

David Long

Announcer: Welcome to the Eventual Millionaire podcast – with your host, Jaime Tardy. Real talk and real advice from real millionaires, with a sharp focus on you – the Eventual Millionaire.

Jaime: Welcome to Eventual Millionaire. I'm Jaime Tardy and I'm really excited to have David Long on the show. He owns and is CEO of a company called MyEmployees.com, which I think is an amazing domain name. He also wrote a book called 'Built to Lead' all about employee engagement and how you can do better with your employees. We haven't really had someone like him on the show before so I'm super excited. Thanks so much for coming on, David.

David: I'm happy to be here. I'm special enough that I can be in this first opportunity to be able to be an unusual guest.

Jaime: I love that you're an unusual guest. We've done this many times before – almost 200 people we've interviewed – but, still, this is a question that comes up over and over and over again so I'm going to jump right in. We'll talk about your background maybe in a bit but what's the most common problem people have with managers and employees?

David: With managers and employees? It's that they don't communicate. Managers pretty much have 'This is what needs to be done,' but a lot of times it's just an edict from on high, a 'Do this' kind of deal. It doesn't really take any extra effort for you to say 'Please.' The beautiful thing is when everybody is going in the same direction, everybody wins. There's a lot more money for not only the leader or the owner of the business but when everybody is going in the same direction they take a lot better care of their clients and customers and those types of businesses are 400% more profitable, according to the Gallup organization. So it's easy for everybody to be happy on the money end as well.

Jaime: How do we get everybody on the same page, then? That sounds great but how do we get everybody on the same page?

David: That's from the top down. It really is. Your leader has to set the tone. They have to show loyalty first and foremost to the employees if they expect to get it back. A lot of times, and especially today, employees are just jaded. They're very, very suspicious of what your motives are, why would you say that or what are you after? If you say something kind it's like 'Are you buttering me up for something?' That kind of thing. So for you to go ahead as a business owner or leader and really show them that they matter to you is huge. But you can't just do it once, you have to do it habitually. Another thing they found out is that Gallup organization said that, roughly, employees need to be recognized in some way, shape or form every 7–10 days. Find something you can brag on your people. As a matter of fact, in my company – you mentioned My Employees – I have a 48, soon to be 49, employees, as of next week. In my book I talk about this – I call it my Find Five a Day. For all of my people, I have on my laptop here different tabs on my dashboard, I know everything that our sales people do, everything that our RCs do, the amount of programs that we ship every day, various things like that. So I can say 'Wow, so-and-so,' I tag them, I call them, I send them an e-mail and brag on them and my people know I care about them and that is pretty incredible, to be able to have

that kind of rapport with my people every day – and that's huge. That's how you get everybody on the same page.

Jaime: How do you know if it's working or how do you know if it's good? If you're just like 'Hey, great,' you don't necessarily know if they're being cynical in the background, going 'Oh yeah?'

David: You know they really are in the beginning. I would say a minimum of three quarters of the people, when you first start doing that, they're very suspicious of you. But after they've been there for a while they know you're the real deal. I tell people your management team has to be fully engaged because let's say you've got a car, for example, as a good analogy and you've got four managers on there – four tires, if you will – if one of them goes flat, all of them stop, so you constantly have to make sure that you're all on the same team with the same vision, the same dream, the same goals in mind, because if one of them doesn't have that, it's going to really hurt you. So you have to make sure your management team is strong first and then, from there, you delegate that out – they're doing the same thing I do, they find people every day to brag on. As a matter of fact, this coming Monday we're doing our monthly employee of the month presentation. We have, as I said, 49 employees as of next week and we have five departments and what we do, primarily, is we meet once a month at 11 o'clock, everybody comes down, nobody answers the phone or anything, they all come down into our foyer and we mention each department and we tell specifically – and this is important too – you don't just say 'It's Jaime's turn to win; let's give it to Jaime.' That doesn't work – as a matter of fact it's counterproductive. What we do is we say 'Jaime is number one in this category, number two in this category, number one in this category.' So we tell the other employees exactly why you won that month. What we do is the five managers gather around you as you are holding your plaque that we present and then we go through the five different categories and now we're recognizing two out of every ten, so we're finding ways to recognize our people. After we get the managers on both sides of the employees that are being presented their plaques and we take a picture of that employee with them and then we take a group picture of all of the employees that win together. Immediately after the presentation I take my management team and roughly ten employees out to one of the nicest restaurants in town and I wine them and dine them and we talk two and a half hours or so and then we come back, print out the pictures and give them the picture. Why do they get a picture? Because a picture, as we say, is worth a thousand words. So we give them the picture and every time they see that picture and that plaque they relive the power of that moment forever. Recently we had a lady on Facebook who works for a hotel client of ours and she's in her 50s like I am and she went on and just wanted to say how appreciative she was that her management team recognized her – she said it was the first time in her life she had ever been recognized like that. It brought a couple of our people to tears, it was that strong. That's huge. Our team loves what we do, just for that reason – we change lives, including our own.

Jaime: Your whole story made me think of my mom. She's a receptionist and she used to work at a job before and she hated every second of it, the people were not very nice. She went to her new job – the people adore her and tell her how much she's amazing and then take her on a yearly trip to Vegas. She says 'I work with the best people in the world!' She tells everybody about them, she tries to push their stuff all over the place because she thinks they are amazing people. My mom is the sweetest lady in the world so thinking that she would ever hate a job is crazy but there's such a stark difference between doing that for your people and not doing that. So how does somebody start

implementing that? What if you don't have 49 employees, what if you only have a handful? What should you be doing then?

David: That's even easier. Naturally, it's not a good idea to give them a plaque because they're just a few employees.

Jaime: Every month you get a new plaque!

David: Yeah, they might get a bit confident, but that's alright. What you do, primarily, is you say 'Come on, Jaime, you've done phenomenally well. You stayed late to help get that report done,' or something like that, a shipment out or whatever the type of business is, 'And I want to take you out to lunch just to show you my appreciation.' Or you bring in lunch for everybody. If you have to stay an hour or so late, 'Guys, I really appreciate that. I'm going to have dinner brought in.' Something that's not a ton of money but it's just the thought. The beautiful thing about our company now is that over three quarters of our employees are there because other employees told them how much they loved their job and that's huge. We do very little advertising and we get requests literally every well – 'You guys got an opening?', 'No, not yet, we'll keep you in mind.' We have people constantly trying to come to work with us. That's huge – we're in the top 1% in our industry so it's pretty strong.

Jaime: That is definitely huge. I love that. I have two employees and they hit their goals for our last launch so they're going on a helicopter tour of Austin and I also gave my online business manager a \$500 gift card. I was going 'I don't know what I should do but I want to make her happy because she did a really good job!' so I asked them and they wanted the helicopter tour. I want a helicopter tour too, that sounds pretty awesome!

David: That's cool; that's different.

Jaime: And then I just grabbed the \$500 gift card, but how do you pick? I love the lunch idea but how can we make sure that we're building in rewards? Instead of me just going 'What do you want?' I want there to be more of a system for me. I help my clients with that – they usually have a lot more employees so it's a lot easier to build a system around that – but when it's only a handful it seems a little more crazy.

David: I actually thought of this idea on my last vacation. Actually, the vacation before last – I just got back from the Bahamas. But the typical problem that businesses have and everybody has is that they get busy. Leaders get busy and they forget to do the things that they should do that are the most important things that they should do but they don't. So I came up with the idea – and my graphic guys are working on it right now – to create a chart that's called the Employee Recognition Reminder Chart. It basically has three different times within a month where you put the date and the employee's name and what you recognize them for. Because here's the bad news – without some type of system, the average employee, actually 65% of employees in the United States last year said that they had received no recognition at all from their management in the last year. That's according to Gallup. That's pretty pathetic, would you agree?

Jaime: Yes.

David: It's really bad. When people use our company, our clients, we have a reminder program which will nicely, gently cattle prod you if you forget to remind you to recognize your people. That's

why we're really successful, because the average employee recognition program lasts three months, that's all. It's like when you bought a new car and you got in it and there's a new car smell and you wave to all of your friends but after three months it's a payment and that's all it is – that's human nature, because the newness wears off. So that's what we do – after three months, a typical person would quit but we stay with them so that they see the reason to continue and that's why we're successful and any company who uses a program like that will be successful. But you can't wing it – it has to be something that you have on a calendar that you make yourself do. Like I said, we're going to start sharing that. We have over 12,000 active clients in the US and Canada right now and we've been in business almost 26 years. We've come up with some good, innovative things and we're constantly coming up with new ones and that's exciting. I really, really love my team. I don't know of anybody I'd rather spend time with because we're all on the same page. Are you familiar with the average US company compared to world-class company from Gallup? Have you heard of that research?

Jaime: No, please tell me.

David: I'll give it to you real fast. As a matter of fact, if people go to my book's website at top10manager.com and go to the Resources tab and they click that, on the top right they'll see a poster and it's ten Clydesdales pulling a donkey sitting down. That represents the world class company – a 10:1 ratio, according to Gallup. Right below that is the average US company – two Clydesdales pulling a donkey sitting down. Think about it – if you've got two Clydesdales pulling a donkey, eventually they'll get tired – but not ten. The other thing that people don't realize is that 47% of your best employees are looking to leave you right now. Why is that? Two reasons. First of all, you're not recognizing them, you're not showing that you appreciate what they do – no problem, they'll leave. Secondly – and in my book I have a couple of stories of my employees who are with me now and I asked them to submit their story. Adam Tartt, for example, has been my COO for 17 years and he put on there that he was very, very frustrated with having to work with losers who were just trying to milk the clock and everything else and they just weren't doing the job and those were the two reason – they don't get recognition and they don't want to work with losers. The beautiful thing about grade A players on Brad Smart's topgrading is that they love to be around other A players because they push them to get better. It frustrates your top performers to have to deal with losers so let's not have that, let's eliminate it.

Jaime: I love that. How do you do that? How do you eliminate that completely? Especially if you're like 'Oh, shoot, I don't have all A players, I'm just frustrating everyone.' That's something that I go through with clients and we grade everyone and it hurts sometimes – I had a client who had somebody for 12 years and he was like 'She's a C and is never even going to come close to an A.' What do you do?

David: That's frustrating. First of all, you create the culture that they want to be a part of and that alone, a lot of times, will take them up a notch. If they're C, at least take them to a B. Bs you definitely can keep, Cs not so much, but that's another danger too – you don't want to put too much power into the hands of an individual who's not onboard, who hasn't drunk the Kool-Aid, if you will. That's very dangerous. We cross train everybody in our company – nobody can basically wield their power, that's not happening, and that's smart. What you have to do primarily is if you have someone in your team who is really not with you, who is not a part of the team, not in the flow,

that's going against it, what I tell you in the book is you either get them onboard or you get them out the door. Michael Jackson, back in the '70s, had a song, 'One Bad Apple Spoils the Whole Bunch,' and it really is true. We do not allow attitudes to be a problem in our company. Let me give you a prime example – years ago, we had our top sales person. She had come from a job where she was making \$30–something thousand, and she came to work with us and made \$150,000 that year, after a couple of years, and she was doing great but the problem was that she started lauding it over some of my other employees and it was not pretty. She started getting snippy with them. A couple of them complained to one of my managers and the manager pulled her aside and told her and she got an attitude. I was on vacation – imagine that – out in California and they called me up, my COO and my sales manager, and they said 'We've got a bit of a problem,' and I said 'Pull her aside and ask her what the problem is,' because she was about to get married and I thought maybe she was stressing out. so they pulled her aside and she blew up at them and they called me back and I remember Adam, my COO, said to me 'We've got a bit of a problem.' I said 'Let her go.' He said 'Dave, she's our top sales person,' I said 'I don't care. Money you can replace but culture's hard to maintain and I'm not going to have my employees walking around her on eggshells. We're not having that so let her go.' This girl was 'You are not firing me! Are you kidding?' Like the angels started singing when she walked in the room or something, so it was a tough thing for us but you know what? As soon as it happened, a lot of people came forward and said 'I'm so glad you did that,' and they had never said anything. That's the worst. You have to keep your finger on the pulse of what's going on in your business because if you don't, man alive, there can be some real issues. My wife and I, we take off typically 20–22 weeks a year.

Jaime: Nice for you!

David: This year I'm taking off 25 – that's a record for me. As a matter of fact, my wife and I are getting ready to go to Scotland for a couple of weeks. We went about five years so we're going to go back. She really liked it over there so that's for her. If you want to be able to take some time off, why would you build a business if you can't take some time off? That's crazy. So for you to be able to do that – and I tell people this all the time because they're paranoid, especially if they've only got a few employees, they're very paranoid about 'Well I don't want to tell this person too much because they might become a competitor.' Well, you know what? They typically won't become a competitor if you treat them right – they'll be immensely and fiercely loyal to you if you take care of them. Like I said, if everybody is moving in the same direction, all of your clients and customers are taken care of in a beautiful way and they will stay with you. You know as well as I do, if people keep coming back, that's the most profitable business you can have and it's easy for you to pay your people more money and it's easy for you to be more successful as a leader. The name of your company and your podcast is Eventual Millionaire. My wife and I are indeed fortunate – we're in the top 1% of income earners in the country. I'm not a billionaire by any stretch but I'm definitely well into the 1% and, like I said, we take tons of vacations every year, I'm sitting here in my house, it's 6,400 square feet, I'm sitting in my library, I'm just chilling.

Jaime: Can you show me the library?

David: Would you like to?

Jaime: I would love to see it. I want a library. Oh, that's so awesome! So everybody that's listening right now is going to have to log on to the website so they can actually see what the library looks like.

David: Sure. As a matter of fact, this is one thing – you were talking about keys for success. I read a lot. I read for 3–4 hours every day, I have for years. If you really want to be successful you have to set the example. In my book I talk about book club and I just came from mine today. What I do, primarily, is I buy books for all of my employees, I pass them out, I say 'Here's a highlighter, here's a notebook. I want you to read chapter one and come back here.' I split the company into two groups – 24 or so on Wednesday morning at 10 and the other 24 on Thursday morning at 10 – so that everybody has time to talk and we cover the phones and that type of thing so that works out phenomenally well for me. To give you an example of what we read, Dale Carnegie's book, 'How to Win Friends and Influence People,' a very powerful book. At the time we only had 30–something employees – we're growing quite rapidly. We're what's known in the business world as a gazelle, where you grow by 20% or more every year. We're up by 38% so far this year and we did \$9 million last year. So I basically take the book club, the meetings that we have – I pay my employees to be in there, by the way. That costs me about \$80–100,000 a year but the return is phenomenal, like I said. It's not just a monetary thing, let me explain – Dale Carnegie's book, 'How to Win Friends and Influence People,' I had four out of the 36 employees I had at the time come to me and say 'That saved my marriage.' One of them, one of our ladies, her and her husband were actually separated and it was not looking good, they were heading to divorce, and to her credit she came to me after we read that book and she said 'I realize that I'm the problem, not my husband,' and she has grown up a lot because of what she read. Now they're back together and they're best of friends because she realized she was being a schmuck.

Jaime: That's crazy. You help people in all aspects of their life.

David: Absolutely.

Jaime: If you care about them, you'll help them.

David: Right. See, when you are the business owner, you have to realize that you're dealing with a whole person. You're not just teaching them skills – that's normal, you have to do that to get people to do their job – what you have to do is build a person. Right now we're doing Dave Ramsey's Financial Peace University – we just started that today. That's what I do. I work on the whole person because, think about it, if you have financial problems and you're getting calls from creditors at work it's going to affect you, isn't it?

Jaime: Definitely.

David: You're going to be distracted. You're going to get snippy with your spouse or your coworkers or even a client, God forbid. But that happens, so when we work on the whole person I want them to be successful because it's not about the money. I love what I do, but it's not about the money, it never has been, after the first few years once I got past the survival stage, but I enjoy it and I spend a lot of money on my employees. I told you about book club but, good gracious, once a year we shut down the whole company and take all the employees and spouses and boyfriends and girlfriends, whichever, and we take them to Myrtle Beach, which is about 70 miles from Wilmington, North

Carolina, which is where I live, and we all go to P.F. Chang's, typically, to eat and then we go outside and we take pictures of me handing each employee two \$100 bills and their spouse or boyfriend or girlfriend \$100 and we all go shopping at the Tanger outlet malls and some of us who aren't big shoppers will go watch a movie and then we meet back up for dinner at Rio's Brazilian Steakhouse – which is quite expensive, I might add – but we do that all day and everybody gets paid while we're down there. We do that once a year; we've done it for quite a few years now. But even more than that – I've told you what we do monthly, that's the quarterly thing, the annual thing – we call it the champions trip – we take the top third of our employees every year – they have numbers they have to hit, 'These are your goals, if you hit that we're going to take you on a trip, take your spouse if you're married,' and I pay all expenses paid to go to various exotic locations. This year we're going to St Martin for a week, an all-inclusive resort down there and I pay for everything. We go down and I just basically spoil my people. I paid for 14 or 15 of us to learn how to scuba dive years ago so when we go down we go diving together and we have a blast. We just hang out. I love hanging out with my people. I truly love it. I tell people today I don't work at all in my company anymore, I only work on it, as Michael Gerber said in 'The E-Myth Revisited.' A great book, by the way.

Jaime: Definitely. It's a great book.

David: It really is. I tell people today my position, if you will, is I am a coach, mentor and cheerleader without the skirt.

Jaime: That's awesome. I had a couple of questions. One is about how you actually do the goal setting with your employees and then, to follow up on the bad apple thing. So answer the question on how we really track what we're doing for numbers, because each employee has a different job and we have to put numbers on it but give us some framework that you use with employees.

David: Like you said, you have different departments with different responsibilities for the employees in those departments. You can't compare an apple to an orange. You can't compare fairly a production employee with a sales person. You have to recognize them within their own category but you find various things in each department that make you, as the business owner and the leader, successful, because when you tie employee recognition to the things that make you successful both happen and it makes magic, it really does. That's all I can say. Most people make the mistake of thinking of their employee recognition program as a popularity contest. The worst thing you can do is let your employees pick because a lot of them will like you better, you're a pretty girl, you have a real great personality and you might come into work two hours late every day.

Jaime: 'Pick me, I'm awesome!'

David: Exactly, it's like a beauty contest – 'Vote for me!' But that's not the case. Some of the employees you have working for you are very quiet, they do a phenomenal job, they're like clockwork, they show up to do their job every day, but then, when that type of employee sees you coming in two hours later every day, getting employee of the month, you can run off your best people by doing that. So you've got to be subjective with your criteria, if you will – that's what we'll call it – and figure out exactly what it is you want others to emulate and you recognize those things. If you only have a few employees that's different. You still do it – you don't give them a plaque or whatever but you recognize them in some way, shape or form to let them know they're special

because everybody out there wants to be shown that they're significant. That's the number one craving. Really, it is, and people don't feel it.

Jaime: How often do you check in on their goals and stuff like that? What does the system look like?

David: Daily.

Jaime: Daily? Wow. Alright, how do you do that?

David: We've got metrics in place. We've been doing this 26 years so we've got it down.

Jaime: Is it your managers that go 'Hey, these are numbers for the day. These are your numbers for the day,' or do they have to put in their number? Who's doing the recording?

David: We have various people doing various aspects of it. The sales people themselves will post their numbers and it's basically proofed out at the end of the day. First thing in the morning they'll post how many calls they made, how many sample plaques they sent out to companies. We call it planting seeds – we send out free plaques to companies, if they had to buy it, it would be \$35–40, it's got 'Jaime Tardy' on it, it's got your logo at the top. Some of my sales people crack me up – 'World's Coolest Boss' will be on your plaque and you'll laugh like you're doing right now and you'll love it. As a company, this is how powerful this is for us – when we started, it was one out of six; today it's less than one out of two that we send samples to. We prequalify them.

Jaime: I was going to say, are these cold? They've never heard of you before and you send them a plaque?

David: No, we call them, we talk to them first and make sure there's some interest, then we send them out. So that's very powerful. We keep criteria, we keep metrics on everything because, you know what? You can't improve it unless you track it and you define where you are and show your sales people, show your production people, 'This is where you are now. What can we do to get you here?' and you show them 'This is going to mean this much more money to you when you get there.' You probably had a moment when I was talking about the champion's trip when all the managers leave the company, all the top employees leave the company but the other people still do the job. Why? Because, typically, within the company two thirds of your pay is base and a third is at risk – in other words, it's bonus. So if you goof off, you basically shoot yourself in the foot, and because we keep up with everything we know you goofed off while we were gone.

Jaime: Even not sales people? Even the secretaries and people like that, do they get commission or bonuses also?

David: Yes, depending on it. I'm the type of person who always looks to my managers and asks them 'How's Jaime doing? You haven't said anything about Jaime in a while. Is it time to bump her up some more?' I'm always looking for a reason – I tell this to my employees all the time, 'Give me a reason to give you more money. Show me that you can do five things instead of three things and you're going to get more money because you're valuable to me now and to the company and everybody in it.'

Jaime: Tell me about the bad apple piece. I've had clients before where we will do client evaluations and then we give them a timeframe and they have to improve by this amount and all of this fun stuff

and then the leader still can't pull the trigger. It's like they failed and they failed and they failed – how many chances are you going to give them? Do you have a three strikes policy?

David: That's basically it. What we do, typically, when we see a problem is, first of all, the manager will pull the individual aside and will say 'Jaime, we noticed that you're not really doing this aspect of your job very well. What can we do to help you get there?' So we'll assign one of our trainers, Travis Sowers, to the sales people and he goes through the whole process to make sure people are doing every aspect of their job and the things they're weak in he focuses on and helps get them up to speed – because when you're working with world class people you stand out when you're not. It really is obvious. So because they see the metrics every day, compared to their coworkers, they know. I don't want to say that we're threatening their jobs, because that's not the case, but you don't want to be like 'The Biggest Loser' on TV, you don't want to fall behind the yellow line all the time because you're the weak link, and it's easy to see you're the weak link because you're below the yellow line all the time. So that's what we do – we work with them to try to get everybody up, where everybody wins. We don't want to replace anybody and we have very low turnover at the company for that reason. I was talking to my guys today in book club – I don't want to say every week but in the last few weeks I've had at least two people who left the company – actually one of them was fired, one of them left on their own – and they want to come back and one of the number one things they say they want to come back for is they miss book club. They're sitting there, they're learning, I'm paying them to learn but because we grow together so much in a bond, if you will, with the other team members because that's the only place you would have production people sitting next to sales people. Before I started book club a decade ago – and it's made me millions of dollars, I'm not exaggerating one iota – the production people did nothing with the sales people but now it's not uncommon to see them go to lunch together because they get to know each other in book club.

Jaime: That's awesome.

David: Exactly. Like I said, we're up 38% this year. We grow by over 20% a year, average – for 15 years, that's pretty strong.

Jaime: That's ridiculous.

David: If I actually worked for a living it would be even higher!

Jaime: 'I was actually on vacation, swimming in a pool.'

David: My friends will go 'What? You're on vacation again?' Yes I am. Thank you very much.

Jaime: 'I love my life! Thank you!' But at the beginning you talked about how survival was number one and now you can see the fruits of your labor. People who are listening are in survival mode, in the first few years of business, how do they get to where they can take 25 weeks of vacation? That's what we're looking to do, so if I give you an example, let's say someone has five employees, one of them just seems to be messing up and messing up and messing up, maybe they don't have goals already setup yet so they can't go 'You dropped by your metrics this many times.' What do you suggest for someone like that to do?

David: First of all, try to do your best job when you hire them. If you want to do some testing and things like that, that's good to do. You also want to have several interviews with them, just to see if

they mesh with your team, because a lot of times that's the problem. Part of the reason they might not be doing well is because they don't want to go to a certain individual they don't like. Maybe they have to rely on that person to get something done and they don't want to work with that person so it's an automatic conflict but if it's habitually the same person, honestly, my mom and my dad actually used to say 'You can't make a silk purse out of a sow's ear,' and you're not going to force a round peg into a square hole – they're just not a fit. You screwed up as a manager, whether you hired them or inherited them. I say in my book you need to assess on your team. It's kind of like Jim Collins said in 'From Good to Great'. It's definitely true. You just have to determine 'Can I fix this person?' and you give it your best try to fix them. You assign them someone to mirror – 'This is how you do the job right. From 9–10 it's a good idea to do this, from 10–11 do this.' Things like that – structure them for success and if they don't do it, well, you gave it your best shot. Now, here's the problem with keeping someone like that – the rest of the people can goof off because they realize you've lowered your standard by keeping that individual on your team and that is not what you want to do. When they see you keeping someone like that – like I said before, 47% of your best people are looking to leave you because you're not giving them the recognition they need but you're also keeping losers around and it frustrates them when you're doing your job and you give Tom his aspect of it and he doesn't come to the table with it done, you're going to look like an idiot – and your A players don't want to look like an idiot and they'll leave you because of that. So you get rid of them. If you can't fix them, you fire them – how's that? Here's the problem – if you ever want to be a millionaire, those people you can't pull the trigger will not be successful.

Jaime: Talk more about that. I think that's huge.

David: It is. You owe them, because they work for you, you owe it to them to try to fix them. It's not uncommon, we've done this in the past, when someone's not a fit for us we try to find them a job at another company. We've done that. We know their skillset by now, there are certain things they're good at so we try to find them a job doing the thing they like to do. We've done it several times. It makes us look good. As a matter of fact, when you help an employee in your company find a job at another company, the other employees are like 'Wow!' Seriously, they'll stand up and notice that and they'll tell you – 'Wow, that was really good what you did there, Dave.' Or Adam, my COO, he did the last one – Angela, a girl who worked for us. That's just what it is. A lot of people are really, really sweet but they're pathetic employees. Maybe they're great social people but they don't get jobs done. So, like I said, you have to have the criteria in place, you have to have the metrics in place, you should them exactly their strengths and weaknesses, you work on them to try to get some weak areas out, but you don't want to focus only on the negative because if you're spending your time on a bunch of duds, like this individual you said just wasn't cutting it, the one out of five people, then you're putting your critical training time on a loser that's not going to be good. In my book, and I know this sounds a little rough, but I call it 'Stop trying to polish a turd.'

Jaime: I like that. That's good.

David: Just put that sucker in a neighbor's yard and move on. That's how you do it.

Jaime: It's hard for people. It's definitely hard to fire. I work with a lot of clients and I get it. Sometimes they have to call me right after and they're like 'I did it.' Congratulations! Then we go 'Let's work on your hiring process.'

David: That's right – don't do it again! Smack!

Jaime: Exactly. You mentioned testing before. What sort of testing do you think is good for hiring new employees? There are a ton of tests out there.

David: We just read a book not too long ago – 'What Motivates Me' by Adrian and Chester, the carrot guys. They're great – really, really sharp – and the book is great, my employees loved it. Several of my employees, by the way, when we got through reading the book, said 'Dave, I think I'm in the wrong organization.' So if you want your employees to stay with you forever, make sure you get them in that right hole – the round peg in the round hole – so we're trying to get them to move towards that. But here's what I told them – 'Just because you decide to do something different doesn't mean it's going to happen right away.' Years ago, one of our employees named Devin Darnell – great employee, very loyal – was working in production and I remember him telling me one time when I went back and tried to walk around and see everybody and pat them on the back and let them know I pay attention to what I'm doing – because I travel a lot so I have to do that when I'm in town – so I was back there talking to Devin and Devin says 'I really love doing these logos,' because sometimes clients didn't have a logo but you've got to put something on a plaque, right? So he would create a logo for them. He said 'I love doing this,' I said 'Really? If you're a really serious about that, Devin, I've got a couple of graphics course. I'll give you access to them online and you can play with them.' He said yes so I said 'Okay, you're not paying anything for them, Devin. If you want to play with them, you can, but if you create skills that warrant me giving you more money, I'll definitely give you more money.' So he did it and he became very proficient at it so I told him at the beginning of two years ago 'Devin, if we hit \$8 million,' – we did \$9 million last year – 'when we hit \$8 million, if you want to do this full time we're going to make that happen for you. But first of all you've got to be able to do this, this, this and this to justify it.' And he did, so I did. So as of January last year he became a full time graphics employee and he loves life. Now he's helping us create videos and that type of thing. He does brochures and he did my book's website. He's just learning all of that stuff. See, if you can find what people really, really want to do, you don't have to cattle prod them to do their job – you can cut them loose. Just hold the reins loosely. Let them go.

Jaime: That's so important. I can't remember which book it was but my mentor used to say all the time that you need to find the right seat on the bus for everybody, you need to make sure that they're in the right seat and that can be really difficult for a business owner, especially one who doesn't have the people skills to go 'Tell me what you're good at.' Even when you run tests – you can do a DISC analysis, you can do Myers Briggs, there's a thousand different tests that you can have them run and you get this feedback and you're like 'I think this makes sense.' It's all kinds of a gamble because you don't know exactly. How do you measure people up against a position to make sure they have the right fit? Thankfully they read that book or they've been asking you, like 'Hey, I'm interested in this.' That's great once you already have a relationship but when you're placing them for the first time in the hole and you don't know whether they fit or not what's the best advice for that?

David: That's a great question. Here's what we do – and we don't pay them to do this, by the way, but if you were calling me and you were interested in a particular position in our company we would invite you to come in and sit next to the person doing that job for hours and sometimes days.

Jaime: Wow, and people do that?

David: That's right, they do. It just shows us how serious they are. If you'll do that not getting paid you'll probably be a phenomenal employee when you do get paid. You can tell somebody about a job all day long but if they don't sit there and hear the conversation – we plug in another headset and they can hear the conversation between the clients and our employee talking to them – or they'll be in production, standing there next to the guys doing production – 'This is what we do. This is the next process. Here, you do it,' and they'll let them play with it and do stuff like that and that's how you know. If their eyes light up and they get excited about it, you've got something. But a lot of times, not a lot, it happens once in a while, where people go 'Oh, I didn't realize you did that. I don't want to do that all day.' We take really good care of our clients, we really don't have any people calling up and screaming at our people, it just doesn't happen because we're on top of it, we try to make sure we do everything right so that we don't have that issue and we've got checks and balances so our people are pretty happy to answer the phone. I was on an interview with someone not too long ago and I remember telling them 'Why don't you just pick up the phone, call 1-800 489-0230, talk to any one of my employees who answers the phone, ask them what I'm like to work for?' She said 'I've already done that.' I said 'Cool. I'm not worried about what they said so go ahead and tell me,' and she did. She said 'I was amazed. I called twice and I got two different people and they didn't know because I called back to back and I was amazed that you are what you said. You try to be authentic.' Like I said, the biggest and probably the strongest litmus test, if you want to see how good a leader you are, is if you lead your company or you are transferred into another company or another business location, how many of your people want to go with you. That's a litmus test. Unequivocally, if I were to sell my company and I opened another one, I can guarantee you, three quarters of my people would want to come at least, if not more, because they know I promise things and I keep my word. I give them incentives and I tell them – I go to them and I say 'What have you done for me lately, Jaime? How much have you improved? What have you learned in the past few months that really shows that you deserve more money?' I ask them, I'm looking for ways to give them more money – I mean that when I say it, because they're increasing their value to me and our clients. That's why we don't have turnover – it's non-existent. The only people we really have turnover in, really, is sales people who didn't cut it.

Jaime: That makes sense, you don't want them anyway.

David: We're very selective, though. My average sales person who comes in through the door makes \$100,000 in their first year. The last five have – that's pretty good – because we've got it down to a science so we just plug them in. but not everybody wants to be on the phone all day. When I started the company, I travelled the south east, from basically Virginia over to Tennessee, down to Texas and everything south east of that, from North Carolina down to Florida, and I would just walk into a company, no appointment and I was very successful doing that, but that's the hard way of doing it. Today we contact companies and we find out 'Jaime, tell me what you guys are doing for employee recognition and engagement there.' Find out what they're doing, if Jaime's interested, we send them a plaque. We send them a copy of my book too, by the way. We've now got a box that holds a copy of my hardback book and a plaque and various things that help them understand. We give tons of resources away because we want people to be successful and the good news is that, once they come onboard, they typically stay – that's why we're so successful. You know as well as I do – you spend the bulk of your money marketing for people to become clients and then you blow it, you lose them. Why did I create the unique reminder program I created 25 years ago? Because I realized that, after a three month time period, people weren't doing it without being reminded. So little things like that

– you take care of them, you deliver on your promises and they keep coming back. I don't care what the company or the business is or the industry. It does not matter. People are just so suspicious of you not delivering on your promises so it's easy to be good today, I think.

Jaime: So when you do find somebody who you want to give more money to, how do you structure that? How do you find out how much more you give them or do you give them bonuses? How do you figure that out?

David: Like I said, two thirds of their pay is base and a third of it is at risk. There are different commissions or bonuses for various aspects of the job and we know what the standard is and to get to the standard is a certain amount of money but when you raise the bar it's a significant amount of money. So you can have employees in the same particular job responsibility making anywhere from \$50–80,000. But if you've got people that are habitually in the \$70–80,000 and you've got a bunch of them that are in the \$50–60,000, which one do you want more of? \$70–80,000. Then you can raise the bar again and you keep improving the team. You replace the weak. Here's the thing about having a bunch of A players – if you're not an A player, you get frustrated being at the bottom all the time and you pretty much eliminate yourself. Every day they come in and they realize 'I stink compared to everybody else,' and eventually they'll go somewhere else. It's rare that we have to fire anybody, thankfully. Like I said, we have Travis and we have other people who help people get their skillset up. We work with them, we polish them up and make sure that they're good at what they do, because we've got thousands of dollars invested in each employee. My COOs been with me for 17 years – I've got millions invested in him. We're paying for his MBA right now. We fly him, every few weekends, out to Arkansas. He's in the Walton Business School which is up and coming – they've got some phenomenal stuff going on there. My niece's husband is in Georgetown University's MBA program and his brother is at Arkansas – that's how I found out about it, he said 'Man, he loves it out there.' So that's what I do – I pay him, he hops on a plane, he goes out there, I'm investing a lot of money in him but he's been with me forever, he's my right arm. I talk about him in my book. He's the one that truly is so loyal to me and dependable and I have tons of employees that are that way but Adam's been with me the longest. He's my right arm, as I said.

Jaime: I love that. We have to start wrapping up. I'm going to ask you about your book after but I'm going to ask the same last question that I ask everyone – what's one action listeners can take this week to help move them forward towards their goal of \$1 million?

David: The number one thing you can do – and I mean this unequivocally – is constantly be learning. The average American does not read one book a year, which is pathetic. We've got such access – you saw my library when I turned my computer around – that's not even a quarter or even a fifth of the books I have. My personal library is well over \$400,000 and that's not including all of the seminars and everything I've done, that's just the books and courses and various things like that. I spend 3–4 hours a day every day, someday I'll read 8 hours a day. I go into the office seven hours a week, that's it – that's when I'm in town.

Jaime: Shake some pens, pat some backs. That sounds fun!

David: What I do is, like I said, I only work on the company so I'm constantly learning new things. What I tell people is if you're the type of person who doesn't like to read or learn, you'll become a speedbump or roadkill, if you will, in the way of someone who does. If I've got a person who's on my

team and they're on the management team – and I had one I had to replace about a year ago. He got to a place where he didn't want to do what everyone else was doing so I, myself, pulled him aside and my COO pulled him aside – unbeknownst to each other because we were trying to save him and not embarrass him – but he didn't straighten up so we had to replace him. He became roadkill in front of one of my other employees who was busting his butt, doing a phenomenal job, and I gave him the opportunity to take the other guy's place and he did it. By the way – here's something that will tell you how important and what a great opportunity it is to be on our management team – this employee went from making \$200,000 as our top sales person down to \$150,000 to take the management position.

Jaime: Wow.

David: Yeah, wow. Now he'll probably make about \$180,000. But he's better so I gave him incentives. As a matter of fact, I just had a meeting yesterday to give him even more incentives he doesn't even know about yet. That's what I'm saying – when you can get people to give their all then, man, you can't stop a company like that, you can't stop individuals like that. So make sure, if you really want to know the key to being successful, constantly be learning and improving what you can do because it will affect everyone and you in your company.

Jaime: I don't normally ask a follow-up question but I really need to ask this – was there any pivotal learning programs or books or anything that really shifted you, going through? You said how much you spent just on books, let alone all the programs and everything. Was there a specific program or anything that just pops to mind as being one of the best that you've gone through?

David: For marketing I would probably say learning from someone like Jay Abraham. Are you familiar with Jay?

Jaime: Yes, definitely.

David: Okay. In 1998–99 he had a two year international marketing competition in LA. I won that. That was pretty cool. Out of 265 principals, 400 people were there the day I won, including my son who was 18 at the time – now he's 35, it was a while ago. I love marketing and I can get better at that. Joe Polish is another great marketing guy who is a friend of mine. I'm going to be on his show soon too, by the way.

Jaime: Nice. I was just chatting to him two week ago.

David: Cool. And John Jansen of Duct Tape Marketing – I set up an interview for this coming Monday. These guys are my heroes, I love them. As far as marketing goes, that's great, but as far as manufacturing, which is another end of the spectrum, is Kiezen lean manufacturing and that's phenomenal, good gracious. I'll tell this real fast – I actually received a piece of mail, a magazine, from a company in our former office park where we were. They had gone out of business and I got their magazine by accident and I looked at it and I said 'Manufacturing, that's boring.' I started to pitch it and I said 'Hang on, let me have a look,' so I flipped through and I read about Kaizen, I didn't know about it, so I contacted the author of the article and I said 'Who's this Bob Hall guy?' He's the Kaizen consultant and he gave me his name and number. I remember the author telling me 'Nobody's ever done this before,' but when you really want to be successful you are succesful.so I contacted the guy, Bob Hall, and I said 'I'm paying you to come here. I want you to teach my people

Kaizen.' Before he got to my facility, which was a month or two later, I had read two books and watched the VHS tape – this was before DVDs – and when he got there I handed him my paperwork and he said 'You've done my job.' I said 'Well I just wanted to know your job. Now I want you to teach my people.' So he did that. That alone, learning that process, helped us become fourteen times more productive. Fourteen times, which meant millions of dollars, from a piece of mail that wasn't meant for me. So you have your radar up all the time, waiting and learning, finding out all you can to make you better and that is exactly how you get better, just constantly search to get better.

Jaime: Perfect story. Thank you so much. Can you tell us where we can find your book and where we can find you online? That was so much fun.

David: Sure. You can find my book, 'Built to Lead' by David Long, at Amazon or Barnes & Noble. I will say this – if you contact me, if you buy the hardback copy, and you send me an e-mail at davidlong@top10manager.com and put in the subject line 'Please send Kindle version' I will send you the Kindle version for free, which sells for \$10 on Amazon. The reason I do that is because I want you to read the book and I want you to learn. I've become very successful in my 35 year career and I'm in the top 1%, like I said, not only in my industry but in income earners and I've done it because I'm a student of the game. I love it; I love the game. That's all I can say. When you love it, you thirst to be better at it. The money is a byproduct, that's all it is. It just allows me to go play, right?

Jaime: Totally. That's what Eventual Millionaires want to hear. They have this thirst, that's why they're listening to this right now – 'Please give me more, I'm thirsty,' and they want to hear that, as long as they keep doing it, something will come out. The money will definitely follow.

David: That's it.

Jaime: Thank you so much for coming on the show today, David. I hope you have an awesome week and I'm sure we'll catch up again soon. Take care.

David: Thank you, Jaime. You take care. I enjoyed it.

Announcer: Thanks for listening. You can find out more great information like this on EventualMillionaire.com.