tell you we would become an unimportant company.”<sup>1</sup> If you run a company, lead a Human Resource function or manage a group with top performers, you know the 80/20 rule: 80 percent of the work is done by 20 percent of the people. The vast majority of this 20 percent is considered the *high talent and high potential pool*. In relation to MVPs, the 80/20 rule should probably be reconceived as the 95/5 rule: that a business’ future relies on the 5 percent or less of its very best people. These few key people are responsible for generating the highest revenue; for pulling in the biggest box office; for driving quality; for developing great customer relations; for getting the goods out the door; for creating the new products and services; and for increasing the reputation of the business. We will call these talented people the Corporate MVPs (most valuable performers).

How do you differentiate your MVPs from your high talent pool? Bright Horizons Family Solutions is one of the remarkable businesses and organizations that we interviewed for this book. This business, with more than 15,000 employees internationally, provides child care for the children of parents who work for many of the world’s best companies. Mary Ann Tocio, the President, leads the company in partnership with David Lissy, the CEO. During an interview with Mary Ann we asked her how she knew if someone was a “most valuable performer.” Mary Ann thought for a moment and responded in her characteristically direct and straightforward manner, “I think about the people who work for me and what would happen if they left the company. I know that they are an MVP if I think that I would die if they left. By necessity, it is a very short list.”

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<sup>1</sup> Quoted in *The 80/20 Individual: How to Accomplish More by Less* by Richard Koch

Sports analogies abound in business, often enlightening and enlivening discussions, but we know that there are really no firm and fast rules to identify, to manage or to become a Corporate MVP. Edgar Schein, Professor Emeritus at MIT's Sloan School of Management, cautions us on an over reliance on sports analogies in the business environment. "The rules for sports are very clear while the rules for business are very unclear." Our challenge is to shed light on best practices for MVP management.

## Convert Your Stars into Your MVPs

At a client meeting to coordinate employee performance measurement and compensation, we were looking for ways to ensure that top performers are rewarded for outstanding performance while also building the organization. The manager, new to the job after being a top performer, cautioned, "I don't want to create a star system here." He expressed a core concern of many managers who try to create "fair" incentive plans while trying to keep the best from outstripping the incentives and leaving little for the moderate and poor performers. A senior manager looked a little incredulous and asked, "Why not? I would love to have a department full of stars. If the top performers outperform, then we should want to reward them. We don't want to create a comfortable group of mediocre performers. We want a very happy group of top performers that the others aspire to become. And if the others don't have such aspirations, we'd want them to leave."

Managers have learned over time that "stars" can be disruptive and can create management problems with co-workers. Our MVPs fit the profile of stars in most ways but are different in an important way. Both are excellent performers, but MVPs also improve the people they work with and the organization in which they work. Stars are excellent performers but may discount the people they work with and diminish the organization in which they work.

Organizations do want stars; they just do not want "lone stars" who excel at the expense of others. It is our advice to

embrace your top—your star—performers and work with them to help them become well-integrated members of the organization, to become MVPs.

## The Central Questions

As you will see, MVPs exist in every type of business. We have polled many of our clients—successful senior management executives, Human Resource (HR) executives and MVPs themselves—and found that the MVP concept resonated strongly with them. They quickly pursued the line of thought and shared their MVP stories. This chapter describes how we identified and worked with these successful hands-on businesspeople, educators and scientists. The rest of the book combines their insights with our best thinking to address three questions central to us and the people we interviewed:

1. How do we recognize and develop MVPs?
2. What does it take for someone to become an MVP?
3. How do we protect our crucial MVP assets?

### 1. How Do We Recognize and Develop MVPs?

We first had to determine who are and who are not MVPs. At what point does a talented person cross that abstract boundary and become an MVP? While MVP identification is ill defined, we found that all the people that we spoke with could quickly answer this question: “Can you tell me who your valuable people are and why?” We do not recall that it took anyone more than five seconds to say yes and begin telling us about their top 3, 5 or 10 most valuable performers. They quickly integrated the concept of MVPs and easily discussed their great value. We found that once senior executives and HR executives become aware that MVPs exist in a business, they begin to wonder how much value MVPs produce and whether this value should be safeguarded and increased. Chapter 2 will examine the value of the MVP. Since MVPs are “walking assets,” an organization cannot lock them up at

night. Safeguarding an organization's investment and future value in an MVP requires excellent management skills combined with proactive thinking and basic resource management. It is much easier to manage an MVP well than to stop an MVP from leaving or to replace one.

Chapter 3 will answer the question "What are Corporate MVPs?" We can tell you that MVPs are more, much more, than just excellent performers. They are "performance *plus*." Chapter 4 looks at how to manage MVPs in detail.

## 2. What Does It Take for Someone to Become an MVP?

This question can be taken two ways: How can I become an MVP?, or, How do I *develop new MVPs*? Both are great questions for people wanting to increase the value of an organization. Chapter 5 explores what it takes for people to transform themselves into one of an organization's most valuable performers. It can also act as a guide to executives who work with high-potential employees who could rise to an MVP level.

## 3. How Do We Protect Our Crucial MVPs' Assets?

The simple answer is good management. Chapters 6 through 8 expand on this answer. One way to protect MVP assets is to be able to increase your MVP pool through recruitment. Chapter 6 offers ideas on how to create an attractive environment that MVPs will thrive in. It will examine how to identify outside MVPs and how to sign them and integrate them. Chapter 7 will discuss how to recover a difficult or non-performing MVP and what to do when enough is enough. Chapter 8 will speak directly to the important role of HR in attending to and managing MVPs. Chapter 9 will summarize our findings.

## The Existing Literature

In preparing to write this book, we searched for other publications that deal with the care and support of business's best of

the best. We found many books and articles on recruiting and developing talent and on motivation and leadership. We found little practical advice on how to manage MVPs. We did find some discouragement of the idea of identifying and treating MVPs differently from other talented employees. The concerns were related to creating a special class of employees that could be seen as excluding others; creating an undesirable negotiating position for critical employees; or making critical employees more identifiable by recruiters.

Our interviews have found that our experienced business leaders do not hold these concerns. They understand that keeping an MVP challenged and productive more than makes up for the other concerns, and in most cases invalidates them. Identifying MVPs provides a live example for other employees of what the company values. It also demonstrates to the MVP that he or she is valued, which creates commitment, not extortion. But we will provide more on the value of MVPs later in the book.

## The Authors' Background and Thinking that Led to Corporate MVPs.

Both Margaret Butteriss and Bill Roiter have more than 25 years of experience as business owners, as executives at publicly traded companies and, most recently, as executive coaches and leadership development and strategy consultants. The authors have extensive experience in a variety of businesses and organizations including advertising, communications, consultation, education, energy, engineering, financial services, food, government, health care, high technology (software and hardware), light and heavy manufacturing, media, pharmaceuticals, publishing, retail, start-ups, transportation, utilities and venture capital.

The broad perspective of the HR and executive issues obtained through our work has pointed to the need for a better understanding of how to work with a business's MVPs. Far too often we have seen the loss of an MVP caused by management missteps and sometimes by no management at all. The very nature of managing MVPs creates uncertainty in the

minds of many managers, which in turn produces an uncertain hand at the management tiller. While uncertainty is to be expected given the importance of the asset and the vagaries of human behavior, uncertainty can lead to failure. MVPs can usually tolerate confusion in their work because it creates a challenge for them, but they do not tolerate management uncertainty well. It breeds distrust. Managers who approach MVPs with confidence, shared respect and trust do well.

In our consulting work we have been able to solve problems between business leaders and their MVPs. We have used this *in vivo* experience as the basis for this book. In the book we will offer the ideas of business on how to avoid these critical MVP situations before they occur and how to fix the problems when they do occur.

## The Approach

Our approach to writing this book was to consider how to recognize and develop MVPs, to describe how to become an MVP and to discover what companies need to do to manage and protect their MVP assets. In order to gain information on these three areas, we interviewed senior executives, senior HR executives and owners from organizations of different types and sizes. We then asked the senior executives and owners to identify the MVPs in their organizations so that we could interview them to get a personal perspective on the characteristics of MVPs and how they prefer to be managed.

## How We Selected the Companies

We wanted to gather data on MVPs from a broad spectrum of industries and from organizations of different sizes. Organizations were selected in four ways. First, we chose companies where we had conducted consulting assignments and that we knew had good development and management practices for their valuable people. Second, we approached organizations identified in business articles and books as having good business

and people management practices. Third, we learned of appropriate organizations through referrals. Fourth, during the course of our interviews with senior executives and MVPs, we were given the names of other MVPs and organizations that we should contact.

Using these four approaches, we generated a sample of 24 companies from a variety of industries. The companies included an airline, numerous financial services organizations of varying kinds, professional service firms, advertising agencies, retail establishments and a university. They ranged in size from 10 to 100,000 employees. We also interviewed senior executives from two well-known executive recruitment firms, along with a number of other people who were able to provide us with advice and thoughts on the topic of managing MVPs.

The material for the book is based primarily on the interview data that we obtained. We determined the common themes by analyzing over 1,500 pages of notes taken during interviews of more than 60 people. Appendix A contains the names of the participating companies, a description of each company and of the people interviewed. Here is a listing of 24 of the companies that helped us with this book; the other companies preferred to remain anonymous:

American Distributed Generation	MIT Sloan School of Management
A.T. Kearney Executive Search	Northwestern Mutual Life Insurance Company
Bright Horizons Family Solutions	Novations/J. Howard & Associates
Continental Airlines	NSTAR
FIRE + ICE Restaurant Chain	Phoenix Investments Partners, Ltd.

GeneXP Biosciences	Pioneer Investment Management, Inc.
Honeywell International	Royal Bank of Canada (RBC) Capital Markets
Humphrey Enterprises	Seed Partners, LLC and Growth Point Ventures, LLC
Liberty Mutual Insurance	Shoppers Drug Mart
Limited Brands	Spencer Stuart
Massachusetts Institute of Technology (MIT)	State Street Corporation
Mintz Levin Cohn Ferris Glovsky and Popeo P.C	State Street Global Advisors (SSgA)

We are very grateful for their assistance and their insights.

The approach we have used is largely discursive and the themes are supported by quotes from the interviewees. Where relevant, we have provided stories and material from our consulting practices to enhance the descriptions of the themes and to provide practical guidance for use in the management of MVPs. We were struck by the high degree of consistency in the data we collected. Irrespective of the size of the organization and the industry category, we found remarkable similarity in the characteristics ascribed to MVPs and in the ways they themselves described wanting to be managed.

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