

Letting go

Soften the blow of losing a star performer

Question:

I was shocked when my best-performing sales manager informed me that he received and is seriously considering a job offer from one of our largest customers. The offer is compelling – a 12-percent salary increase, broader responsibility and a promotion opportunity within two years. Do I counter-offer with compensation, knowing that I don't have a career track available for him, or bid him a fond farewell?

Response:

Losing your star performer is difficult, but it's not the end of the world. This decision requires that you weigh what's good for the individual against what's good for your organization, and this is a

delicate balancing act.

If you support his decision to accept the offer, you could gain the benefit of a new ally who can help you identify and strategize growth opportunities at one of your largest customers. As his Rolodex expands, potentially, he may provide additional strategic resources to help you grow your business.

In terms of backfilling his position, is there another candidate within your organization who is ready and committed to step into some big shoes? For example, is there someone within his team who is prepared to advance into more responsibility? With your assistance, he or she can leverage the momentum created by the previous sales manager and minimize disruption to the team.

If you do not have a "ready" candidate on the bench, you will need to assume more responsibility and a higher work load until a replacement is hired. If several months pass before a viable replacement is identified, you may lose some salespeople – they may decide they don't like the change and seek alternative employment or may call their old boss for a job. The problem is then compounded.

If you decide to counter-offer, you may succeed in bringing enough value to the table that you retain him and eliminate any disruption to the business.

However, counter-offering is risky business. If you are able to pull a rabbit out of your corporate hat and present him with a better compensation package than he is receiving right now, what kind of message are you sending to him and the organization? Initially, he will experience an ego rush and feel indispensable. However, once logic and reason settle in, he may feel short-changed, question your

integrity and wonder why these benefits weren't offered to him earlier.

If he decides to stay, you will have conditioned him to expect that there is more in the till, and he may play hardball when negotiating future compensation. Furthermore, you risk this news spreading throughout the organization, setting a dangerous precedent. What happens when other employees find other viable employment? Will they too expect to receive a counter-offer with an enhanced compensation package? And what happens when this is not offered to them?

Unless you have a package that includes more responsibility and increased compensation that you were already planning to offer him within the next 12 months, your best option is to express your sadness at his departure and explain that you fully understand his need to advance his career. Let him know how much you value him, the contribution he's made to the organization as a whole and the fact that you would never stand in the way of his career development, but at this time, the organization is not positioned to compete with the offer he's received.

Express to him that you would like to keep in touch and would be delighted to offer him assistance if needed, as he transitions into his new responsibilities. Additionally, ask him to help you develop an exit strategy to minimize the disruption that will naturally occur as a result of his departure. For example, have performance reviews been completed for his team members? Does each salesperson have a sales plan with specific and measurable goals? Are team members focused on, and tracking, the activities that will help them attain these goals? Finally, be sure to schedule and map out a transition meeting with his

team regarding what they can expect from you in terms of communications, touch points and performance expectations moving forward.

There's no question that replacing a top producer is difficult, but it's not impossible. Developing a succession plan for all levels minimizes the panic associated with losing a top performer. Scheduling ongoing performance and career development discussions is necessary to create current succession strategies. For each employee, you want to know:

1. What are their career goals?
2. What are their professional interests and strengths?
3. What potential opportunities (e.g. special projects, lateral job positions, unique contributions) are available to showcase the employee's talents?
4. What areas must the employee shore up to advance his or her career?
5. Is there training, a special project or other responsibility that would enhance the employee's competency(s)?

During the formal discussions, be sure to:

- **Listen:** Be present. Don't take

phone calls or converse with others, unless it's an emergency. Career planning is serious business and should be handled with respect and care. Ask questions to understand each employee's career goals.

- **Level:** Be straightforward about what is realistic and what is not based on the employee's current performance and commitment level.
- **Plan:** Develop a plan that is attainable but simultaneously stretches the employee. Ultimately, the accountability for initiating, implementing and following through with the plan rests with the employee, but your coaching and feedback will provide necessary insights and demonstrate to the employee, your commitment to see him or her succeed.
- **Assess:** Continually assess the market and company for new opportunities as well as assess the employee's progress and potential. People can unleash latent potential, given the right opportunity.
- **Advocate:** As a leader, you want to showcase your employee's capabilities. Be an advocate. When managers, or

other top leaders have projects in which parts can be parceled out, recommend your team members. Promote their successes, and before long, they will be succeeding.

With a solid succession plan in place, the loss of your sales manager presents an opportunity for fresh leadership, new ideas and greater potential to unfold. Your effort to create a transition plan provides a layer of protection to help team members process the change. Staying close to the team will thwart off unnecessary problems and eliminate hearsay. Lastly, by implementing a system for on-going performance and career development discussions to take place, you will create a stable, expanding workforce, ready to embrace new challenges when presented.



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