

# MANAGEMENT VS. EMPLOYEES

HOW LEADERS CAN BRIDGE  
THE POWER GAPS THAT HURT CORPORATE  
PERFORMANCE

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*Hayes Drumwright*

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## ***Management vs. Employees: How Leaders Can Bridge the Power Gaps That Hurt Corporate Performance***

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Irvine, California  
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*The Apress Business Team*

## Advance Praise for *Management vs. Employees*

*“Hayes Drumwright is a world-class entrepreneur. And in this direct, provocative, and honest book, he describes both the path of his life and the route all of us can take to build something big. Along the way, he shows that a leader’s ultimate job is not to shield people from risk, but to help them learn and grow.”*

—Daniel H. Pink, *The New York Times* bestselling author of *Drive* and *To Sell Is Human*

*“I believe a person who can turn a negative into a positive can never be defeated—this is brilliantly illustrated in *Management vs. Employees*. Hayes Drumwright shares his stories of success, and, importantly, failure with a rare rawness that you will be grateful for again and again.”*

—Greg McKeown, *The New York Times* bestselling author of *Essentialism: The Disciplined Pursuit of Less*

*“This is a raw, transparent, and courageous book about the deeper issues that prevent leaders from doing what they really want to do. Hayes takes us on a trip through his own discovery and leaves us with advice and counsel that is practical and challenging. Brace yourself!”*

—Patrick Lencioni, CEO, The Table Group; bestselling author of *The Five Dysfunctions of a Team* and *The Advantage*

*Dedicated to:*

*Mason*

*Carter*

*Trevor*

*Brinley*

*Never stop becoming...*



# Contents

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|   |             |
|---|-------------|
| <b>About the Author</b> .....                                 | <b>ix</b>   |
| <b>Acknowledgments</b> .....                                  | <b>xi</b>   |
| <b>Introduction</b> .....                                     | <b>xiii</b> |
| <b>Part I: Us</b> .....                                       | <b>1</b>    |
| <b>Chapter 1: Selfish and Selfless</b> .....                  | <b>3</b>    |
| <b>Chapter 2: Pour a Foundation</b> .....                     | <b>11</b>   |
| <b>Chapter 3: Grab Your Cape</b> .....                        | <b>19</b>   |
| <b>Part II: Them</b> .....                                    | <b>27</b>   |
| <b>Chapter 4: What If “They” Don’t Like You?</b> .....        | <b>29</b>   |
| <b>Chapter 5: Stop Wasting Money On New Initiatives</b> ..... | <b>39</b>   |
| <b>Chapter 6: Barfing Downhill</b> .....                      | <b>45</b>   |
| <b>Part III: Bridges</b> .....                                | <b>51</b>   |
| <b>Chapter 7: Sourcing Pain</b> .....                         | <b>53</b>   |
| <b>Chapter 8: Truth Seeking</b> .....                         | <b>63</b>   |
| <b>Chapter 9: Minimum Viable Stuff</b> .....                  | <b>75</b>   |
| <b>Chapter 10: Accidental Adoption</b> .....                  | <b>85</b>   |
| <b>Part IV: Leaders Need Followers</b> .....                  | <b>93</b>   |
| <b>Chapter 11: Being versus Becoming</b> .....                | <b>95</b>   |
| <b>Chapter 12: Those We Serve</b> .....                       | <b>105</b>  |
| <b>Chapter 13: A Legacy of Failure</b> .....                  | <b>109</b>  |
| <b>Index</b> .....  | <b>119</b>  |





# About the Author

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**Hayes Drumwright** has been a serially successful entrepreneur for over 20 years. He has also had his fair share of failure. His innate ability to grow companies organically was proven at Trace3, where he took the company from an idea and \$100 of his own money to revenues in excess of \$500M. Drumwright is co-founder and CEO of POP, Inc., a SaaS platform that empowers organizations to safely source problems, distribute accountability for solving them, and create buy-in for initiatives in order to scale the business. He is a founding partner in InstantScale, an investment firm focused on early stage startups from Silicon Valley. He is also a founder of one of the top cult Cabernet brands in Napa Valley, Memento Mori Winery. In 2010, Hayes

was named the Ernst & Young Entrepreneur of the Year in Orange County and the Desert Regions, California. Drumwright currently serves on the board of Trace3 and POP, Inc. as Chairman, and at Memento Mori as a director and founder. He holds a BS in Business Administration from Boston University.



# Acknowledgments

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I would like to thank God for never giving me more failure than I could handle. There were times I thought it was too much, but the perspective gained from failing makes us who we are.

While we have reached great heights, I would to apologize to all the people that had to put up with the learning curve I endured over the last 20 years growing different businesses. Hopefully it makes you smile that we could write down the lessons so others could avoid our mistakes.

Thanks to Brian Anderson for pushing me to write this book. It was much much harder than I expected but I am very glad I did it. Your help was invaluable.

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Thanks to the whole POP team for putting up with how much time it took to finish the book.

Lastly, thanks to my family. All of them. I appreciate you all supporting me in all things.



# Introduction

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There are simple things most businesses must do to survive. Basic blocking and tackling to make strategies, stay profitable, and continue on.

That is not what this book is about. This is specifically a book about how to close the gap between groups of people in order to scale rapidly.

The basic idea for why I wrote the book was actually written down in 2013. I was running a company called Trace3 and I wrote the following story immediately after an offsite with my management team.

## “I Wish We Could Do What You Are Doing”

*About six years ago I flew out and met with a company that wanted to buy Trace3. At that time, Trace3 was about \$40M in sales. The company I was meeting with was almost \$300M in sales. I sat down and met with their entire management team that day and looking back, I probably talked too much. I basically laid out my entire business plan to them and they gave me small snippets of their go-to-market strategy. At the time they were mainly just a data storage reseller with a pretty nice service and maintenance arm.*

*It was clear within the first hour that our companies were vastly different. Not different in lines we sold, different in culture. We were nimble, quick, and embraced new technology and changes in the market. They had a proven model, were a public company, and knew what worked... At the end of the meeting, I had gotten what I wanted. I wanted to know what they were doing wrong and why they had stopped growing. That was in fact the entire reason for my visit. My only regret from that meeting was when the CEO asked me what my plans for the future were I responded, “My plans are to be bigger than your company in five years.” That got a good chuckle from his team. I regret it because it was an arrogant thing to say. It is so important to stay humble. I also really liked the CEO and should not have said it because he was having a difficult time growing his company for reasons I was not mature enough to understand yet.*

*When we walked out to the parking lot, he stopped me and said, “Hayes, I am so impressed with what you and your team have built at Trace3. You are doing so many things the right way. If I were to start over, I would do it exactly like you are doing it. I wish [our company] could do what you are doing.” I thanked him, got in my rental car and, as I drove away, I thought to myself what a stupid thing to say. Why the*

*hell would you ever look at a better business model and not move toward it. Today that company is roughly \$400M in sales and Trace3 is \$300M. I now understand, running a company this size, why he said what he did. Getting larger organizations to embrace a paradigm shift in the market can be very difficult. As the leader you must explain the “why” over and over and over until you are blue in the face. There must be education and re-alignment. There must be new divisions and additional risk to the business.*

*There is even a strong chance you have to cannibalize some of your best revenue streams.*

*Getting the sales organization to do that can at times almost seem impossible.*

I vowed to be a CEO who would never utter the statement, “I wish I could do what you are doing” in reference to a business model. Ignoring a paradigm shift in the business landscape is the fastest way to irrelevance.

Moving forward is hard enough on its own let alone when the employees don’t like the leaders.

I set out to write a book that was applicable on both a personal and business level. Some of my favorite books—*Drive*, *Essentialism*, *The Advantage*, and *Lean Start Up*—work on both levels.

Because I have a short attention span, my hope is that you will be able to get through the book in one sitting (or plane ride) and immediately have simple ways to apply the ideas covered. I broke the book into four sections to make it simple to navigate. Part I is about how leaders should calibrate their thinking. I titled that “Us.” “Them” is the second part and covers the mindset of the people in the trenches working hard to accomplish the plan. It examines how and why they could turn apathetic and entitled. Part III is a methodology to close the gap between the groups. The last part, which was the most fun to write part, narrows in on how and where to start. Consider it a pep talk.

Knowing what needs to be done to become better is not the same as going out and doing it. Having started many companies and having a strong dose of failure in my past, I know starting can be the toughest part of any journey. Sometimes we need a nudge.

Not to sell it short, but the ideas in this book are more common sense than anything else. I don’t think I am all that special and when you understand the differences in the way leaders and standard employees think, you will probably come to many of the same conclusions I have as for how to solve them. I hope you enjoy it, find it applicable, and are inspired to start when you finish.