

The Employee Incentive Planning White Paper

- Few business owners will take an extended vacation much less throttle back without leaving behind management capable of running the business.
- No sophisticated buyer will seriously consider acquiring a company that lacks a good management team.
- Many, if not most, businesses are sold to key employees.
- Transferring a business to children is especially risky in the absence of key employees who will remain with the new ownership.

Each of the scenarios above highlights an owner's need for motivated key employees who stay with your company after you leave it.

The beauty of a well-designed key employee incentive program is that as your employees meet their physical and financial goals, you attain your Exit Planning goal of making your company more valuable and, perhaps, more marketable. And, of course you are able to exit! If there was ever a case of "win-win" for both employer and employee, it is key employee incentive planning.

The first task in key employee incentive planning is to identify exactly who your key employees are. Most of your employees do not fit into the "key" category. Instead, they are attracted to your company and motivated by the usual items: a pleasant work environment, a stimulating job, good wages and benefits and job security.

Key employees, on the other hand, act and think more like you do. They want more challenges and opportunities. They prosper and grow as the company does. In short, they behave like owners. You may have *key positions* in your organizational chart. Make certain the persons filling those slots are *key employees*.



Keep in mind that people in key *positions* are not always key *employees*. If employees do not respond well to the incentive plans described in this White Paper, it is questionable whether such employees truly are key. With these guidelines in mind, let's look at how to motivate this small, yet vitally important group.

(This White Paper discusses how you can motivate key employees through various key employee incentive programs.)

To request a complete copy of this 8 page White Paper entitled "Employee Incentive Planning" please e-mail:

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