

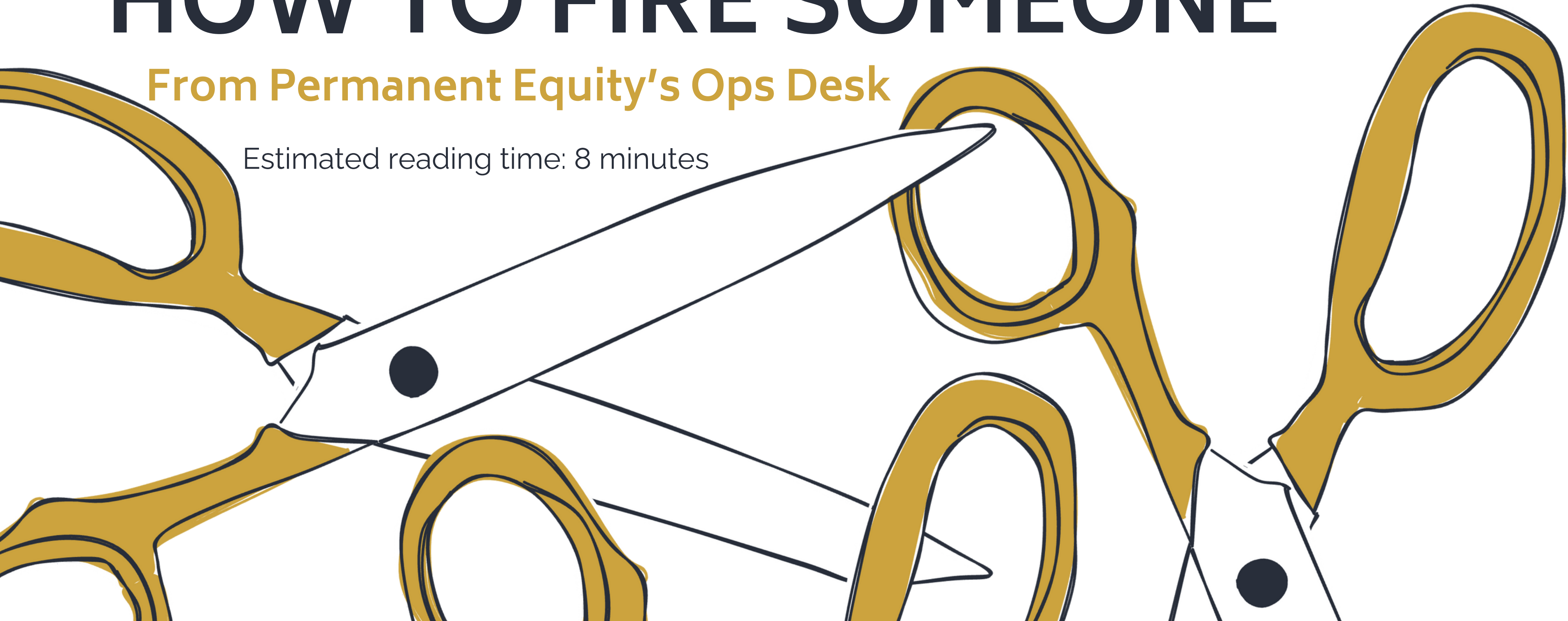


PREP TALK

HOW TO FIRE SOMEONE


From Permanent Equity's Ops Desk

Estimated reading time: 8 minutes





Employment is a relationship.




An organization, which is made up of people, and an individual have made a mutual commitment to one another.



Do all relationships work out?

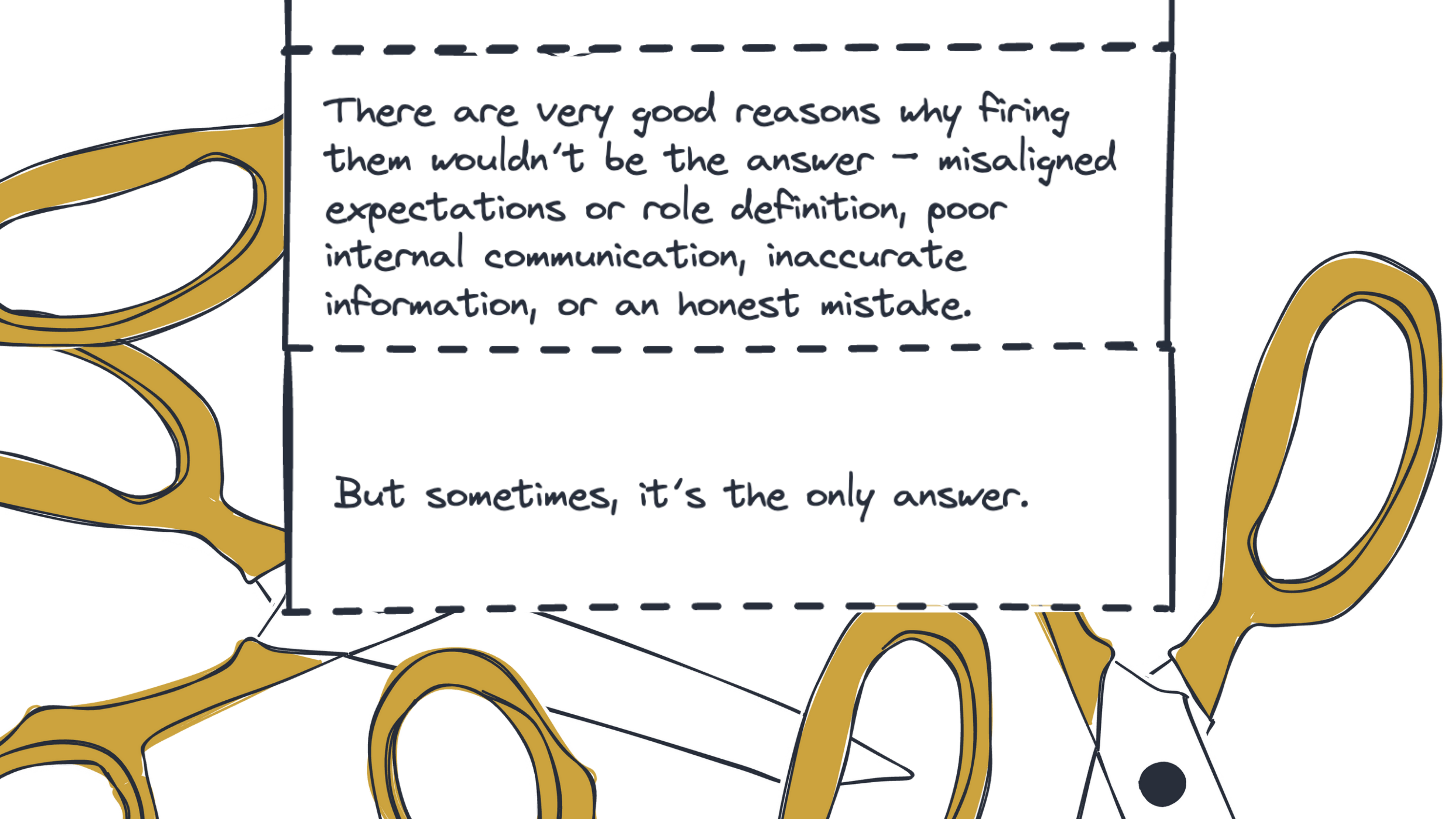
Of course the answer is no.

But experience has taught us that most operators (including ourselves) are slow to act... sometimes at great cultural and operational expense.



**Organizations live
and die by the team.**

When one person starts to regularly
take up outsized energy, it should give
you pause.



There are very good reasons why firing them wouldn't be the answer - misaligned expectations or role definition, poor internal communication, inaccurate information, or an honest mistake.

But sometimes, it's the only answer.



**We default to wanting to give
the benefit of the doubt.**

The blessing and the curse is that most people who should be fired, when given the benefit of the doubt, continue to build a record.



(Nobody cheats just once.)

The real issues stem from avoiding seeing that record build up.

When someone starts to take up outsized energy and directly causes or contributes to bad outcomes (both internal and external), you should put the facts on paper.



And track it.

With rare exceptions, you'll have your answer... and probably much more quickly than you'd like to see it.




Firing someone is unpleasant.

There's no perfect way to do it.




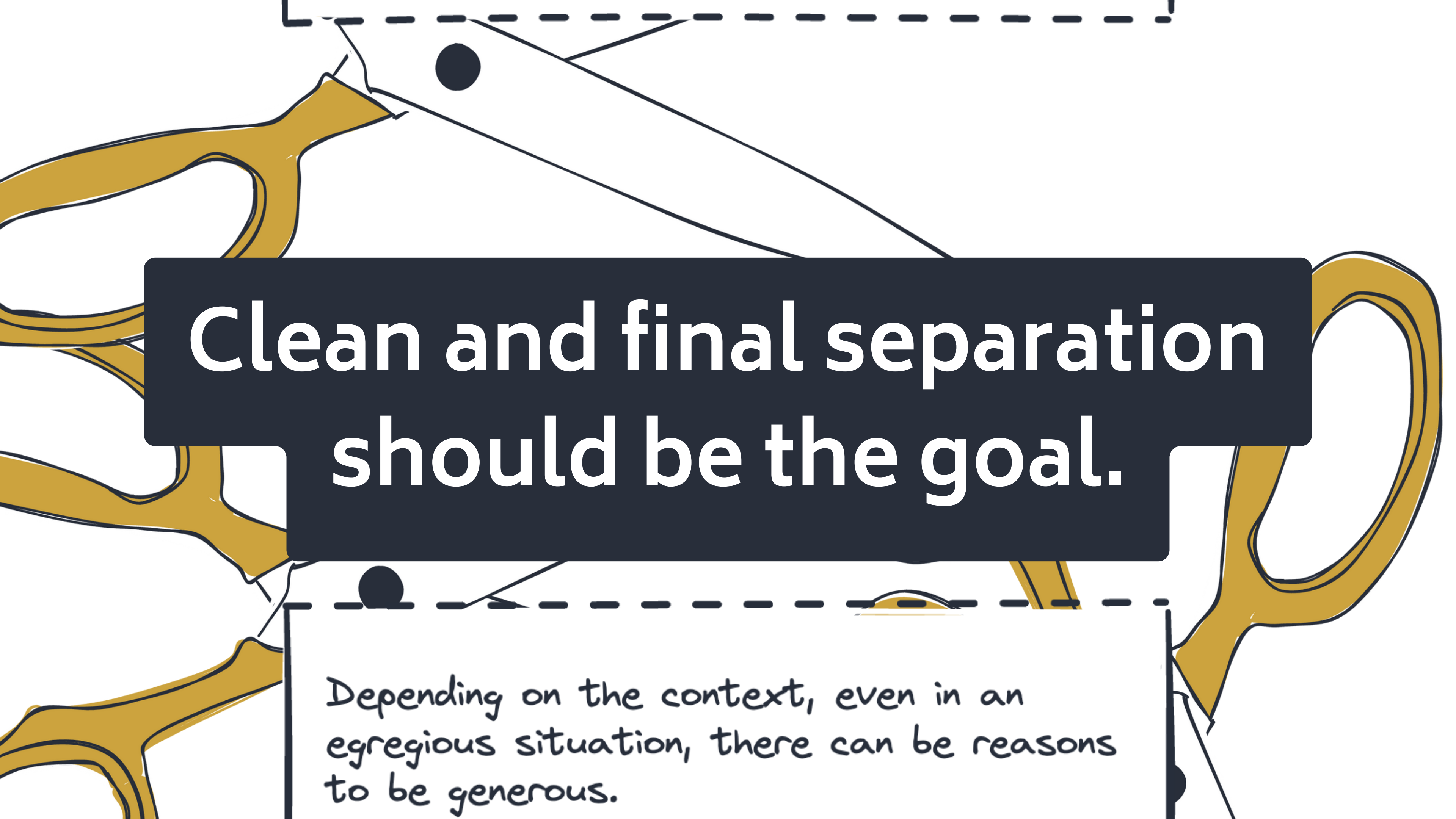
The initial response is rarely positive.

Like most painful things, it's best to be short and direct, avoiding ambiguity or debate.




When firing, the justification should be in the record, so there's no reason to argue about it live.





**Clean and final separation
should be the goal.**

Depending on the context, even in an egregious situation, there can be reasons to be generous.



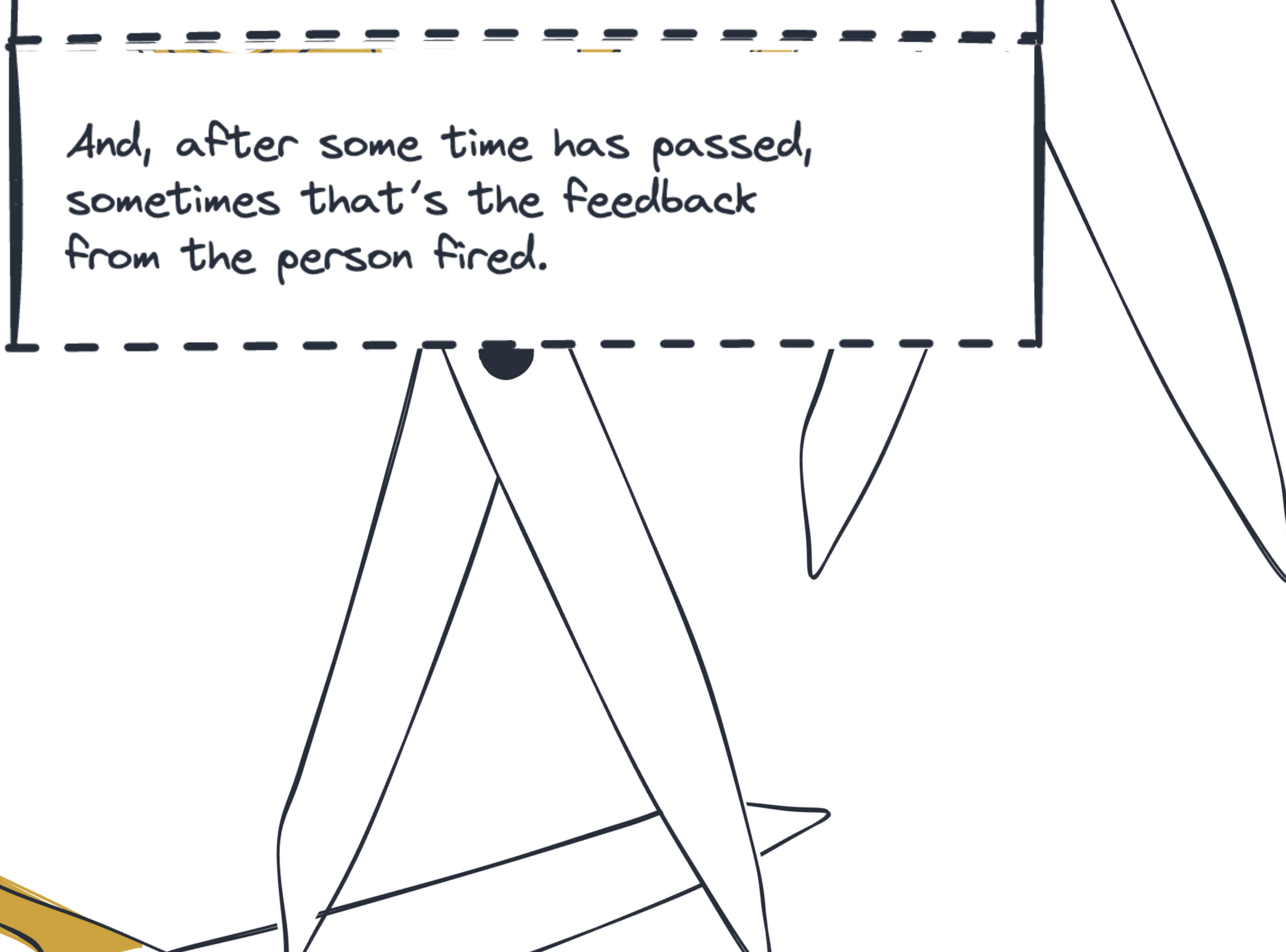
Incentives to remain civil and supportive
are worthy of consideration.

The image features a hand-drawn diagram. At the top left, there is a partial yellow circular shape. The central focus is a rectangular box with a solid black border and a dashed black top and bottom edge. Inside this box, the text "Incentives to remain civil and supportive are worthy of consideration." is written in a casual, handwritten style. From the bottom edge of the dashed line, several lines extend downwards and outwards, forming a series of overlapping, elongated shapes that resemble a fan or a set of diverging paths. At the bottom left, there is a yellow hand-drawn shape that looks like a handle or a ring. The overall style is that of a rough, conceptual sketch.

A pair of yellow-handled scissors is shown in the process of cutting a white sheet of paper. The scissors are positioned at the top of the frame, with the blades pointing downwards. The paper is being cut along a horizontal line, and a dark blue dot is visible on the upper part of the paper. The background is white.

And then there's the aftermath.

Usually, when you fire someone, the majority of feedback afterwards is some version of: "Finally. Why didn't this happen earlier?"


A hand-drawn diagram featuring a dashed rectangular box at the top. Inside the box, there is handwritten text. Below the box, several lines extend downwards, forming a large, irregular shape that resembles a funnel or a wide triangle. A small black semi-circle is drawn on the bottom edge of the dashed box. The entire drawing is done in black ink on a white background, with some gold-colored decorative elements on the left side.

And, after some time has passed,
sometimes that's the feedback
from the person fired.




A short and incomplete list of reasons we've fired someone:

Got in over their head, tried to cover it up, and then had to keep up the lies, committing fraud in the process



Wanted to achieve, but didn't have the skill sets to do it, and wouldn't ask for help

Refused to communicate and/or communicated false narratives that prioritized their personal agenda over that of the organization



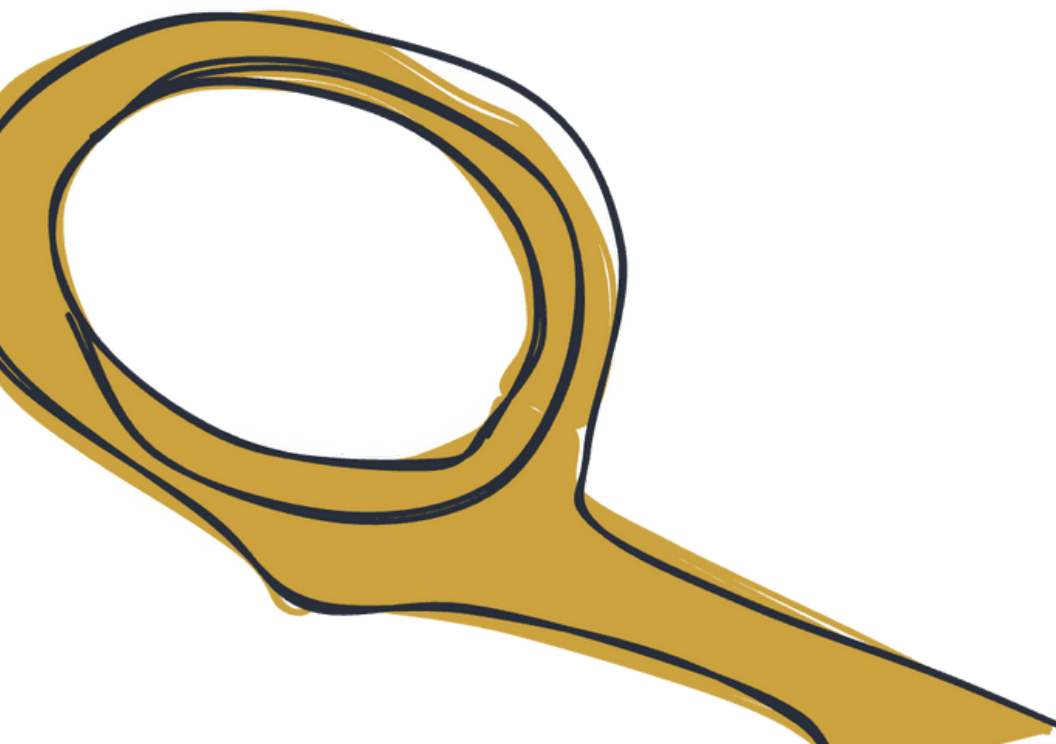
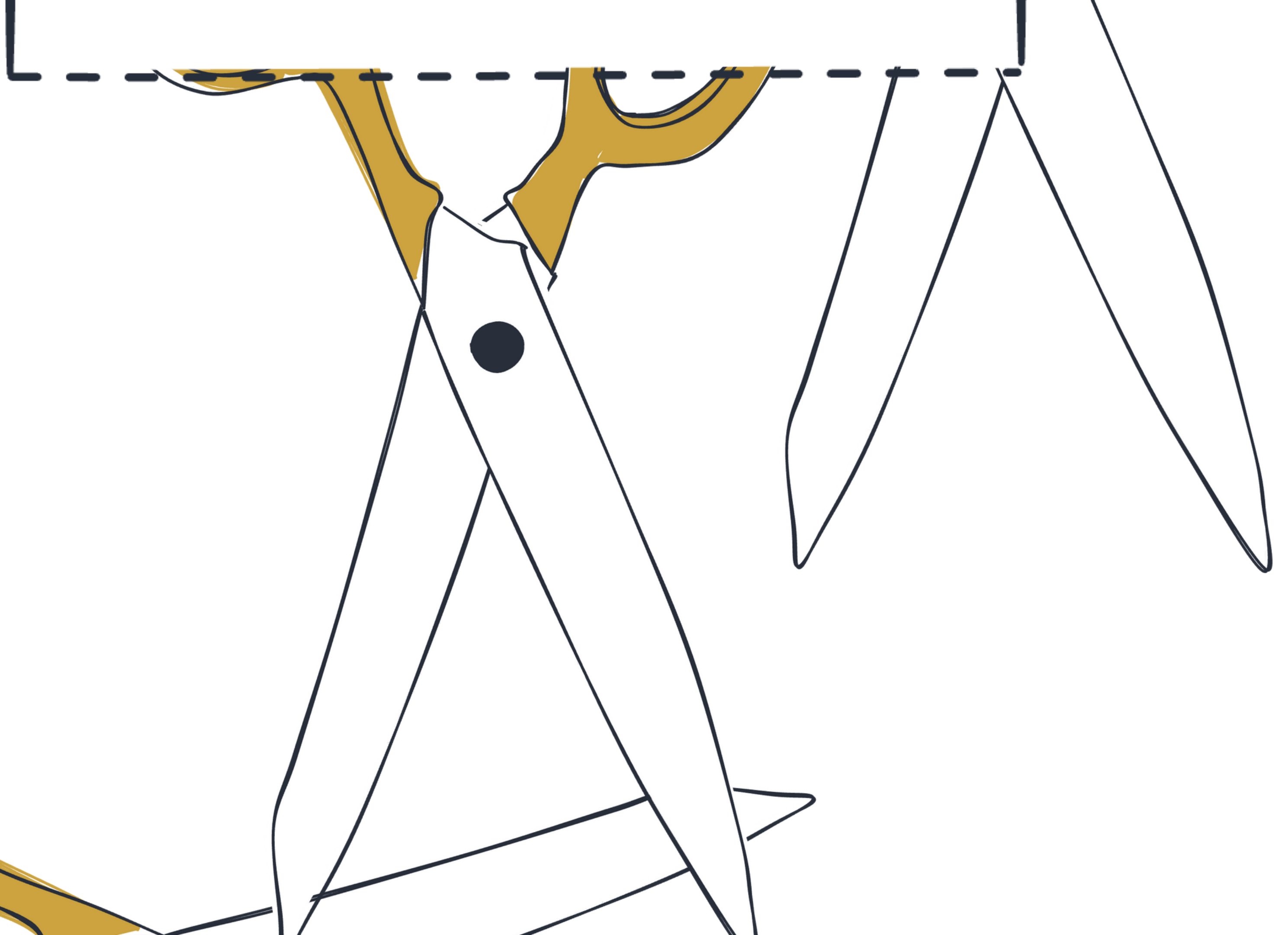
Developed an addiction, refused help, and let it impact their work and/or workplace




Didn't want to work with a team

Said they were capable of something they proved not to be (the conundrum of who you interview vs. who shows up to work)


Believed they are so invaluable they could hold the organization hostage to personal demands






**And, the need to fire someone
can emerge anywhere in your
organization.**

Sometimes it's a recent hire, where the
lack of fit becomes obvious quickly.



Just as often, though,
it's a long-tenured employee.


The truth is that people's lives are complicated, and while a long mutual commitment is worthy of respect, it does not excuse someone from being an active and meaningful contributor to the team.



(This is especially true in smaller organizations, where every role counts and a toxic personality would be proportionally more influential.)

Tolerating and excusing bad behavior can have catastrophic consequences.

When others believe it is willingly accepted, the organization's priorities become confusing to them.




"Do you want the real information, or what we let Joe get away with?"

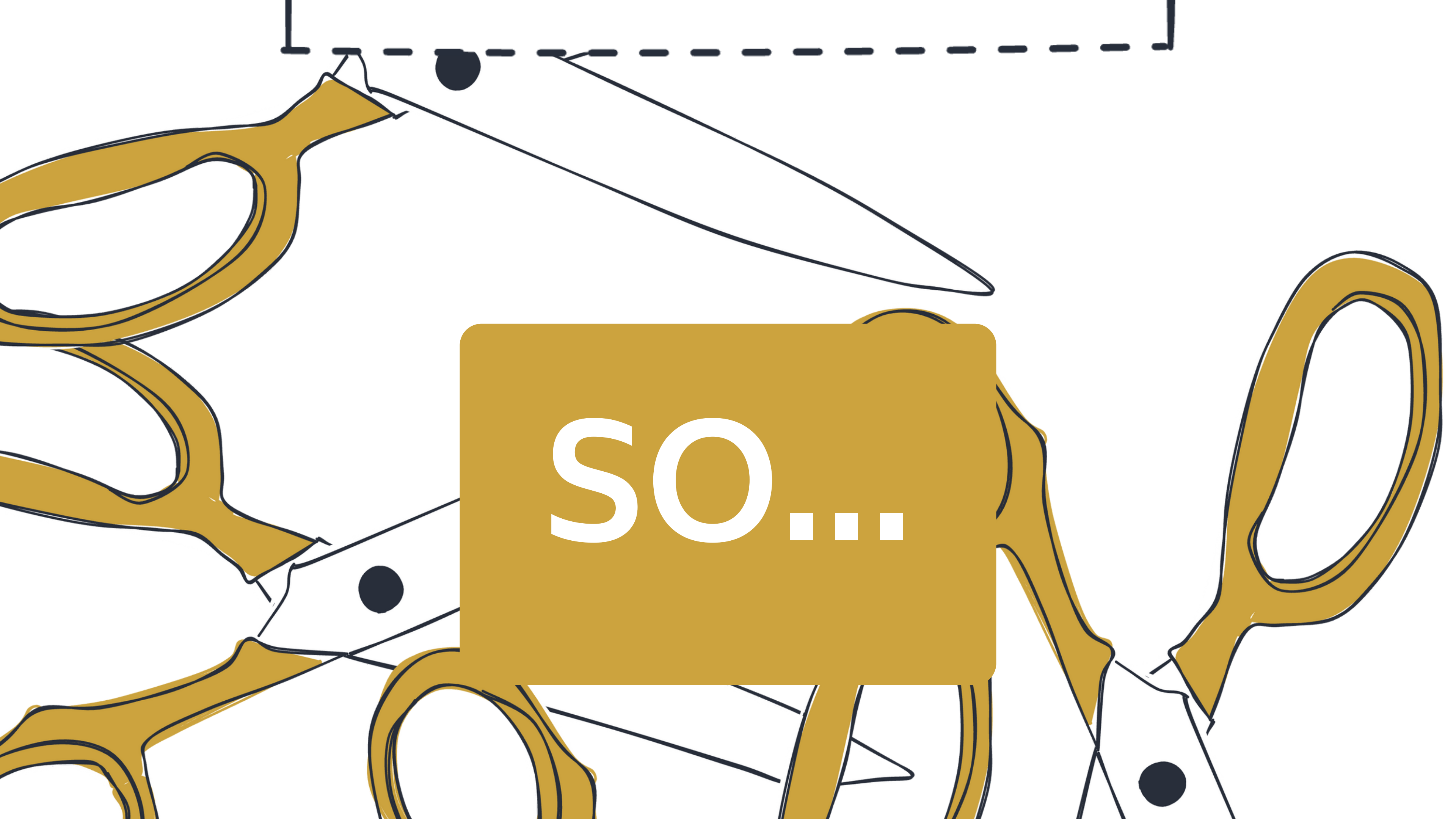
"Joe told us you already knew about that."

"Joe told you we did what exactly?"

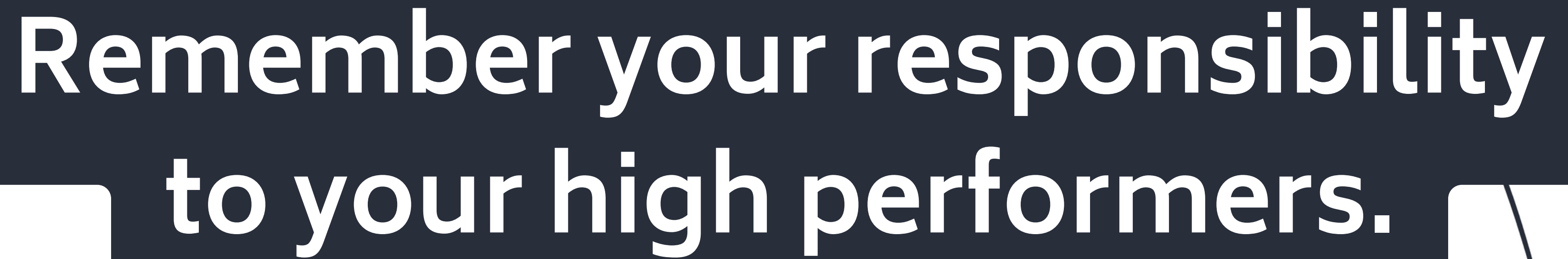
You'll have people with drive and ambition misappropriating that energy until the change is made, and then you'll have to take in the new lay of the land, rebuild trust, and figure out where you are.



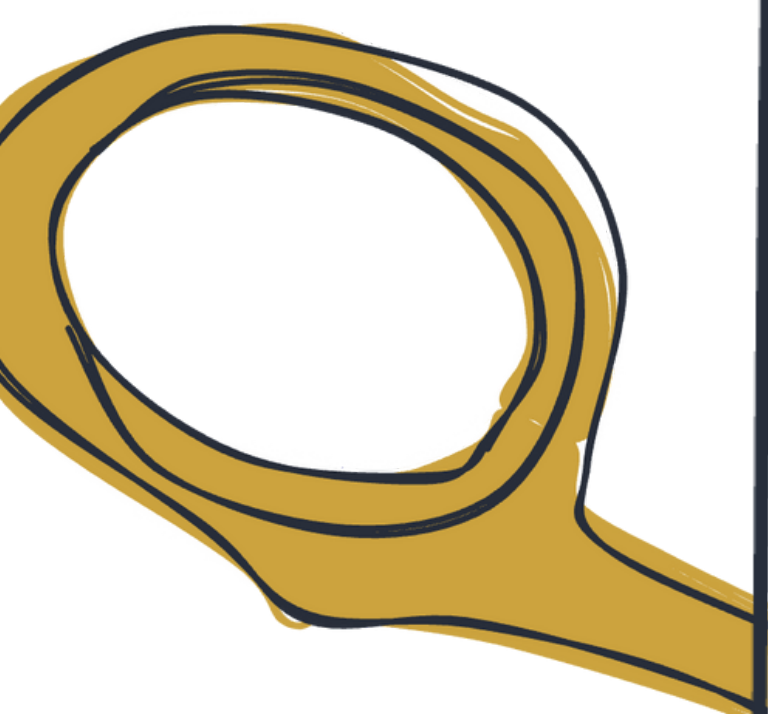
And damn if it's not sometimes depressing how obvious the decision was in hindsight.




SO...




Remember your responsibility to your high performers.



If they're being honest, they'll probably tell you that one of the hardest parts of their job – the part that requires an outsized amount of their time and energy – is cleaning up after the people who are underperforming (in their work, attitude, or interactions).



Firing someone who needs to be let go
protects the people in your organization
who bring real value.




**Remember that you're
protecting the culture of your
organization.**

If you allow poor attitudes or
performance to continue unchecked,
that is the culture of your business.

It's your responsibility to reinforce your standard of excellence and to protect your company's culture.





**Firing someone is the end of a
journey.**

Lead with the headline.

Be direct, say the things
that you need to say.

A pair of scissors with gold handles and black blades is shown cutting a piece of white paper. The paper has a dashed black line indicating a cut line. The text "Finish the conversation quickly." is written in a black, handwritten-style font inside the paper. The scissors are positioned as if they have just cut the paper, with the blades still open and the paper being lifted.

Finish the conversation quickly.

PREP TALKS



Advice & Motivation

from Permanent Equity's Ops Desk

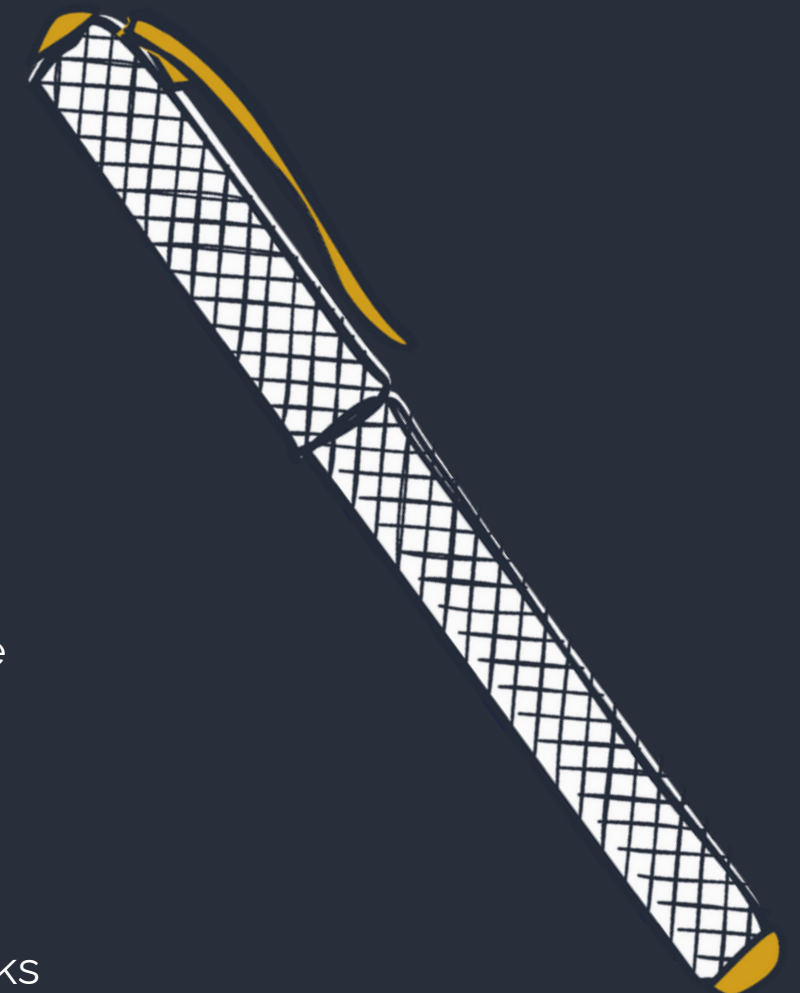
Leadership is hard. And it can be lonely. Big decisions, hard conversations, and ambiguous futures are day-to-day realities – particularly in small businesses. We all occasionally need a sounding board and someone cheering us on.

Here on the Permanent Equity Operations Team, we have the privilege of helping 15 businesses in different industries and geographies, with different people and skills. For us to stay helpful, we do our best to collect wisdom from our experiences so we can share it with our leaders. And now we want to share it with you.

We're collecting what we call Prep Talks (you know, a Preparatory Pep Talk) for the tough calls and conversations leaders face. Each Prep Talk is based on conversations we've had internally and with our portfolio companies. They're a bit stream of consciousness, but guess what? So is leadership. Think of them as collections of those bits of wisdom (on topics from moving into management to firing well to finding the right tech for your business) we've picked up along the way.

For more Prep Talks, visit www.permanentequity.com/prep-talks. We hope they're helpful!

– Co-President and COO Mark Brooks





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