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Profiles International®

CASE STUDY

Software Company Reduces Turnover and Increases Effective Hiring

imagine great people®



GREAT LAKES PROFILES INC.
HUMAN CAPITAL — GETTING IT RIGHT

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ProfileXT®, Profiles Sales Assessment™, Profiles Managerial Fit™, Profiles Performance Indicator™

Software Company Reduces Turnover and Increases Effective Hiring

The founder of an innovative Ohio software company notes that the company's software, services, and people have helped thousands of other organizations worldwide grow and transform their businesses. It is a straightforward statement and more: it is a business strategy the company has followed since its inception in 1968.

Today, organizational leaders are mapping a structure for the company's own transformation over the next few years—one that offers vast growth possibilities while maintaining its mission of simplicity in its technical solutions, and its vision of providing "perfect customer service" solutions.

The software company's strength comes from its roots. The company appeared on the technology landscape in 1968, and its founder and CEO is the longest actively serving CEO in the computer industry. As the company operates in an always-changing, highly competitive environment, leaders look for new ways to drive more business into the company pipeline. One partner in this process is Profiles International, which provides the assessments that allow the software giant to create new teams that will take the company into the future.

Background

In a 2009 interview, the company's founder said that in his early years, he was in love with hardware until he realized that "software made all the difference." He decided to look around for a software company to join, but he quickly discovered that if he wanted to stay in his home state of Ohio, there were no such companies. He left the hardware company where he worked at the time to strike out on his own.

Several people with similar backgrounds joined him. The young computer experts started their company by offering programming services because they had no products to sell. They offered their expertise to business customers who were installing computers. When the company's founder saw they were selling the same data management solutions repeatedly, he decided the company needed to create software that would do the same thing.

It was a small company, so the employees served customers during the day and wrote programs until the wee hours of the morning. The software pioneers introduced their first products in 1969, and they sold faster than the more

CHALLENGES

- Needed objective information designed for effective:
 - *Recruiting*
 - *Coaching and development*
 - *Teambuilding*
 - *Succession planning*
- Current assessments were ineffective
- Looking for flexibility, compatibility, and a fit for their industry

SOLUTION

- ProfileXT®
- Profiles Sales Assessment™
- Profiles Managerial Fit™
- Profiles Performance Indicator™

expensive programming services. The software industry was born — but since no other companies were doing the same thing at the time, the field was open, and the company grew from that modest start to the worldwide organization it is today.

The organization's 700 employees work to serve medium and large corporations all over the globe. About 350 employees work in the United States, 250 of them at the company's headquarters. The organization became an international entity when it was only three or four years old, thanks to one of its bigger customers that transported its products overseas. Some customers have been with the company for more than 30 years.

The key business strategy that drove the business then remains central today: the company focuses on customers' issues and needs rather than selling a product. A bicycle and mannequin rider in the lobby of the headquarters illustrates this. A sign on the bike says "Buy-cycle."

"It's a reminder to us that most salespeople are interested in closing a sales cycle," says the company's director of talent acquisition. "But there is a subtle difference between a sales cycle and our approach to servant selling, which involves facilitating a prospect's needs, goals, and values, or helping them through their 'buy-cycle.' Our organization revolves around those relationships."

Cultivating solid relationships is easier when the founder of an award-winning, respected organization remains as the company's leader, as the company's founder and CEO has done. "There is a great deal of continuity," the talent director says, because the CEO is not only the longest-serving CEO in the business, but also the owner and founder. This means the vision is strong and consistent, and the software company is "not always looking for the next new thing, the next new management approach, the next new technology." This translates to thoughtful actions that draw on the company's history to make projections for the future.

One of the results of this culture is that employees who leave for new positions in other companies often find they miss the software company's relationships, environment, and core values, the talent director says. "We have a long average tenure—almost 15 years—for all of our employees globally. Some left for maybe five to 10 years, and have been back for 15 or 20."

Why assessments?

The software innovator is a long-standing user of assessments, and a belief in their value comes from the top. The founder and CEO is very "data-driven," the talent director says. Leaders at the company want data that offers objective information designed for effective recruiting and hiring, along with coaching and developing, building teams, and succession planning.

However, they found some of the assessments they were using were ineffective. "The results never bore out the idea or the pitch they made us," says the director. He and others were searching for a new assessment provider when they heard about Profiles International.

The CEO told his HR department about Profiles, and they began evaluating Profiles' assessments. The company was impressed with the flexibility, compatibility, and fit with the application software industry. "We did an initial pilot program, and everyone liked it," the director says. Profiles assessments have been the company's primary assessment tools since then.

RESULTS

- Company Intelligent Selling Solutions (CISS) sales turnover is down to 25% and 0% when a candidate's job match is 80%+
- Company Manufacturing Business Solutions (CMBS) sales and services group turnover is down to 0%
- Zero turnover in Company Document Solution Sales among those with a Job Match score of 85%+

The company and Profiles share a high-touch philosophy toward customers. This philosophy is how the company, which is relatively small in a sea of big-name providers, differentiates itself from the competition. Most of the company's revenue comes from licenses, renewals,



upgrades, maintenance, and services, and the revenue stream depends heavily on businesses continuing to use their software year after year. The company emphasizes the value of its relationships with its customer base, and this yields great customer testimonials and clear performance results. That builds a strong platform for identifying and landing new customers.

"The Profiles team is very similar in its culture and philosophy to our organization as a whole," says the talent director. "Profiles is very customer-centric, and interested in engaging and providing value-added services over and above the data. The Strategic Business Partner is available any time to come in on an immediate issue and participate in a meeting." The organization's account manager with Profiles and others in the organization are also available. "They have taken the time and

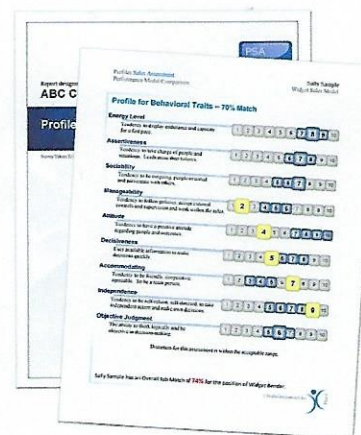
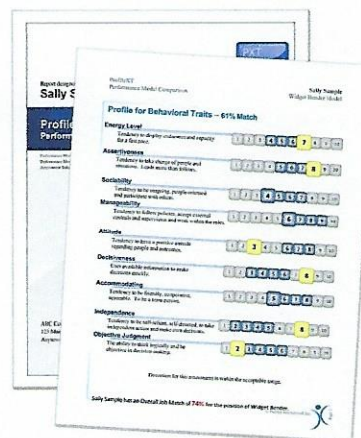
made the effort to build relationships with us at a variety of levels, all the way to the top," adds the director.

With access to the functionality and features of Profiles Performance Indicator™ and ProfileXT™, as well as new features that Profiles is rolling out, company leaders feel comfortable because the relationship is based on credibility and performance that transcends the data.

Profiles assessments

The company uses the following assessments:

- **PROFILEXT® (PXT)**
- **PROFILES SALES ASSESSMENTS™ (PSA)**
- **PROFILES MANAGERIAL FIT™ (PMF)**
- **PROFILES PERFORMANCE INDICATOR™ (PPI)**



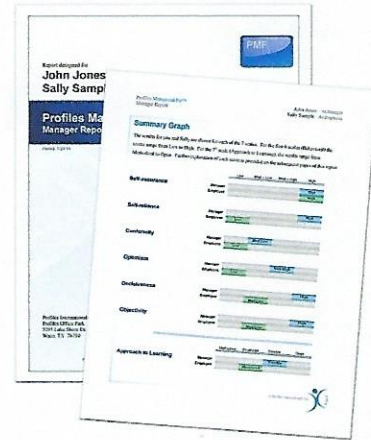
"Profiles is very **customer-centric**, and interested in **engaging** and **providing value-added services over and above the data.**"

Every applicant, no matter the position, is invited to take the PXT or the PSA as a standard part of the application process. Integrating the Profiles assessments with the company's applicant tracking software offers the software innovator a seamless talent management operation.

New employees take the PPI as part of the onboarding process to provide essential information about team interactions. With the Managerial Fit, "We are learning in advance where a manager and the new employee are going to 'hold hands,' and where they are going to butt heads," says the director. "Forewarned is forearmed, and we want to keep top performers at all levels."

Because of the way the organization is using the assessments, managers have discovered it is easy to locate pertinent data about team members. "They have become believers. Now we have people saying 'Can we assess my team?' We don't have to sell it. They are coming to us."

One executive who finds the Profiles Sales Assessment™ an efficient hiring aid is the sales manager. This managing director and his team offer the company's customers a custom system or solution to meet specific needs. "We automate the effective selling of complex products and services," says the sales manager. "It enables true collaborative selling processes and provides guided selling, channel and distributor collaboration, and sales and product configuration—as well as quotation and proposal management—and integrates with existing systems."



His team includes a wide variety of roles—sales, implementation services, product managers, and engineering—about 100 employees. A managing director since 2000 and a company employee since 1993, he used a number of assessments prior to Profiles.

An assessment is his first indicator of whether a job candidate is a strong match for a position. "We are focused primarily on the selling activity," he says. "The Job Match is a clear indicator of whether we want to interview someone."

The managing director looks first at the areas of thinking style, behavioral traits, and interest match; he also uses interview guides provided by the assessments. The guides are especially helpful if a candidate's score is outside the normal range for the job. In those cases, he uses the behavioral interviewing questions to dig deeper. "I find knowing how they are going to adapt in the environment a big benefit."

Since the software company has used assessments for many years, the managing director was accustomed to using them as part of the hiring process. However, he finds the PSA better at identifying candidates that match a position's needs. "We are hiring people with great experience and great matches, compared with prior assessments," he says.

Another process he found helpful was sitting down with his team managers and Profiles to go over the managerial fit reports in order to identify potential challenges to working together.

Profiles assessments have had these results:

"Using the **PXT** and other Profiles assessments to help **develop employees** is a "tremendous value-add."

- **COMPANY'S INTELLIGENT SELLING SOLUTIONS (CISS)** sales turnover in the past year is 25 percent. However, turnover is zero when a candidate's Job Match is above 80 percent.
- **COMPANY'S MANUFACTURING BUSINESS SOLUTIONS (CMBS)** sales and services group turnover in the past year is zero percent.
- **FOR EMPLOYEES IN THE COMPANY'S LARGEST SALES GROUP**, turnover was zero last year among those whose job match score was above 85 percent. All turnover in this sales group occurred among employees whose Job Match score was 85 percent or below. For those whose score was below 73 percent, turnover was 60 percent.

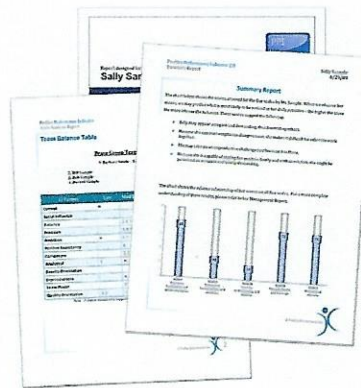
Using the PXT and other Profiles assessments to help develop employees is a "tremendous value-add," notes the talent director. The company has found this especially important, because 10 percent of the company's workforce is 60 and older. Their skills and abilities are unique, and without a deep bench ready to move into those roles, organization leaders must look at capturing intellectual capital. "It's not pure succession planning; it is more preplanning for 'what-if?' scenarios. When we assess people inside or outside the organization, we have a better chance to find someone who can fill those roles as attrition takes place over the next five to 10 years," says the talent director.

Additionally, the PPI helps maintain a consistent team balance as the company moves in new people, or people into new roles.

The future

Since 2007, the software veteran has put in place new technology, new application software, and a new sales operating environment. Its leaders have cultivated high-level partnerships with larger global organizations, such as Microsoft, that are driving new business channels. The company anticipates doubling the current level of business over the next two to five years.

That means more talent will be necessary, so the company has gone from two recruiters to three. Selecting and bringing in people using assessments is an important component of the growth. "We now have a scalable mechanism for replicating what we are doing, using the Profiles assessments as our primary objective data source to build new teams, new structures, and new engines," says the talent director. "There



is a lot of excitement about our growth potential, our ability to replicate what we are currently doing, and to scale it up. Profiles is a significant part of that.”

Summary

What is evident in learning about the software company’s approach to doing business with their clients, is the value placed on delivering high caliber solutions by very talented individuals. Since the beginning, the founder and CEO has pioneered the way of the software industry, and has grown his company to fulfill the unique software needs of businesses around the world. He has empowered executives to hire and develop talent for today and the future. By partnering with Profiles International and investing in his organization’s future, the CEO has positioned his company competitively as a desirable employer for the best and brightest individuals in the market. The future is bright, and as technology continues to evolve, the path forward will continue to be led by the software pioneer’s talented teams.