Knowing the Score
How Financial Intelligence = Employee Commitment

a new eBook from
Aarthun Performance Group, Ltd.

Real financial intelligence changes the game
Passion and Commitment

It’s a reliable ritual every Sunday during the fall: across the country, city after city, tens of thousands of fans gather in football stadiums to scream for the home team. They paint their faces and tailgate together hours before the game starts. At the stadium, they rise in unison for the opening kick-off. They stomp their feet and chant, “DE-fense, DE-fense.” They are euphoric when the home team scores, and subdued when the opposing team scores. And when the last quarter rolls around, they all know if the home team is winning or losing. Through it all, everyone is aligned, focused, and cheering the team to get the job done and win.

And when they go home, each fan knows the score. A win, they feel good; a loss, they feel bad. Complete clarity, no ambivalence.

This is only a game! Why can’t we get that kind of passion from our employees?

You might think that sounds a little plaintive, but think about this: When we talk about “the company”, we are talking about a matter of great consequence to our employees. The company is, after all, where they earn the money to do those things that matter most in their lives. It is how they feed their families, send their kids to college, acquire comforts, indulge dreams, and take vacations. Their work ranks right up there in the top three or four things people care about most. Yet, how many of your employees could muster a fraction of the passion for their company that they unreservedly give to their favorite football team?

Just Imagine

Imagine if you had your Manufacturing team screaming wildly for the Sales team, “Land that account! Land that account!”

What if your Sales folks stood up and did the wave for your Customer Service team, encouraging them to go the extra yard for key customers?

What if Finance threw confetti in the air when Manufacturing made a better capital expenditure decision?

What if, no matter what project employees were working on, they could always tell you if they and the company were winning or losing and by precisely what margin?

Do more than imagine. Consider what it takes to get full employee commitment and involvement.
Knowing the Score

“What’s the score?” Even in the most casual circumstances, people want to know the score. They stroll into a room where the TV is tuned to a game and immediately ask, “What’s the score? Who’s winning? How much time is left?” They are compelled to ask because when they don’t know the score, they are on the outside looking in, and people can’t stand that. They want to be a part of the game. The people want to win!

Somehow, that lesson seems to have been forgotten in much of the corporate world. It is rare to find more than a handful of people at the top who know the score or even how the company keeps score. The CEO and the CFO know, but rarely do the people who manage the business (sales, IT, manufacturing, credit, customer service, HR, etc.) have clear insight into how their own actions affect the company’s profits.

This is a gigantic disconnect in the corporate world, and it costs companies millions of dollars every year. This is the big family secret in business that nobody wants to talk about.

Dramatically Increase Employee Commitment

This isn’t a pipe dream. During our more than 25 years of working in the business acumen training industry, The Profit Specialist® and Aarthun Performance Group (APG) has repeatedly shown how, when employees know the score and when they become financially literate, their involvement and commitment to the organization increases and so does the bottom line.

A Towers Perrin study put it succinctly: “When employees did not clearly see the connection between their jobs and the success of the business, only 23% said they were committed to helping the company improve…..

But when employees understood the business, and could see how they had a direct impact, 91% said they were committed to helping the company improve.”

Think about that: By making just one very basic, very healthy, and very organic change, you basically add back the skill and energy of two thirds of your entire workforce! Mindset shifts of that magnitude are exceedingly rare.

That’s the challenge, then, for today’s corporate leaders – to get their employees fully involved in the business. To make sure all employees not only know the score, but know how they affect it, to get them excited about it, and committed to the same goals as management.

And they need to know the truth – the good, the bad, and the ugly. They need to understand the financial metrics of the industry, the business, and the organization. They need to understand how their decisions impact the bottom line of the organization and be able to generate new ideas to improve the company’s profitability.

Every employee must be connected to the business and they must understand how everything they do matters.
Why “Everything Matters” is so important!

According to Patrick Lencioni, author of the book, The Three Signs of a Miserable Job, this is what you should look for:

- **Irrelevance.** Everyone needs to know that his or her job matters to someone.
- **Anonymity.** People can’t be fulfilled in their work if they’re not known in the workplace.
- **Immeasurement.** Employees need to be able to gauge their progress and level of contribution for themselves.

The workforce is changing. Employee expectations have changed. New research shows that the latest generation of employees – and those about to enter the workforce – are willing to have a different work-place tradeoff than their predecessors, preferring job satisfaction and flexibility to traditional advancement.

Consistently, the difference between companies that win and those that lose is whether employees – from top to bottom – consider themselves known, relevant, and measurable. They need to be personally connected to their companies, and that begins when their companies personally connect to them.

**Lessons Learned**

1. **Teach people how the company keeps score.** Do not assume they know finance. Teaching financial intelligence to your “team” means they will finally begin to understand the numbers your company is publishing and they will “connect the dots.”

2. **Tap into the power of a committed workforce.** Answer this question: Which would you rather have - 100% of resources and only 60% of commitment, or 100% commitment and only 60% of resources? If you’re like most people, the answer is 100% commitment, because when there is commitment, nearly anything is possible.

3. **Eliminate doubt.** Doubt to your strategy is highly destructive. And using the heart as a metaphor for an organization, if the arteries become blocked, the heart does not function. In an organization, blockages are caused by doubt. A build-up of doubt stops the flow of commitment. Remove doubt by communicating the business strategy and commitment will flow.

4. **Keep people informed.** People have seen new strategies come and go. How many times have they said, “This is just the new flavor of the month?” Everyone needs to know that you are committed to this change. Communicate success stories, improved results, and new ideas. Reinforce the positive effects of the changes, and the new changes that need to occur.
Customer Results

Are you ready for a big change in your organization?

Here are just a few specific examples from our many customer experiences:

- A large engineering and construction company, experiencing a major economic downturn in their industry, turned to our process and increased revenues by over 50% in three years and saw their stock value nearly quadruple.
- A leading industrial supplier used our process to create a new sales strategy, and subsequently achieved record sales growth and an all-time-high stock price.
- Four years after deploying our financial intelligence process, a multi-billion dollar insurance company saw a 50% increase in surplus over five years thanks to employees who learned “to think like business owners.”

This is financial intelligence at work for our customers.

Here is a listing of customers who have taken that important first step with APG and The Profit Specialist®.

Our Experience = Our Customer’s Experience
Among our more than 300 implementations

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About Jeff Aarthun:

Jeff Aarthun is CEO of Aarthun Performance Group, Ltd. (APG), which he co-founded 20+ years ago. He teaches financial literacy skills to the corporate employees of Fortune 500 companies. With this new knowledge, the employees learn how their actions affect the financial results of the company. As a result, companies gain a work-force that is more involved, more committed, and more motivated. Jeff created The Profit Specialist® financial simulation, which has been customized for APG clients operating in more than 40 different industry segments such as healthcare, finance, manufacturing, technology, engineering, oil and gas, utilities, construction, transportation, education, federal, state, and local governments. Jeff can be contacted at info@aarthun.com, at 281-580-5705, or connect with him at LinkedIn.com.
Employee Commitment and Financial Intelligence: Get Everyone Invested in Success!

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