Position Agreements:

Empowering your people to own it
Position Agreements: Empowering your people to own it.
The E-Myth Point of View

- Over Two Million Sold.
- Translated into 29 Languages.
- Taught in 118 Universities.
- Voted the #1 business book by Inc. 500 CEOs.
- Voted #6 of the top 25 most influential management books by Time.
- BusinessWeek Long-Running Paperback Business Bestseller.
- Wall Street Journal Bestseller.
E-Myth’s Business Development Model

The Seven Centers of Management Attention™
Elements of Organizational Strategy

Company Mission and Individual Primary Aim

- Strategic Objective
- Organizational Chart
- Results Statements

- Structure
- Process
- Behavior

- Brand Promise
- Systems Strategy
- Operations Manual

Company Values

Position Agreements
What is a “Position Agreement”?  

A written agreement between a manager and an employee that makes explicit the result the employee is accountable for in that position and the work standards necessary to produce that result.

VS.

A job description – the unsatisfactory but common alternative – that is often just a glorified “to do” list that is more of an organizational formality than a document which service a greater purpose.
What is the Greater Purpose?
Accountability and Results

In the busy, “doin’ it, doin’ it, doin’ it” of our daily lives, we can often forget that each person in the business is there to do one thing: to produce a result!

~ E-Myth Mastery
A Roadmap for Success

The Position Agreement is the roadmap that the company gives each employee so that everyone can do the right work and get the right results.
Why Results Statements?

The Result Statement tells an employee *why* that position exists in the company.

Links every person/position to the Strategic Objective.
Why Standards?

The Standards describe *how* the work should be performed.
The Work Listing

Specifies exactly what work is required to produce the result.

There are two types of work: Strategic and Tactical
Elements of the Position Agreement

- Position Identification
- Results Statement
- Work Listing
  - Strategic
  - Tactical
- Standards
- Signature Page
Two Types of Position Agreements

Managerial

Non-Managerial
Managerial Position Agreement

**Position Title:** Manager, Accounts Payable

**Manager’s Position:** Director, Finance

**Result Statement:** I am accountable for producing the following result:

To optimize company’s cash flow, protect its creditworthiness, and effectively manage vendor relationships, through the establishment and implementation of policies and systems for the payment of company liabilities.

**Reporting Positions:** These positions report directly to me and are accountable for producing the indicated result:

<table>
<thead>
<tr>
<th>Position: Accounts Payable Associate</th>
<th>Position:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result: To assist in maintaining an optimal and orderly cash flow by tracking company liabilities and preparing payments.</td>
<td></td>
</tr>
<tr>
<td>Result:</td>
<td></td>
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</tbody>
</table>
**RESULT STATEMENT:** I am accountable for producing the following result:
To achieve my Strategic Objective, and, in so doing, live my Primary Aim.

**REPORTING POSITIONS:** These positions report directly to me and are accountable for producing the indicated result(s):

<table>
<thead>
<tr>
<th>Position: Vice President, Internal Operations</th>
<th>Position: Vice President, Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result:</strong> To provide staff support for the acquisition and retention of clients through the planning, evaluation, monitoring, and improving of financial, information technology, and administrative systems, in a way that promotes an effective smooth-running organization.</td>
<td><strong>Result:</strong> To acquire long-term, quality clients for the company through the creation of the company’s positioning, sensory packages, and marketing strategies, and the development and implementation of lead generation and lead conversion systems.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position: Vice President, Client Fulfillment</th>
<th>Position: Vice President, Field Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result:</strong> To retain long-term, quality clients for the company through the development and implementation of service, production, and delivery systems that fulfill the company’s marketing message and contractual obligations to clients, and the company’s financial and strategic objectives.</td>
<td><strong>Result:</strong> To acquire and retain clients via the branch network through the implementation of orchestrated marketing, client fulfillment, and internal systems, and through the development and implementation of branch systems, so that clients’ needs and expectations, and the company’s financial objectives, are met or exceeded.</td>
</tr>
</tbody>
</table>

| Position: Manager, New Business Ventures | |
|-----------------------------------------||
| **Result:** To assist in achieving the company’s Strategic Objective by providing management with information and recommendations related to new business opportunities. | |
WORK LISTING: List all strategic and tactical work for which this position is accountable.

Strategic Work:
1. Evaluate the quantification related to accounts payable systems.
2. Evaluate the performance and results of the accounts payable function.
3. Recommend and develop improved systems, policies, and procedures for the accounts payable function.
4. Plan and implement work schedules.
5. Hire and train people in the Accounts Payable Associate position.
6. Manage and coach all Accounts Payable Associates.
7. Prepare and deliver performance evaluations to all Accounts Payable Associates.
8. Provide input and assistance to other members of the Finance Department toward the achievement of the department’s overall result.
9. Provide information and assistance related to accounts payable to company employees.

Tactical Work:
1. Review and approve all invoices received by the company.
2. Code, allocate, and voucher all invoices, check requests, and expense reports.
3. Prepare all checks for payment of the company’s liabilities.
4. Prepare and deliver accounts payable reports and related information and documentation.
5. Review, complete, and submit government agency reports.
Strategic and Tactical Work

**Strategic** = Defining the Results

**Tactical** = Producing the Results
**STANDARDS:**

*Position-Specific:*

1. Vendor discounts for early payment will be taken 75% of the time in any quarter.
2. All invoices will be checked for approval and accuracy prior to payment.
3. All accounting entries will be thoroughly documented to create an effective audit trail.
4. Late payments will be reported to the vendor by telephone or fax no later than one business day following the due date and preferably prior to the due date, to protect company’s creditworthiness.

*Company-Wide:*

1. All work will be performed according to company policies and standards, as well as in the spirit of the company’s strategic objective.
2. All work will be orchestrated and quantified when appropriate.
3. All telephone calls, both internal and external, will be returned within two hours whenever possible, and within one business day at the latest.
4. All proprietary company information will be held as strictly confidential outside the company.
5. Immediate manager will be notified of any issues that cannot be resolved, or deadlines that cannot be met within a reasonable time frame, and before the deadline has arrived.
6. The company’s dress code will be followed at all times.
SIGNATURES:

STATEMENT OF THE POSITION HOLDER:
I accept the accountabilities of this position and agree to produce the result, perform the work, and meet the standards set forth in this position contract.

April 3, 2002
Date

Daniel Sanchez
Signature

DANIEL SANCHEZ
Printed/typed name

STATEMENT OF THE POSITION HOLDER’S MANAGER:
I agree to provide a working environment, necessary resources, and appropriate training to enable the accountabilities of this position (result, work, standards) to be accomplished.

April 3, 2002
Date

Pamela Monroe
Signature

Pamela Monroe
Printed/typed name
Let’s walk through a Non-Managerial sample.
Key Points to Remember

• The Position Agreement is shaped by the owner’s vision for the business and by the systems the business operates as it serves its customers.

• It cannot be the result of a give-and-take negotiations between a manager and employees based on personal needs or preferences.

• It defines a position based on the needs of the business to produce results that contribute to the greater purpose.

• As a business grows and develops Position Agreements may need to change to incorporate innovation and adapt to changes in the marketplace.

• It is not uncommon for employees of smaller companies to have one or more Position Agreements based on cross-functional roles.
Implementation Checklist

- Review Organizational Chart and Results Statements
- Plan Your Approach for Developing Position Agreements
- Draft the Position Agreements (each manager)
- Meet With Employees and Sign Their Agreements
- Review and Revise Position Agreements Periodically
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