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## The Art Of Hiring: Three Secrets From America's Most Promising Companies



It's a well-worn truism: Hiring is both one of the most important and difficult tasks any entrepreneur faces in building a business. The quality of people filling a company's ranks ripples through every measure of performance – sales, product development and partner relations included. More importantly, it determines whether you actually enjoy heading into work every day. With each new recruit, business owners fine-tune the DNA of their firms, so it pays to get it right.



By definition, members of Forbes' list of [America's Most Promising Companies](#) have all found some answers to the eternal mystery of hiring effectively. Yet with sales doubling each year and companies expanding at a breakneck pace, the issue of recruiting high-caliber employees takes on a new level of urgency and challenge.

### **Nominate A Fast-Growing Business For Our List Of America's Most Promising Companies**

Last April, in a panel moderated by Joni Fedders, President of Clay Mathile's [Aileron Institute](#) outside of [Dayton](#), Ohio, we gathered three representatives from our list of [America's Most Promising Companies](#) to sit down and discuss issues facing their businesses, including hiring.

One refrain we heard on the subject: It's really, really hard.

But look past that unfortunate reality and each company has found reliable mechanisms to make sure they're getting the people they need, when they need them. Right from the mouths of three stunningly talented entrepreneurs, here are three tips on hiring:

#### **Recognize The Need, Early**

When business is booming, it's easy to get complacent. "If it ain't broke..."right? In that vein, Alan Martin, the 33 year-old CEO of [CampusBookRentals](#), makes a valuable point before deferring to his elders on the issue of hiring. "Part of the art," he says, "is recognizing that you need to find new people in the first place. I think it's easy to get pretty comfortable with the team that's around you."

There are always reasons to put off expanding a payroll, and too often, entrepreneurs wait until the absolute last minute to add a key hire. Sure, no one wants to over-recruit or mess with a dynamic that's delivering great results, but do you really think you're going to make a considered recruitment decision while scrambling to add a new account rep? Eric Stromberg, a veteran of [Hunch](#) who now runs a startup called [Oyster](#), writes about the idea of having a "[bench](#)" – a running list of candidates to call on once a key spot opens up. Anticipating your recruitment needs with smart, simple solutions like this will make life that much easier when new business sends you running to a recruitment firm.

Even if the need isn't urgent, Martin mentions that new blood can add an unexpected spark to humming operations. If you can burn off the clouds cloaking the vision of your growing business, you'll often see that the need for more personnel is right around the corner.

### **Don't Skimp On HR**

[E-Cycle](#) CEO Christopher Irion has what many business owners would enviably classify as a "good problem." It's also a classic dilemma facing many of America's Most Promising Companies.

His company, which recycles smart phones for corporate clients, is on pace to add 25 people each quarter of 2012, nearly doubling the size of its 2011 payroll. But as Irion points out, pulling the trigger on hiring isn't enough – companies also need the logistical infrastructure to stomach new recruits. As growth ramped up last year, he found that an under-resourced recruitment division stymied his ability to hire and keep pace with sales. Even as new positions opened up, e-Cycle "just didn't have the HR bandwidth to get it done," he remembers.

In response, Irion "over-invested" in recruitment this year, hiring two HR generalists and two corporate recruiters. The lesson: Hiring effectively at volume requires a logistical framework that takes time to put in place. The earlier, the better.

## Screening Techniques Pay Off

As our pick for America's most promising company last year, [Smashburger](#) does a lot of things right. In an industry that founder and Chief Concept Officer [Tom Ryan](#) describes as a "people business", one standout is recruiting. With clinical psychologist Bill van Bark on retainer, the company has developed its own system of evaluating potential hires, both at the corporate level and across its 170 locations.

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### [We're On The Hunt For America's Most Promising Companies](#)

"We are highly committed to using testing as a preliminary screen," Ryan says. For corporate candidates, Smashburger tests verbal and analytical skills – or "raw intellect" and decision-making prowess. At the field level, managers take an online exam that measures 40 skills, including the ability to keep a budget and cope with stress. Potential hires further down the chain are evaluated to make sure they have what Ryan calls "the hospitality gene". For \$100-\$150 per candidate, the company doubles employee retention, more than recouping the cost of screening while ensuring that its locations across the country are staffed with quality people.

"We think that's going to give us a distinctive level of advantage in the marketplace," Ryan says.

Though effective, not every business needs a psychologist on retainer to create a customized evaluation system for new hires. Just gathering your team to generate a list of the qualities and skills they'd like to see in each candidate, and developing means for assessing those qualities, is often enough to make sure that new recruits fit a mold jives with your company's mission and culture. Even at the startup level, it's important to have a codified set of expectations for each new candidate.

Haphazard hiring never pays off.