

FORBES **SPEAKERS**: BECOME A CHARTER MEMBER TODAY

SPRING 2019 EDITION

ForbesBooks

REVIEW

A FAMILY BUSINESS
THAT TURNED DOWN
\$2.5 BILLION

THE FIRST GENERATION OF
**VALUE
COACHING**

CO-FOUNDER
OF INSPIRITY

PAUL SARVADI

"PUT SIMPLY, PEOPLE
WILL MAKE—OR BREAK—
AN ORGANIZATION."

FAITH IN YOUR BUSINESS

HOW A HUMAN CAPITAL APPROACH BUILT AN INDUSTRY
ONE MAN'S MISSION TO CATALYZE BUSINESS GROWTH AND IMPROVE
COMMUNITIES THROUGH SOPHISTICATED HR SOLUTIONS

A man in a dark suit and light-colored shirt stands by a window, looking out at a lush green landscape. The scene is slightly blurred, creating a sense of depth and focus on the text overlaid on the image.

PAUL SARVADI

FAITH

in your

BUSINESS

HOW A HUMAN CAPITAL APPROACH
BUILT AN INDUSTRY





INSPERITY'S CEO LOOKS BACK ON THE CONVERSATION AND ETHOS THAT CREATED A MULTIBILLION-DOLLAR BUSINESS

“Everything starts, and ends, with your people,” Paul Sarvadi says, recalling the moment that changed his career. In 1985, just before Christmas, Paul and his business partner Jerry McIntosh were trying to pick themselves back up after a failure. Their first business went bankrupt and they sat down to answer three questions, not simply as a postmortem, but because in the answers lay the blueprint to a better business. They set out to determine the kind of company they wanted to build, how they wanted employees to describe this company, and how to turn a profit while living their values. This conversation opened

up bigger questions about a human capital approach and sowed the seeds of the multi-billion-dollar company, Insperity, that Sarvadi heads to this day.

Though human resources (HR) outsourcing, or Professional Employer Organization (PEO), was an uncharted frontier that he hoped would prove lucrative, Sarvadi did not want his business to merely be conceived in cold, hard economic terms. His company would need to be an organization rooted in people and values. He decided to bet everything on a strong human capital strategy. As a result of this epiphany, their initial questions evolved into the following:

What kind of employees do we want to hire? How will we treat them? How do we expect employees to treat each other? What are our expectations about the way we treat our clients, vendors, and stakeholders?

“Those questions are as relevant to us now as they were at the beginning,” Sarvadi explains.

In his new book, *Take Care of Your People: The Enlightened CEO's Guide to Business Success*, Sarvadi outlines the 10 governing principles of a people-first organization and tells the story of a business that defined an industry.

Today, Insperity provides state-of-the-art HR solutions for more than 100,000 clients, employs over 3,100 people, and boasted 2017 revenues of \$3.3 billion. However, the company's beginnings were as humble as they were daunting. Not only were Sarvadi and McIntosh trying to reimagine

Paul Sarvadi at Insperity corporate headquarters in Kingwood, Texas. The company currently serves over 100,000 clients.



how a business should operate, they were also creating a new industry. Sarvadi remembers that “there was no successful competitor to learn from, no trade association to provide guidance—we didn’t even know the right category in which to list ourselves in the phone book.” In its first year, Sarvadi and McIntosh’s company had three clients, two desks, and one phone “with a really long cord.”



OUR PEOPLE DEMONSTRATE OUR CULTURE IN POWERFUL WAYS IN TIMES OF NEED.

Take Care of Your People details the ascent of a powerhouse and serves as a guide for leaders hoping to identify which pieces of their human capital strategy are missing or broken. Many leaders push HR to the periphery, regarding it as a third wheel or necessary evil. People concerned in the day-to-day of getting a business off the ground often assume that the human element is a frivolity. Paul Sarvadi is on a mission to reverse this misconception.

Sarvadi is soft-spoken but confident in his vision. In working with countless clients over the past 33 years, he finds that companies frequently allow HR issues to go undiagnosed. He recalls a conversation in which a client explained that there were “no HR problems” at his company. “My problem is sales,” the client said. Sarvadi dissected this answer; asking how many salespeople were there,

how many of them were truly hitting it out of the park, how many of them were just ‘ok.’ Through a revealing conversation, Sarvadi discovered that this was actually an issue with recruitment. “While he believed that he had a sales problem,” Sarvadi says, “what he really had was an HR problem, or at least there was an HR solution to his sales problem.” Any company can find some success on the back of a great vision, however, the truly great businesses, the companies included on ‘100 Best Places to Work’ lists “typically have one common denominator—a strong human capital strategy,” he says.

Whether a business has five employees or 5,000, Sarvadi’s company offers a full suite of HR solutions. Insperty provides businesses with administrative relief, better benefits, reduced liabilities, a state-of-the-art HR-technology infrastructure, and a customized service plan for maximizing productivity and profitability. When a company trusts that its expenses are under control, risk exposure is minimized, and opportunities for revenue generation are maximized, leaders are able to focus on the larger picture. Finance, operations, sales, and technology, are key components of any organization—human capital catalyzes all four. By shoring up the human capital piece, Sarvadi’s company affords organizations confidence and steady ground to grow.

Insperty is an uncommon company because Sarvadi is an uncommon leader. Thinking about how it all began, Sarvadi knew that “regardless of how good our business ideas might be, or how hard we worked, Insperty’s eventual success would be inextricably linked to the success of our people.” Insperty’s mission is to “help businesses succeed so

communities prosper,” and the name itself comes from the union of inspiration and prosperity. Since its 1997 debut on the New York Stock Exchange, the business has grown at a compound annual rate of more than 15 percent. Though he is certainly proud of the prosperity that he has enjoyed, Sarvadi always returns to the success of his people and the inspiration they provide. “It’s not just our stellar record with client companies that makes me proud. It’s also the way we practice what we preach.”

A core value of the business is achieving goals through servant leadership and teamwork. “Insperty is widely recognized for its giving spirit,” Sarvadi explains. Quarterly and annually, two employees are rewarded for community service efforts. Every employee is given twelve paid hours per quarter to participate in company-sponsored events or personal volunteer opportunities. In the wake of Hurricane Harvey, employees donated their time, performed search and rescue, and the organization donated \$1 million to help 65 displaced families. In addition to being an excellent way to bond a team together, these charitable efforts reinforce the ethos that Sarvadi and McIntosh hoped to instill from the beginning. “Our people demonstrate our culture in powerful ways in times of need,” he notes.

Take Care of Your People: The Enlightened CEO’s Guide to Business Success has struck a chord with leaders across the country. Alan Mulally, former CEO of Boeing Commercial Airplanes and Ford Motor Company, finds that this book “provides detailed instructions to help CEOs and their teams come together around a compelling vision, a comprehensive strategy, and a relentless implementation plan



Since its 1997 debut on the NYSE, Sarvadi's company has enjoyed a compound annual growth rate of more than 15 percent.

“

[PAUL SARVADI] IS LIVING PROOF THAT YOU CAN BE WILDLY SUCCESSFUL IN BUSINESS WHILE LEADING BY INSPIRATION, NOT INTIMIDATION.

that creates a smart and healthy organization that delivers sustainable value creation for all stakeholders.”

Paul Sarvadi was born in Aurora, Ohio. His first job as a caddy fostered both an appreciation for serving others and a lifelong love of golf. His family moved to Texas where he married the love of his life, Dr. Victoria Sarvadi when they were teenagers and they had their first child soon thereafter. Victoria had a near-death experience before her 18th birthday that created a deeper faith in both the Sarvadis. Victoria earned her Th.M. and Th.D. in 2005 and is a certified minister in the Hebraic Christian Global Community. Paul Sarvadi attended Rice University before following his instincts to chase his entrepreneurial dreams. Today, after 43 years together, they have six children and 20 grandchildren. The Sarvadis founded the Texas-based Nathaniel Foundation, the mission of which is to build a stronger community by fostering business growth, encouraging involvement with community events

and by bringing an appreciation for the arts in a family-friendly setting. Sarvadi was recognized as the Ernst & Young Entrepreneur of the Year in the service category in 2001 and was inducted into the Texas Business Hall of Fame in 2007.

Sarvadi is a beacon to other leaders, a confirmation that one can be good and prosperous. Jim Nantz, a legendary sports commentator and Paul Sarvadi's friend, describes the CEO as “living proof that you can be wildly successful in business while leading by inspiration, not intimidation.”

With *Take Care of Your People: The Enlightened CEO's Guide to Business Success*, Sarvadi hopes that more entrepreneurs will begin their journey by thinking first of their people. As Gary Kelly, CEO and Chairman of Southwest Airlines, remarked, “Job one for any leader is to take great care of the people in the company. In this comprehensive book devoted to a company's most precious asset, Paul Sarvadi offers piercing insights derived from

years of dedication to the topic. And, he does it in an engaging and readable style.”

In the 33 years since Insuperity began, other companies have entered into the industry. According to the National Association of Professional Employer Organizations, there are over 780 PEOs currently operating in America. The competition does not worry Paul Sarvadi. “We've built a business where people are happy to work,” he states. “We've created a model, an exemplar, a paradigm for what a good people strategy looks like. And we've been able to share that with the world, helping others—entrepreneurs, investors, employees, all stakeholders—share in the positive contribution made possible by the Insuperity way.” As he said, everything begins and ends with your people. Learn the key to unlocking a winning people strategy when you take Paul's assessment at www.paulsarvadi.com/assessment. 