# Rule 4: Find, Keep, and Grow the Right People

If you're ever in one of Staples several thousand stores and a trim, enthusiastic, and bespectacled associate introduces himself and helps you out, check his name tag. If it says "Ron" and he has a moustache, it's probably Ron Sargent, CEO of the $28 billion giant.

If you think working in stores several days a week meeting with associates and greeting customers is beneath the CEO of the world's largest office supply superstore, think again. "You need to remember," laughs Sargent, "that for a guy who started out in Boston scrubbing toilets forty hours a week, working in stores helping our workers and customers was a big promotion."

When asked to list the giant retailer's most important assets, Sargent responds, without pause, "Only two things really count at Staples: our customers and our people who deliver the customer service experience." While Sargent was serving as the number two executive at Staples he'd patiently created a list of what he would do if and when he got the top job. As you'll learn, his list ensured he'd be ready if and when the opportunity arrived for him to become the firm's CEO.

## Staples

In 1985, while most of Boston was celebrating a hot and sticky Fourth of July weekend, Tom Stemberg, an out-of-work supermarket executive, was sweating over a business proposal when his printer ribbon broke. Because the holiday that year fell at the end of the week, all the local stationary and office supply stores were closed for a long weekend. As he drove aimlessly around the suburbs trying to find an open store, Stemberg had a sudden epiphany. What the world needed, he realized, was a big honking office supply store that looked and felt a lot like a supermarket with convenient operating hours.

Many entrepreneurs are encouraged to follow their passion. Stemberg says, "I think following your passion is a stupid idea. I know a lot of people who followed their passion and ended up with bankrupt restaurants and golf courses. Instead of following your passion, find a great market that provides an opportunity to truly satisfy customers and make money."

Stemberg found his money partner in Leo Kahn, a veteran of the grocery business, and within ten months they had opened the first Staples store in Brighton, Massachusetts. The wild race was on with few pauses for breath during the next twenty years.

If Stemberg's idea for an office supply superstore had occurred in an earlier time, he might have been able to open a few stores, perfect distribution, work out the bugs, build a history of consistent profitability, model desired customer service standards, and then begin an orderly expansion. He didn't have that luxury.

As word spread that a hot new retail concept had taken off in Massachusetts and that a typical store was doing $60,000 a week in revenues, copycat competitors started sprouting up like weeds. Within only two years Staples had more than twenty direct competitors scattered across the United States with names like HQ Office,

Office Stop, Office America, Office World, Business Depot, Office Depot, and OfficeMax. Each vowed to be the biggest, best, and last one standing, so Staples had to scale quickly or risk becoming a New England anomaly.

Within two years of opening its first store and with the help of Mitt Romney, then a partner of Bain & Company, Staples went public and began madly spending the money they'd raised on store expansion, acquisition, and hiring. The company quickly opened stores in the Midwest that floundered at first, but the company still moved on to California snapping up rivals along the way. In 1989 it launched its catalog delivery service, which the company expects to become its biggest source of revenue in the next several years. Within only five years of its founding, Staples opened its first Canadian store and partnered with British retail giant Kingfisher to open stores in the United Kingdom.

By the company's tenth anniversary, it was opening its five hundredth store, had already become a *Fortune* 500 company, and e-commerce was beginning to take off at Staples.com. Ron Sargent, the company's current chairman and CEO, says it was a land grab. "It was a race. At one point we were opening a new store every forty-two hours in order to stake out the territory before a competitor got there." Only five years later, as Staples prepared to celebrate its fifteenth birthday, the company was opening its one thousandth store and sales topped $10 billion for the first time.

"It was all about growth," says Sargent, "and while growth has served us well I'm not sure it was always profitable growth." He says, "We stumbled badly and lost money in Europe for more than a decade just for the sake of saying we were there and for a long time we didn't make any money with Staples.com but kept our foot firmly on the accelerator."

As the nation entered a recession in the year 2000, the company's growth began slowing, the dot-com bubble burst, and the company began acknowledging that perhaps it had grown too quickly and that it was time to reassess. At the same time, the focus of Tom Stemberg, the company's founder, who'd excelled at being a growth-oriented entrepreneur, began to drift.

Stemberg, who'd made hundreds of millions of dollars from his stock in Staples, began showing an increasing lack of interest in the day-to-day management of a huge company and became preoccupied with his new interests including a start-up flower store franchise concept and a dry cleaning idea called Zoots.

In September of 2001, Stemberg passed the CEO reins to his number two, Ron Sargent, COO and president, who'd been with the company almost since its inception.

## Ron Sargent

Ron Sargent vividly remembers the day in August 1973 when he boarded his first airplane and flew from his small hometown in Kentucky to Boston, Massachusetts. He was eighteen and had been accepted at Harvard.

"I landed in Boston with all my belongings and a thick ole' boy Kentucky accent and had to figure out how to get from the airport to the campus. When I'd stop people and ask them how to get to Harvard," he recalls, "they weren't very helpful. They'd take one look at me, decide I was a hillbilly, and start mumbling stuff about having to take a subway. Nobody bothered to tell me that I had to take a bus to get to the subway.

"After a lot of buses and subways and moving back and forth on inbounds, out bounds, red lines, green lines, and blue lines, I finally found Harvard Square," he says, "and as I made my way to the top of the stairs I was greeted by a big group of Hare Krishna's chanting and playing their finger cymbals. I'd never been on an airplane, never been in a subway, and had certainly never seen a Hare Krishna. I felt as though I'd ended up in a different universe.

"Most of my family were tobacco farmers in central Kentucky," says Sargent, "but after World War II my father decided he didn't want to spend his life on a farm and headed for the *big* city of Covington, where be became a mechanic." Sargent's mother was a housewife and both parents were focused on their two children receiving good educations.

"The high school I went to wasn't very good," he says, "and it was fairly easy for me to do well," adding that even today fewer than 15 percent of the students who attend Holmes High School go on to college. "I was accepted at the University of Kentucky," he says, "but took a chance and also applied to Harvard and was accepted."

At the time it cost $5,000 a year to attend Harvard, and Sargent wasn't sure he'd be able to swing it. "At the time my father was making $11,000 a year before taxes but agreed to kick in $1,000," he says. "I borrowed $1,500, earned another $1,000 on a summer job, and Harvard gave me a $750 scholarship. I was able to scrape together enough money for one year and figured I'd go for it and see what would happen."

"Besides the small scholarship," he says, "Harvard promised me a great job on something called the Dorm Crew." Sargent's job during his freshman year was cleaning toilets, but his assignments became progressively better after that. "By my sophomore year I was a janitor, the third year I was a garbage man, and in my senior year I delivered the mail."

Sargent says he regrets not having had more fun during his undergraduate years at Harvard. "It was tough for me," he admits. "A phone call back home was something I could only afford to do on Sundays." He spent Thanksgivings alone in an empty dorm room while his more affluent classmates were able to go home.

"Harvard was intimidating," he says. "There's a lot of wealth and privilege there and I was the guy who wasn't able to join people for the big Saturday nights out in Boston because I just didn't have any money. Maybe all Harvard freshmen are insecure," he says, "but I remember thinking that maybe I was the only admissions mistake Harvard had ever made."

Sargent knew he wanted a career in business, so he majored in economics and by his senior year decided to immediately go to work on an MBA. "Most people get their undergraduate degree and then work for a few years before going back to get an MBA, but I wasn't sure I'd ever make it back, so I decided to do it right away.

"I remember a conversation with my dad about my decision to apply to business school," says Sargent. "He'd never really understood my decision to go to Harvard when I could have had a free ride at the University of Kentucky and there I was telling him I was going to borrow another $20,000 and spend two more years in school. He thought he had a professional student for a son who would never get a job and earn his keep."

But Sargent was determined and applied to business schools at both Harvard and Stanford, making it clear on his applications that he was going to start his MBA studies the following year one way or another and that this was his single shot. Stanford told him to work for a few years first, but Harvard accepted him and he went to work on his graduate degree.

As a twenty-one year old studying for an MBA alongside seasoned and accomplished classmates who'd spent time in the workplace, Sargent found business school very challenging. "I didn't have the background and experience that my classmates had," he says, "but I had great study habits, took what I was doing more seriously than most of them, and within six months I knew I'd make it."

Every summer throughout college Sargent would head back to Kentucky where he'd live at home to save money and work in the home office of the Kroger Company, one of the nation's largest grocery store chains. When he graduated with his MBA, he received six job offers including one from Kroger and another from Neiman Marcus. "The offer from Neiman Marcus was intriguing," he says.

"They talked about buying trips around the world and all kinds of fun stuff while Kroger said I'd be spending the first eight months cutting up cows and chickens and trimming produce." He decided to accept the offer from Kroger where he'd spend the first ten years of his career.

"I took Kroger's offer," he says, "because all the other MBAs were going into consulting and investment banking and I thought there'd be great opportunities for someone with an MBA in retail and because there were only a handful of MBAs in the company, so I thought I'd advance quickly."

"I was treated well at Kroger," he says, adding that he recently joined the board of directors, "and got to do a lot of things while I was there but over time came to realize that the company had what I call *gray hair syndrome*. At the time you were supposed to be a store manager for ten years because everyone else had been a store manager for ten years. Next you were supposed to be a zone manager for five years because that's what everyone else before you had done. I made it to director of dairy marketing (one level below a vice president) in only ten years," he says, "but remember thinking that it would take another ten years to get to the next level."

Sargent credits Kroger with teaching him a lot of lessons that have served him well. "I learned how a big company works and I learned how to do things right, but it was just a little too slow for me and too hard to make an impact."

Sargent's break came in the form of a phone call from a former Kroger executive who'd become a headhunter. "He told me he represented a company that wanted to open stores in the Midwest and invited me to come to Boston for an interview. I wasn't interested in the least," he says, but admits, "the idea of an expense paid trip to Boston was intriguing and I'd get to catch up with old friends from my days at Harvard." The headhunter who called was representing Staples, which at the time had fifteen stores in the Northeast.

"I visited store number one and store number two," says Sargent, "toured their distribution center and remember thinking they were on to something really good. The more I thought about it the more interested I became. I was only thirty-three years old at the time. My career at Kroger was moving along at the speed of a glacier; I was engaged but still single and decided, 'If I'm ever going to take a flier, now is the time.'"

What Sargent liked most about the concept was what he calls the replenishable nature of the stores. "One of the great things about the grocery business," he says, "is that you might have good days and bad days but the reality is that people have to eat. I realized it was the same thing with office supplies. People are going to use up what they've purchased and have no choice but to replace them."

Sargent said yes and agreed to join Staples as a regional vice president responsible for opening stores in the Midwest. "My father, my fiancé, and the people I worked with at Kroger thought I was nuts," he says. "They couldn't imagine why I'd go to work for a company that wasn't public, wasn't making any money, and only had fifteen stores."

Sargent's first assignment at Staples was to open twenty stores in the Midwest within his first twelve months. "We got to five stores and kind of stalled," he explains. "While the average store in the Northeast was doing $60,000 a week, the Midwest stores were only averaging $30,000 in weekly sales. I got a call from the person who was the president at the time and he said, 'We thought the Midwest was going to be the next hot area but now we think it's going to be California,' and asked me to go there."

Sargent had gotten married and didn't want to head to California but agreed to fill a position in Boston. Within a year the company decided to begin a delivery business; Sargent raised his hand and it became his claim to fame.

"We started delivering out of the back of stores," he says, "and quickly created a catalog, call centers, distribution centers and within a couple of years decided we wanted to serve bigger customers and purchased seven large companies that specialized in that business and integrated them." Staples delivery business currently accounts for 40 percent of its total revenue, and Sargent estimates that by 2013 it will account for more revenue than the company's retail stores. In 1997, in acknowledgment of the work he'd done in successfully launching the delivery service, Sargent was promoted to president and COO, a position he held until it was announced that he would become the second CEO in the history of the company.

Other than the announcement, made a week before 9/11, that Sargent would become Staple's next CEO, nothing in 2001 went well for the company. Staples tried to create a separate class of tracking stock aside from its regular shareholders (something Sargent opposed but says it wasn't his call to make) and got sued. For the first time in the company's history same-store sales were down, the stock price tumbled from $18 to $11 a share, and the economy was in a recession.

"I remember thinking to myself," Sargent says, " 'The good news is I finally get to be the CEO; the bad news is I'm walking in the footprints of a legend and things couldn't be in worse shape.' It wasn't a bad company," he's quick to add, "but there were lots of things that had to get cleaned up and fixed and I was the guy who had to do it.

"The results we achieved in 2001 were predictable," says Sargent. "Throughout the nineties we were moving as fast as humanly possible and mistakes got made along the way. In order to fill the stores with workers we'd hired almost anyone. Inside the company we called it *warm body syndrome*. We had a lot of executives who might have been right for a $100 million company but weren't right for a $10 billion enterprise and," he admits frankly, "we didn't have a good customer service culture. Toss in a recession and it's not surprising we had a bad year.

"During my years in the number two role," says Sargent, "I'd always kept a list of things I'd do if I got the top job," adding, "it was a long list. The challenge was figuring out which of the things I'd do during the first hundred days and which ones I'd handle in the longer term." Deciding which items on Sargent's list would get addressed first was made easier by virtue of one of his first acts as heir apparent: commissioning an outside research firm to provide Staples an honest assessment of where it stood in the minds of its customers.

The study revealed that consumers thought Staples's prices were okay but not great, found its store format dated, thought that its stores had become too "consumerish," that it had lost its office products appeal, and that nothing distinguished it from its competitors. As Fred Eppinger, of The Hanover Group, says, "Nobody ever wants to admit their baby is ugly but sometimes it's necessary."

## How Sargent Hit the Ground Running

Sargent makes a persuasive case that a new person in charge has to move quickly and decisively in order to be effective. "I think a lot of people get intimidated by the role they've taken and say to themselves, 'I'm going to take some time and settle in, learn the job, and do my research over the first year,'" adding, "if you wait too long you'll lose everybody and your opportunity to effect change will be gone. I think a new leader has to do something big, new, and different within the first one hundred days and make sure that it's properly communicated to everyone. If people don't know what's going on," he warns, "they'll assume nothing is going on.

"Symbolic gestures were always very important to me and I think they are to most people," says Sargent. "A leader needs to quickly be able to say, 'Here's the five-point plan we're going to concentrate on during the next year.'"

Titled *Back to Brighton* (the site of the original store), the plan Sargent came up with and began communicating to the organization included:

- Shuttering unprofitable stores
- Cutting the number of items sold in the stores
- Creating a shopping experience for Staples's core business customer
- Implementing a new store format
- Creating the Staples's Foundation to support local communities

## Store Closings

"I'm a straightforward and fairly simple guy," he says, "and we had to simplify, stop any bleeding, and get rid of stuff that didn't make sense or wasn't profitable for the company.

"I visited the thirty-one stores we closed," says Sargent. "It wasn't the fault of the employees that we were closing them and they deserved an explanation. Each store represented a mistake on the part of management. Either we'd made a bad real estate decision or we'd run the store poorly. It meant a lot of people lost jobs because of our errors in judgment and that didn't feel good."

## Merchandise Reduction

The winning formula for a retailer is simple. You need to get the right merchandise, in the right place, for the right price, at the right time. But achieving "simple" is oh so difficult in business.

"Probably the toughest decision," Sargent remembers, "and one that didn't go down well with our merchants, was my decision to cut eight hundred items out of each store. Merchants like more items [because] more items mean more sales.

"Our core business customer is where we earn a profit," Sargent continues, "and that meant we had to lose the Brittany Spears backpacks, the fluorescent pens, and all the consumer stuff. We needed to get rid of the tchotchkes that were clogging up the stores." He adds, "We weren't telling consumers not to visit our stores but we couldn't pander to them at the risk of losing our business customers.

"By getting rid of those eight hundred items we were able to expand product lines that were very important to our small business customers and it meant we had greater depth of stock in the things they needed." In other words, they went from having more items to more of the right items.

The immediate result was that sales stayed flat and didn't go down as every merchant feared. The company's gross margin (profit before operating expenses) actually went up, which proved beneficial to the hammering it had been taking from Wall Street analysts.

## A Sincere Commitment to Customer Service

"After becoming CEO I met with all our operators," says Sargent, "and one of them asked my three biggest priorities. My answer was 'customer service, customer service, customer service.' I explained that any of our competitors would be able to copy our store design, product mix, and pricing but that if we could differentiate ourselves in customer service it would propel us to be great."

Sargent says he immediately changed some people, too. "If we were going to be serious about our customer service initiative," he says, "we had to move operationally oriented people out of customer service." Another big decision by Sargent was to stop focusing on what the competition was doing, something that many business mangers and executives waste time on. "I told everyone that I didn't want any energy or effort spent on what the competition was doing or any time wasted constantly comparing our performance to others. I wanted all our time and talents dedicated to us, our stores, and the customer service experience we were delivering."

Many companies routinely announce new initiatives with lots of fanfare but fail to put any muscle into them and months later wonder what happened to them. The Staples's customer service plan put forth by Sargent had teeth.

Each Staples location was measured monthly by its revenues and profits but also by mystery shoppers who measured how the store was doing in its adherence to the new customer service program. Mystery shopper programs are administered by independent firms that hire people and pay them to visit a store (or a series of a stores in a chain), interact with the staff and present challenging questions to them, and buy merchandise. Based on their findings, the stores being evaluated receive a numerical ranking, and outstanding individual customer service is also noted. Companies use these results to improve their overall customer satisfaction ranking. Staples elected to offer bonus money to the staff of high-achieving stores.

"The money was shared by everyone in the store," says Sargent, "and even for a part-time sixteen-year-old worker it could easily mean an extra $50 a month, which was big money to them."

## New Store Format

"When they're shopping for office products," Sargent says, "people don't want the hassle of shopping at Walmart, and they don't want to buy pens and paper at Costco stuck behind some guy with two flatbeds of food for his restaurant."

Staples's new store format was designed to provide the small business customer an easier and faster shopping experience. "Research showed that getting into the store, easily finding what they wanted, and getting out quickly," says Sargent, "was even more important to them than price. So we got rid of the warehouse style pallets and racks and created a racetrack design that allowed people to get around the stores easier, find what they were looking for, and check out fast."

## The Staples Foundation

"By the time we hit $10 billion in annual sales," says Sargent, "I felt we had an obligation to give back to the communities and during my first month we created the Staples Foundation. There are two schools of thought regarding business and charitable giving. One is that the purpose of business is to make money for the shareholders and that it's not management's job to tell them what to do with *their* money. The other," he says, "is that we'd made a lot of people wealthy, we're a high-profile company, and we're honor bound to give back to our communities."

Prior to Sargent's initiative, corporate giving had been limited to providing groups and civic organizations a handful of gift certificates or dollar-off coupons when asked for support. "We decided we couldn't do everything for everyone and decided to begin by focusing on providing educational opportunities for disadvantaged youth and began with a million-dollar annual commitment through the Boys & Girls Clubs of America." The Staples Foundation has expanded and currently contributes more than $7 million annually to a number of causes that the company's work force is instrumental in selecting.

"While I knew it was important and the right thing to do," he says, "I hadn't fully gauged how important it was for our employees. It really served as a good reminder to me that people don't work just to earn a paycheck. People need to feel good about the companies they work for and feel like they're making a difference in the world." Sargent says, "It was extraordinarily uplifting inside the company and explosive in a positive way," revealing his pride at one of the imprimaturs he's made on the company. "Giving charitable organizations a handful of $10-off merchandise coupons to use in our stores just didn't cut it!"

## Finding, Keeping, and Growing the Right People

Any successful business leader will tell you that the biggest challenge in business is finding, keeping, and growing the right people, and the key to doing it successfully is by making the right people feel like they're part of a special team. People don't quit teams; they only quit *organizations* and Ron Sargent has mastered the art of turning an organization into a team.

"The 94,000 people who make up our team are the heart of this company," says Sargent. "They're the reason we're able to provide exemplary customer service and ultimately earn a profit for our shareholders."

But, at the same time, he makes it abundantly clear that slackers need not apply. "You need to invite people on board one at a time," he says, "and enlist them in what you're trying to do and where you're trying to go. But the other part of that equation is making it clear that people are either on the train or they're not and if it's their choice not to take the train they have to get out of the station.

"People always talk about how difficult it is to fire someone," Sargent says, but, with a note of careful reflection in his voice, adds, "and I *think* I agree with that but I also believe you always have a choice. You can sacrifice the job of someone who isn't on board or you risk sacrificing lots of jobs. Maybe it's my own rationalization," he says, "but people either have to be with the program or not. There's not time to deal with subversives or people who don't want to be here."

To help managers at Staples get it right the first time, Sargent has put in place the following programs designed to identify and retain team members who fit into the company's culture:

- Promote from within
- Move people around
- Identify rising stars
- Make everyone an owner
- Communicate with your workers
- Make diversity a priority

## Promote from Within

"Hiring the wrong people slows a company down," says Sargent, "and we work relentlessly to make sure we're hiring people who will fit our culture. Once we get the right person in the door we focus on getting them trained, fully engaged, and then we begin promoting them as quickly as possible so they'll stay challenged."

Sargent says that Staples will only look outside the company for an executive after an exhaustive companywide internal search fails to produce the right candidate. The company has only used an outside search firm three times in the seven years that he's been the CEO.

Promoting from within pays off in many ways. It creates a career culture that encourages people to stay longer and stretch their skills. It allows managers to select from candidates who are known performers and have proven they can fit in. And most of all it cuts the costs of that long learning curve, an inevitable expense when you hire outsiders. Insiders have tribal knowledge. They understand all it takes to get stuff done—the inner realities, the obstacles, and the intricate web of relationships that are unique to every organization.

## Move People Around

"People stay engaged when they're provided new challenges," says Sargent. "The psychological profile of the right Staples candidate is someone who wants a career and wants to grow professionally and financially. We move people into new and different roles as quickly as their development warrants."

Moving people around to new positions, different stores, and new cities and giving successful team members new responsibilities also helps improve productivity. Research shows that people generate their largest productivity improvements in their first year or two in the job. The secret is that on average new people have fresher eyes and have an easier time letting go of old ways and processes that no longer add value.

## Identify Rising Stars

Each year Sargent spends three days huddled with his leadership team identifying what the company calls "High Potentials" and "Rising Stars." "It's a very rigorous process that allows us to identify successors for every key role in the company."

Workers with high potential and those who've been designated as rising stars are more likely to remain with an organization when they know their good works have been acknowledged and the company has a future in mind for them. Companies benefit from the exercise because they're always prepared for growth by having a list of people ready to be promoted and take on new responsibilities.

Sargent cites the case of Demos Parneros, Staples's president of U.S. stores, as an example of the importance of identifying rising stars and high potentials. "Demos began as the general manager of one of our stores," says Sargent, "and today serves as the operating head of our largest division." The people who lead Staples's marketing, merchandising, and contract sales are other examples of workers who were identified as future stars and worked their way to the top ranks.

## Make Everyone an Owner

Sargent says that the company's reward system of pay for performance and ownership in the company is an essential part of Staples's culture. "Our associates (individual contributors) at the $50,000 level begin receiving restricted stock," he says, "and it scales up from there. Associates at other levels participate in ownership through our 401(k) program where we match their contribution in company stock, and we also offer an ESPP program, which allows workers to purchase company stock at a discount to its market value." Sargent says, "It's vital that the way we reward people matches the interests of the shareholders and that the ownership mentality is constantly reinforced.

"When I became the CEO," Sargent says, "we had about sixty different bonus plans. Today we have two. Everyone in the home office (including Sargent) is compensated based on companywide metrics including earnings per share, sales revenue, return on net assets (RONA),* and customer satisfaction. In our stores," he says, "the management team and hourly associates have bonus goals based on that store's financial performance and customer satisfaction scores. Our results have improved dramatically because everyone is focused on the same goals."

*RONA is a measure of financial performance and equals a company's net income divided by its fixed assets and net working capital.

## Communicate with Your Workers

Besides Sargent's visits to more than two hundred stores each year, where he has the opportunity to interact with Staples front-line associates, the company also invests considerable resources in communicating with its workers. "Remember the important advice I gave you earlier," Sargent says, "if you don't let people know what's going on, they'll assume that nothing is going on."

Staples created a program called the Breakfast Club, an open forum where all workers can ask questions of the company's leadership; all-associate meetings several times annually called Stake in Staples, and regular director and vice presidential forums to update and solicit feedback. "One of the great parts of our heritage that we've kept," says Sargent, "is regularly gathering our teams together to listen to them and update them."

## Make Diversity a Priority

Most companies have finally come to the realization, sometimes reluctantly, that embracing diversity is not only the right thing to do; it makes good business sense to have your company look like its customers. Unfortunately, while many companies talk the talk, they fail to walk the walk and their commitment to diversity is still designated a *special* HR project. Staples has made diversity part of the lifeblood of the company.

As of 2008 women make up nearly half of all associates in the company, and minority associates make up more than one third. Women constitute one third of senior management and minorities make up 10 percent of the company's top leadership. The company is consistently ranked as one of the fifty most diverse companies in the nation and reports on its diversity progress as part of what it calls Staples Soul, the company's corporate responsibility efforts.

**Hit the Ground Running Rule 4**
**Find, Keep, and Grow the Right People**

No leader can implement change or run a successful company without the right people. And if you aren't able to *keep* the right people you will never achieve your full economic potential.

- Hire the right people—not warm bodies.
- Promote from within.
- Give people new challenges and move them around.
- Have a program in place to identify rising stars.
- Make everyone an owner.
- Communicate with them or they'll think nothing is happening.
- Look like your customers; make diversity a top priority.