LEILA HORMOZI'S
5 SCALING FRAMEWORK SOPS

HOW ACQUISITION.COM
SCALES COMPANIES

2024 EDITION

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Read This First

Inside this document are five frameworks I use to scale our teams to $100 Million and beyond.

Each framework is minorly edited from my original internal version that I use to train my teams. Rather than make a "lead magnet" - I figured I'd give you the frameworks the way I give them to my team so you could in turn, give them to yours.

We have *zillions* of internal documents that we use to run departments. These are among the most frequently used as our portfolio companies scale.

Here's what they are and how they'll help you scale.

Five Star Service Framework: As you scale a company, delivery is often one of the first things to break. I give this framework to my customer support representatives. It sets a standard for delivery. Our goal is to make delivery *better* than it was when the company was smaller. It's how - for example - our average Net Promoter Score is 88. Which - for context - is above Chick Fil A - 58, and Apple - 61. If you have poor customer results scores - this is for you.

Sales-Customer Success Gametape Framework: As you scale your sales and customer success departments, new faces come in, and details get lost. Sometimes new managers do a poor job training - results on both sides suffer. To combat this - we began using a weekly sales-CS gametape review. This is where every week, <u>both</u> customer success and sales watch either a sales call or an onboarding call *together*. This gives transparency to the work both teams do. It allows both teams to create and maintain a seamless customer experience as you scale. Once you start this, you'll never go back.

High Performance Communication Framework: As you scale, you add more teammates. More teammates means more communication. Communication scaled poorly creates endless meetings, low morale, and plummeting team effectiveness. The High Performance Communication Framework prevents that. It focuses on increasing energy, engagement, and exploration - which were found to be the three main ingredients for high performing teams. It results in better communication, which results in higher quality and quantity of work per teammate. This is a <u>must</u> as you scale.

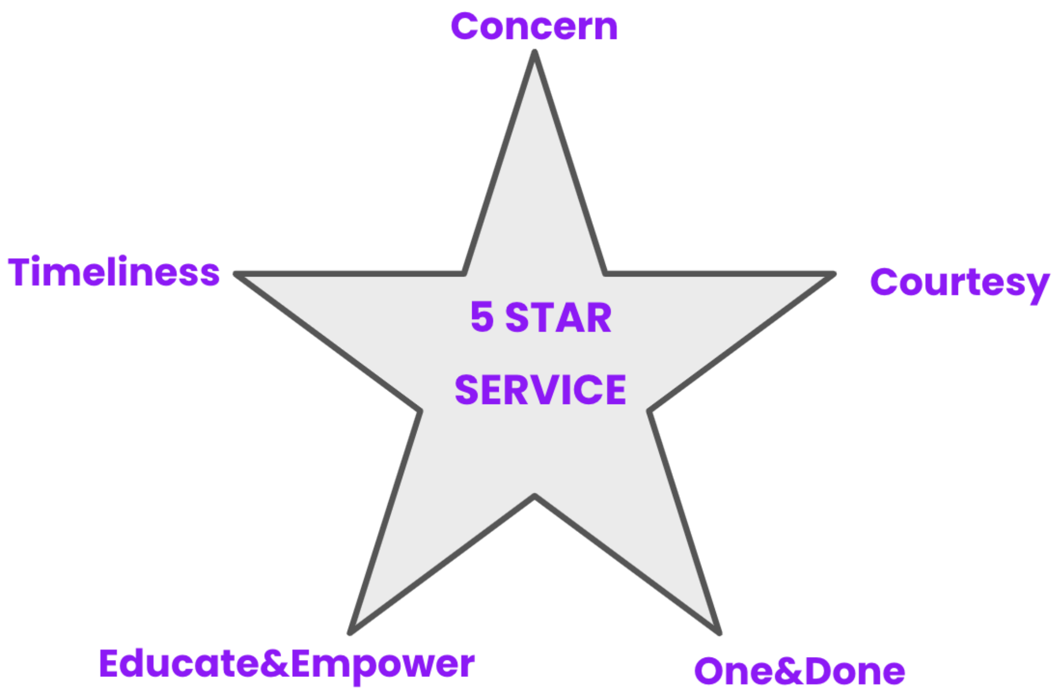
Monday Hour One Framework: As you scale, every employee will be stretched to capacity. Distraction comes next. To combat this, we use the Monday Hour One Framework. It organizes everyone's work. It increases the output of each team member *as an individual* and gives full transparency to their manager. This allows managers to see exactly what everyone is working on, how well-utilized their team is, who needs help, and how aligned everyone is…*at a glance*. This allows us to hire effectively and divide work up as we add headcount.

Pay Increase Framework: As you scale, the needs of your organization will grow. And the skills of your employees will also (hopefully) grow. With an increase in skill and responsibility, come increases in compensation. We give this to all our teammates so they know what to expect, what we reward, and how to ask for raises <u>the right way.</u> This gets everyone on the same page and will make your team more productive, avoid unnecessary drama, retain teammates longer, and protect your bottom line. And avoid the mistakes of overpaying or underpaying that both lead to losing great teammates.

With that being said, there’s a lot more to scaling a company than a small booklet could ever hold. But, my hope is that these frameworks help you solve key problems as you scale. They certainly have for me. Enjoy.

Leila Hormozi, Co-Founder and CEO of Acquisition.com

5 STAR SERVICE FRAMEWORK SOP



Why This Is Important

Something shocking that I did not know when I started in business is that customers are **more likely to leave due to bad service** than they are due to *price or product* (study done by Mckinsey & Co)

Delivering high-quality customer service is crucial because it builds trust and loyalty, sets us apart from competitors, and enhances our brand's reputation.

By showing customers that we care, listen, and resolve their issues quickly, we create a positive experience that keeps them satisfied and encourages them to stay with us and refer their friends.

Ensuring every single interaction we have either strengthens or weakens our brand.

This framework serves as a tool to use so you can ensure every 'touch' you make with a customer is one that moves us forward, not backwards.

What It Is

Our customer service approach is built around five key standards. I use this same framework with my own teams, take this - pass it on to yours and brainstorm on how you can work together as a team to implement it.

1) **Concern** - We show concern for our customers' well being, feelings, and circumstances.
2) **Courtesy** - We treat customers with the utmost respect and professionalism.
3) **One & Done** - We resolve their issue and any dependencies the first time, every time. As I like to say '*no leftovers*' in customer service.
4) **Educate & Empower** - We educate our customers on the 'why' and empower them on what to do next time issues arise.
5) **Timeliness** - Customers have little patience (myself included). We want them to be *impressed*, not just satisfied, with our speed.

How To Do This

To evaluate the performance of Customer Service Representatives (CSRs), use the five key standards as a framework to train your team on. Each interaction can be assessed based on how well the representative meets these standards once you have trained them on the following framework.

First, learn this framework and how to apply it tactically, then the next section will cover how to measure if you're tracking toward success or not.

- ★ **Concern Star - Let our customers know we care**
  - **Thank the customer for reaching out & personalize the contact**
    - *"Hey John, thank you for reaching out to _____."*
  - **Give Reassurance**
    - *"Not to worry I am more than happy to assist you in resolving (issue) today!"*
  - **Verify the issue to ensure accuracy**
    - *"I understand you are struggling with (issue), is that correct?"*
  - **At the end verify that a resolution was reached**
    - *"Today I assisted you with (issue) by helping you (steps taken to reach resolution), by doing so was I able to fully resolve your issues and questions you had today?"*
- ★ **Courtesy Star - Listen to our customers**
  - **Active Listening**
    - Rephrase the customer response to ensure complete understanding
      - *"So it sounds like you are upset because the onboarding email stated you would receive a call within 48 hours and that did not happen, is that*

                correct?"
        - Ask probing questions to find out the root issue
            - *"It looks like you used XXX email to sign up and then XXX email to inquire with support, which email would you like notifications to go to?"*
            - *"Would you prefer to have the call rescheduled or speak on the phone to determine a more fitting course of action?*
    - **Personable conversation/Build rapport**
        - Call the customer by their name
        - Ask the customer about their day
        - Use small talk and more casual language to build rapport with the customer
    - **Use a polite professional tone**
        - Say please when asking for additional information
            - *"John, would you mind please sending me the email you signed up with?"*
        - Say thank you when information is provided
            - *"John, thank you so much for providing that information"*
        - Acknowledge when they give you gratitude
            - *"I really appreciate that feedback, that means a lot to know"*

★ **Educate and Empower - Utilize all resources to educate and empower our customers**

    - **Answer the customer**
        - Give them what they want, a solution or answer, first and foremost
            - "*Hi John! Here is the phone number and email you signed up with."*

- **Educate on how you solved the problem or found the solution**
  - Show the customer where and how you found the answer you are giving them
    - *"To make it easy for next time, HERE is a link that shows where you can find this next time, so you don't have to wait for me!"*
- **Empower the customer going forward**
  - Teach/Explain to the customer what caused the issue and show them how to avoid it in the future
    - *"Just so you know the reason this was not sent to your email is because you input this alternative email into the second intake form. If you want to keep using the email I'm corresponding with now you can go ahead and use that one to sign up for webinars so it sends emails there! :)"*

★ **One & Done - Resolve the issue the first time and prevent recurrences**

- **Verify the issue was resolved**
  - Summarize the steps taken to resolve the issue and ensure the same issue will not repeat itself
    - *"Thanks for your patience John! To summarize, we have replaced the email you get notifications to with this one so that all notifications go here, to prevent this from occurring again I will delete the other email from our database"*
- **Educate the customer**
  - *"If this happens again, you can either inquire with me again or go HERE to update the email."*
- **Offer additional assistance**
  - Before wrapping up be sure that there isn't any other questions or other issues that they would like assistance

with

- *"This is all taken care of, John. Is there anything else I can do to help you today?"*

★ **Timeliness - Interact and resolve issues as soon as possible**

- **Respond to the inquiry immediately even if you cannot respond within that moment**
  - *"Morning John! I will be with you in two moments so I can ensure you have my undivided attention"*
- **Resolve that issue before you open another**
  - We want to ensure our undivided attention to each inquiry at a time to ensure proper resolution and a timely one!

How To Grade Each Rep

If you simply deploy this without measuring its effectiveness, you will fail. In order to know if you are upholding these standards you're going to have to ask your customers. The easiest way is to send the following survey to customers after each interaction. It is a total of 5 questions and they will rate on a scale of 1-5, so it should only take 60 seconds if not less to fill out. I suggest plugging this into your email follow up, CRM, CS platform, or whatever platform you use to build automations (I'm not the expert here)

Concern:

- **Question:** Did the representative demonstrate empathy and genuine care for your needs? Did they acknowledge your feelings and show understanding of the issue?
    - **Grading:** Rate from 1 to 5 based on how well the customer service rep showed concern and empathy.

Courtesy:

- **Question:** Was the representative polite, respectful, and professional throughout the interaction? Did they listen actively?
    - **Grading:** Rate from 1 to 5 based on politeness, professionalism, and active listening.

Educate & Empower:

- **Question:** Did the representative provide accurate, helpful information and guidance? Did they use available resources to empower you with knowledge or solutions?
    - **Grading:** Rate from 1 to 5 based on the quality of information shared and the representative's ability to empower you to make an informed decision.

One & Done:

- **Criteria:** Was your issue resolved in a single interaction, or was further follow-up needed? Did the representative take the necessary steps to solve the problem completely?
    - **Grading:** Rate from 1 to 5 based on how effectively the CSR resolved the issue in the first contact.

Timeliness:

- **Criteria:** How quickly was your issue resolved? Was the resolution completed within the expected timeframe ?
    - **Grading:** Rate from 1 to 5 based on the speed of resolution.

Five Star Service:

- **Criteria:** Overall, did the representative deliver a five-star experience? Were all aspects of the service — concern, courtesy, knowledge, efficiency, and timeliness — executed to the highest standard?
    - **Grading:** Provide an overall rating from 1 to 5 based on the combined performance across all the standards.

GAMETAPE REVIEW FRAMEWORK SOP

Why is this important?

This is one of the **most** beneficial calls that you can implement in a company. I can speak from firsthand experience, implementing this call has completely turned around the marketing, sales, and customer success departments in multiple portfolio companies of mine. I can't speak highly enough of how insane the results are if this is done right.

Most departments operate in silos. That's tough when your customer does not. If the teams who interact with your customer are not aligned on what the customer journey looks like, then you will inevitably be leaving money on the table or even actively burning it.

As the CEO of a $500 million portfolio, I still attend these calls. If I ever see an issue in my marketing department, sales department, customer success department my go to is to sit on these calls until I have pinpointed where the problem lies. Oftentimes the reason we don't get what we want in business is not because the individual department is not functioning well but because they don't function well **together as a team**. They function in silos and therefore create a disjointed experience for the customer that has people wanting to leave.

This call helps marketing understand customer wants, needs, objections even more then they would hear it from sales.

Things they can leverage when writing ads/content. Overcoming objections ***before*** they even hit a sales call.

This helps sales recognize what they can do better in terms of presenting on the call, and shore up expectations if any are not properly set and you're seeing bad churn.

This helps product and delivery understand what features, benefits, and add we can build into the product. This helps us clearly define what features/services are necessary for a base level product as well as what are possible up-sells, add ons & expansion revenue opportunities.

What is it?

This is a meeting where you bring in stakeholders from the Marketing, Sales, Customer Success departments to observe a sales or delivery call.

Each person has a different objective of what they are looking for when watching the call and will take note as directed below. It is probably one of the highest ROI meetings you can implement into your company.

How to Do Gametape Review

1. ARRANGE

a. You will implement a recurring weekly meeting on your calendar that will last 60-90 minutes to facilitate the Gametape Review

b. **Host**: Head of Sales

c. **Attendees**: Head of Marketing, Sales, Customer Success

   i. If your team is larger, you can include additional teammates such as managers or "leads"

   ii. If one specific team is struggling, I will add more people from that team to this call so that we can train them quickly.

   iii. there are no rules, add whoever you think this will help.

2. ASSEMBLE

a. 1 Day prior to the meeting each week the Head of Sales will ask for either...

b. Sales call

c. Onboarding Call

d. Service call

   i. This is the call that will be reviewed during the meeting the following day.

   ii. If there's nothing going wrong in any of these departments, then I would suggest rotating calls in such order. However, if you have an issue in any single department, I would spend 4 weeks sequentially *only* reviewing calls from the department **with the constraint.**

3. ASSESS

a. The appropriate parties will hop on the call ready to take notes and watch the call together at 1.5x speed

b. The host will share their screen and play the call at 1.5x speed.
c. Each stakeholder has a different objective they are watching for…
    i. Sales Leader:
        1. What went right?
        2. What should we improve?
    ii. Marketing Leader:
        1. What objections could I overcome ahead of the call in our marketing?
        2. What objections cannot be overcome in marketing that sales should train on?
    iii. Customer Success Leader:
        1. What was said here that I can ensure gets handed off to the delivery team?
        2. What was said here that we cannot deliver on and therefore sales should update their script?

4. ANALYZE

a. At the end of the call, all parties will share their feedback with each other and determine what ONE thing we can commit to acting upon.
b. This is important because you will see a lot of things wrong. However, my strong suggestion is that you pick the one thing that is the "big domino" because if you pick too many things at once, even if they are *objectively* better, you might mess stuff up because your team doesn't have the bandwidth to see out all the changes with great execution.

5. ACT

a. Document the action item and key points.
b. Monitor progress and adjust in future reviews.

Highlights	Sales (Assess)	Marketing (Assess)	CS (Assess)
1.) 2.)			

3.)			
Big Dominoes 1.) 2.) 3.)			

HIGH PERFORMANCE COMMUNICATION FRAMEWORK SOP

ENERGY + ENGAGEMENT X EXPLORATION

Why is this important?

The question is always there but never said. *Why is it that some teams and teammates exceed expectations constantly, while others struggle to meet the minimum requirements?* Interestingly enough, I have concluded that this is revolving around their communication habits. Think about it, if someone is a terrible communicator (*nonresponsive, slow, short, vague*) that is how you label them, you cannot even see past their horrific communication skills to see if they are a high performer.

And if they are, it's unlikely you care so much because their communication is **detrimental** to the team.

Communication is the end all, be all. Good communication is the bridge between confusion and clarity. And if you leave people around you constantly feeling confused, odds are you are not their favorite person and even more they probably avoid you.

Actually, can you even think of a time you were confused and it was **NOT** due to improper communication? **I cannot**

Secondary to being a horrible communicator, then there are those who just simply do not communicate. I mean, they *do*, but only when it's absolutely necessary. Aside from that, you would not even know they were on the team because they don't make a peep.

These people are often the shining stars of the company but you would never know because they lack confidence, are shy, or would never dare boast or speak highly of themselves. This is not any better than leaving people confused. Instead of leaving people confused, they just simply do not address you because of fear of creating discomfort or anxiety.

There was a study I read about done at MIT where they looked across a wide range of industries to find workplaces that had similar teams with varying performance. The research included innovation teams, post -op wards in hospitals, customer facing teams in banks, backroom operations, and many others. They asked the members of those teams to wear electronic badges. Those badges collected data on their individual communication behavior - tone of voice, body language, whom they talked to how many times, etc…

Across the board, the data confirmed that communication played the most critical role in building a successful team. They actually identified specific patterns of communication to be the most important predictors of success.

Communication itself was a greater predictor of success than individual intelligence or skill level of the team.

It turns out, the two best predictors of this were the team's energy and engagement with each other outside of formal meetings. Together those two factors explained **40%** of the variance in dollar productivity among groups.

What is it?

Most books, courses, and articles vaguely describe what good communication is. Over the years one of the things that has irritated me the most is the fact that everyone preaches 'You gotta communicate' but then they fail to define what that means or how to do it, tactically. Below is my framework that I have found skyrockets communication, collaboration and therefore - business growth.

Energy: The number and nature of interactions among team members, regardless of if they are verbal or nonverbal. (#1 video conference, #1 text)

Engagement: The distribution of energy among team members. In a simple three-person team, engagement is a function of the average amount of energy between A and B, A and C, and B and . The more members of the team that speak up during a decision making process, the more profitable/successful the decision ends up to be. Yes, this means the more YOU speak up, the smarter your team as a whole becomes.

Exploration: This is communication that teammates engage in outside of their core team (other teams). There is a correlation between high performing teams and collaboration with other teammates and departments. The reason this is the 'multiplier' is because once you nail energy and engagement, you want to 'explore' aka MULTIPLY the good communication that has been built.

How to Use The Framework

1. **Energy:** How to Improve It

- **Become a Fast Communicator:**
    - Slow communicators are notorious for worsening teams, the speed of communication has the closest correlation to energy. Think about it, who has more energy, someone who runs slowly or quickly? Think about great communicators, do you wait days for them to respond? I think not.
- **If You See Something Say Something:**
    - A special practice I engage with each day is I have a block at my EOD on my calendar labeled 'praise' in which I just reach out to anyone who I noticed do something cool, difficult, or impressive that day. I send them a message before I go to bed. I live by the saying, never let a good gesture go unnoticed.
- **Vary How You Communicate:**
    - If you study the best communicators, they don't have one way they communicate. They often are the teammates you blow up the zoom chat on calls, slack you, send you gifts, comment on your social media posts. When i'm trying to increase the energy of communication I encourage people to use different mediums to 'react' to their teammates, even if it's a simple emoji.

2. **Engagement:** How to Improve It

- **Pull On Meetings:**
  - If you're the boss or even an ambitious peer, chatting teammates privately on calls who don't speak up as much and encouraging them to do so - then praise them when they do. Whenever I am training someone to be a leader or better communicator I use the private chat feature to feed them lines to say to the group, until they are comfortable doing so themselves.
  - Have each member of the team responsible for one piece of presenting on the team meeting - this way you create a process for even distribution of talk time and engagement. This also helps teammates increase their public speaking capabilities.
- **Buddy Up:**
  - When I have two teammates who don't interact much, I try to strategically place them on projects together. Not only because I will improve communication but because I also know that the more the team communicates, the less they need me!

3. Exploration: How To Improve It

- **Collaborate Across Teams:**
  - Set up cross-team projects or "special projects" where people from different departments work together. Do you NEED to have 2 departments working on it? Maybe not, but you WILL benefit from it, and so will they.

  - Have team members join projects or groups outside their usual role to gain new insights, ideas, and collaboration. I will ask teammates from our media team to join portfolio calls once a month to ensure they see what goes on in other departments on our team and we keep communication flowing.
- **Casual Events**
  - My teams like hanging out with each other but seldom do we find all of ourselves in a room. Something that's worked really well is hosting monthly game nights, pizza parties, or luncheons so that all the teams across the board get to spend time with each other.
  - As an aside, I do have once a year full team meetups to facilitate this as well where I purposely mix up seating arrangements and activities so for 2 days nobody interacts with their typical team!

How To Deploy This

1. **Share This with your team:** Share this document with your leaders and ask them to grade their teams on each area
   a. How would you grade your team on ENERGY on a scale of 1-10?
   b. How would you grade your team on ENGAGEMENT on a scale of 1-10?
   c. How would you grade your team on EXPLORATION on a scale of 1-10?
2. **Ask your team:** Ask your team to ask how THEY want to take action. You don't need to come up with all the ideas on your own. Give them this document, have them grade their team and ask them to reflect on what they want to focus on to improve their 'worst' area of

communication. I find that it's best to focus on ONE area, no matter ‘how bad’ or far off you may be.

MONDAY HOUR ONE FRAMEWORK SOP

LOOK BACK + LOOK FORWARD

PRIORITIZATION + SCHEDULE

=

MONDAY HOUR ONE

Why is this important?

This provides transparency for management to ensure no one person is overloaded or underloaded, and we can properly disperse work amongst teams, and project deadlines more easily.

What is Monday Hour One?

It is ONE hour (usually less) of planning that saves you 10-12 hours the rest of the week <u>on average</u>. During this hour, you will pre-plan your working hours for the rest of the week to ensure you complete all tasks, projects, and also accommodate for any unexpected items. Some people call this time-blocking.

What is Expected?

Each week after you complete this Monday morning (or over the weekend) your Supervisor should be able to look at your calendar and see all of your time blocked and properly allocated.

How To Deploy Monday Hour One

1. **The Look Back**: Review the previous week's calendar, what did you not get done? What is unresolved?
    a. Review all your sent emails, what is not followed up on or complete?
    b. What happened last week on my calendar that I need to pull forward to this week?
    c. Review communication platform, anything you missed or forgot to respond to?
    d. Review 'constraints' from last week.
        i. What process/communication/document can be put in place to prevent that constraint from happening again in the future?
2. **The Look Forward**: Review the next 1-3 months calendar, what do you need to start working on? What should you 'pull' forward this week to ensure you hit your targets?
    a. Review your project management tool - what projects are upcoming that you need to start working on?
    b. Review the next month on your calendar, what is up and coming you may need to start preparing for? What about your quarterly goals?
    c. Review your EOW reports (yours or your reports if applicable) what steps need to be taken?

3. **Prioritize the items you have just written down.**
    a. What is the most important that will move you/your team/the business forward the most? Those should be **scheduled** as priorities. We do not schedule priorities around our other stuff, we schedule other stuff around our priorities.
4. **Schedule Your Priorities!**
    a. Schedule in your projects/tasks/work blocks for your priorities
    b. Delete or move anything that does not revolve around these to the best of your ability
    c. Be realistic - Insert your lunch time, as well as any breaks you may take daily to pick/drop kids off at school and/or take a stroll to clear your head.
    d. These should be as detailed as possible. There is no "project work" block, it must be named *specific* to the name of the project you are working on.
    e. Start by inserting the high priority projects, and then follow that with scheduling time to check email, project management tool, facebook, and any other small tasks that must be done multiple times throughout the day.
5. **Schedule in OVERFLOW/AD-HOC time.**
    a. We can only be so good at guessing how long things will take us, however you would be surprised that if we put constraints on our time, we can typically get items done in much less time than if we give ourselves too much time.

b. This time is also set apart for 'Ad Hoc Requests' if your job entails you may get those on a daily basis, whether its urgent customer requests, follow ups, or items urgently requested by peers or managers.

6. **Color Code Your Calendar**
    a. This is extremely helpful because it gives an easy to measure way of seeing where your time is spent.
    b. Here is a basic color code:
        i. Recurring Meetings: Blue
        ii. Admin Tasks: Red
        iii. One off Meetings: Yellow
        iv. Project/Priorities: Green
        v. Break/Food Time: Purple
        vi. Personal Events/Time (If you choose to input): Orange

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Examples of Monday Hour One Calendars

Once you have completed the above, your calendar may look similar to one of the following.


Workout
5:30 – 6:30am
Turn Off Nightly Auto-Responde
Set next week's on-boarding ca
Call Sur, 7:30am
Intention/Leadership Lesson, 8
Canva "Handout" for CP After O
8:30 – 9:30am
ALAN Huddle, 9:30am
Daily Team Hu
[SAP] Custome
10am, https://zoom.us/j/8
Gala/Chelsea Weekly 1:1
11am, https://zoom.us/j/93672
Teach Gala: HOW TO Create Pa
PREP for onboarding call, 12:30p
Lana Lemeshov: ALAN Client S
1pm, https://zoom.us/my/galas
Alex Office Hour- ALAN CP's
2pm, https://zoom.us/j/977799
Meet and Greet: Gala, Kelley, an
Workout
5:30 – 6:30am
Turn Off Nightly Auto-Responde
Intention/Leadership Lesson, 8
Roger Yelvington: ALAN Certifie
A.L.A.N Virtual Day w/Joel Kaplan & Marcos Rosenkjer
9am – 3pm
https://zoom.us/j/2755790990
Daily Coaching Call: Alex Horr
1pm, https://zoom.us/j/46626
Leadership Training- Leads+
2pm, https://zoom.us/j/36185
Code Transactions, 3pm
GLX and ALAN Support, 3:30pm
Workout
5:30 – 6:30am
Turn Off Nightly Auto-Responde
Grocery Store, Walgreens, Jacket
8 – 9:15am
ALAN Huddle, 9:30am
Roger Yelvingto
Daily Team Hu
Chrissy Barron: ALAN Certified
Handwrite cards to resellers
11am – 12pm
CP Reseller Journey: Create As
12 – 1pm
Customer Com
1pm, https://ev
Daily Coaching
1pm, https://zo
ASANA Project Deliverables: Review and Submit
2 – 3:30pm
Code Transact
MUST: CSM W

PAY INCREASE FRAMEWORK SOP

PAY INCREASE (%) =

1%-3%	Standard Performance
4%-5%	Consistent Performance/Reliable
5%-10%	Excellent/High Perform/Responsibility^^
10%-20%	Promotion/Management/Skills/Load^^

Why is this important?

Many companies don't have a philosophy around how to pay people or how to give raises.

This ends up biting you in the butt as you grow because you lose good people either due to *overpaying the bad people* or **under paying the good ones**.

Not to mention, having no standard way in which you explain how you pay, which then leads to unfair and unequal pay.

I wish I understood my company is that people talk. They talk and they share what they get paid *more than you would ever guess*. And so you want to be as transparent as possible and why people do that no matter what is not an area of contention.

This is something that you want to do before you grow, and if you haven't until now - this is one you can't implement too soon.

What is the Pay Increase Framework?

This is a guide meant to give you an outline for how to do hay increases, but also one that you can hand to your team when they join and show them so that they know what to expect.

I'm a big fan of transparent pay policies and this is one of those. This framework serves as one that you can use yourself and also use to educate your team.

How do you use it?

The Key to Earning a Raise: Demonstrating Excellence

The single most important factor in earning a raise is demonstrating consistent excellence in your work. High performers are rewarded the fastest. This principle supersedes all other considerations. If you excel, the opportunities for financial growth will naturally follow.

What to Expect as an Amount for Your Raise:

Leadership in collaboration with Human Resources will evaluate the employee's performance and assign them to one of the four categories:

- **Standard Performance/Not Meeting Criteria:** Regular performance without any exceptional results. (1-3%)
- **Consistent Performance and Reliability:** Consistently meets expectations and is a reliable contributor. (4-5%)
- **Excellence/High Performance/Added Responsibilities:** Consistently exceeds expectations, takes on extra responsibilities. (5-10%)

- **Promotion to Management/New Skills/Significant Increase in Responsibilities:** Recently promoted or has acquired new skills or taken on significant new duties. (10-20%)

Once the employee is assigned to a category that is how we dictate their pay increase.

Common Circumstances That Lead to a Bigger Raise:

1. **Significant Increase in Responsibilities**: When there is a substantial change in your role, significant increase in teammates, taking on new tasks that are formally documented (e.g., changes to a JD document), this often warrants a raise.
2. **Promotion to Management or Leadership**: Moving into a management position or taking on a leadership role by overseeing a team can justify a salary increase.
3. **Consistent Performance and Achievement**: Continual hard work and consistent achievement, especially when it leads to taking on tasks beyond the original scope of your job, is a strong case for requesting a raise. We don’t reward fantastic individual contributors any less than leaders - both are crucial to company performance.

Frequency and Percentage of Raises:

We do not grant raises based on any predetermined schedule, nor are raises distributed equally across the company or within departments. Instead, raises are evaluated on an individual, case-by-case basis, reflecting each employee's unique contributions and performance.

However, as a general rule, unless there is a special circumstance (such as a promotion), raises are typically not awarded more than **once** within a calendar year.

How to Get/Ask for a Raise

1. Understand Your Value and Market Rate:

- **Research Your Position's Market Value:** Start by gathering data on the average salary or hourly rate for your job title in your region, considering factors like your level of experience, industry standards, and cost of living. Websites like Glassdoor, Payscale, and the Bureau of Labor Statistics can provide useful benchmarks.
- **Assess Your Unique Contributions:** Identify and quantify your contributions to the company, such as completed projects, revenue generated, cost savings, or process improvements. Understanding your value will help justify your request. We want to lead with data, not emotions.

2. Determine the Appropriate Increase:

- **Know What Percentage to Ask For:** Make sure your request is realistic and backed by **data** and works within the Pay Raise Framework we use internally
- **Be Ready with Specific Numbers:** For example, *"Based on my research and contributions, I would like to request an increase of $5,000 to $7,000."*

3. Prepare for the Conversation:

- **Approach Professionally and Calmly:** Avoid making emotional appeals or putting your supervisor on the defensive. Start the conversation with a positive note about your satisfaction with your job and how much you enjoy your work.
- **Sample Opening Lines:**
    - *"I really enjoy working here and find my projects very challenging. Over the past year, I've noticed the scope of my work has*

expanded significantly, and my roles and responsibilities, along with my contributions, have increased. I would like to discuss the possibility of reviewing my compensation."
    - *"I'd like to talk about my career and how I can continue doing my best work for the company."*

4. Present a Strong Case:

- **Be Specific and Evidence-Based:** Clearly outline why you deserve a raise, using examples and metrics to demonstrate your increased responsibilities and contributions, lead with evidence not emotions and use the provided framework.
- **Have Supporting Documentation Ready:** Be prepared to share data that supports your request, such as industry salary reports or a list of your achievements and how they align with company goals. You can use payscale.com or salary.com to gather this information. The best pay increase requests i have seen the employee has put together a slide deck presentation.

5. Practice Patience and Professionalism:

- **Give Your Manager Time:** Recognize that salary decisions require careful consideration, reviews, and possibly discussions with upper management. Don't expect an immediate response.
- **Remain Calm and Patient:** Avoid following up too frequently. Typically, it's acceptable to discuss salary once a year unless there are exceptional circumstances or promotion opportunities.

6. Avoid Over-Asking:

- **Limit Frequency of Requests:** Asking for a raise too often can appear as though you are dissatisfied or constantly seeking more compensation rather than being committed to your role. Annual reviews are usually the standard unless you have received a promotion or your responsibilities have changed dramatically.

7. Follow Up Respectfully:

- After the conversation, send a polite email thanking your manager for their time and reiterating your commitment to your role and the company, while also gently reminding them of your request.

TYING IT ALTOGETHER

If it feels like this is a lot. I agree - it is.

As a 4x Founder and the CEO of a portfolio of businesses, I see it everyday. The job of the Founder/CEO is grueling. There is never ending work and limited time.

The goal of these 5 Frameworks is to save you a *little* time and **a lot** of pain so you don't have to build these out yourself or make the same mistakes I did when I was scaling fast for the first time a decade ago.

If you're a business owner looking to scale … I host Scaling Workshops at my Headquarters in Las Vegas monthly. There are usually 50-75 businesses (100 people in total) at these workshops. The team that runs my $500M Portfolio runs these workshops hence the limited space and frequency. So if you want more hands-on help than these Frameworks, go ahead and sign up for a call at the link here and we will hop on and let you know if you qualify.

And if not - I'm still rooting for you as one of the few brave ones trying to make a difference in this world.