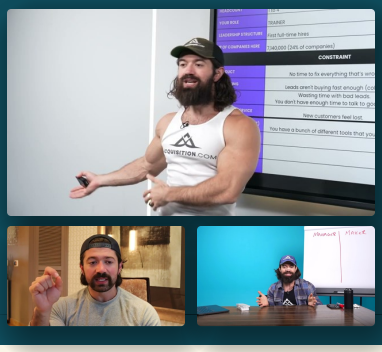
THE PEOPLE & OPERATIONS PLAYBOOK

For an experienced leader growing a company from 5 to 99 people: find the constraint, hire and promote with a process, run the team on a rhythm, and let people go well.

LEILA & ALEX HORMOZI



Who said it: Leila runs the people side in these videos, but the captions rarely name the speaker. L marks points the video makes clear are Leila's; the rest are credited to both. Everything is from video, not a book.

5–9 STAFF	10–19	20–49	50–99	100+
Manager	**Director**	**Leader**	**Executive**	**President**
one layer; you still do much yourself	2–3 managers with 2–3 people each	*"you cannot manage everybody on your team."*	own the CEO role; add 1–3 executives where you're weakest L	a team of teams; final check on every manager hire

1 • FIND THE REAL CONSTRAINT ALEX · THEORY OF CONSTRAINTS

"any system will grow up to its constraint and no further". His sales manager missed the same goal three quarters running: add six outbound reps (about $2M a year each). Asking why, step by step:

1 a week	5 : 1	4 : 1	20%	Net +1
qualified candidate from HR	HR screens per qualified	final interviews per hire	reps lost each quarter	rep a quarter, goal 6

The constraint was HR running one-on-one screens. Fix: **five group interviews in one hour a week**. Pushing the sales manager harder was *"solving the wrong problem"*.

Market to staff like customers. *"the one that people miss the most this one is that they don't have an acquisition process for getting new Talent"*.

CUSTOMERS	TALENT
Ads, leads, nurture	**Job ads, candidate pipeline**
Sales appointments	**Interviews (they are sales)**
Offers, onboarding	**Job offers, onboarding**
Ascension, resell	**Promotion, keep selling the vision**

2 • HIRE WITH A PROCESS STAGES 3–8

1. **Write the job ad like an ad:** hook (why this job beats the one across the street) › values in the daily work › top 3 responsibilities › pay and perks. One rewrite took a company from ~10 applicants a week to ~30 a day.
2. **Review résumés** for achievements with numbers. About 20% should pass to a screen; fewer means fix the ad. Hire for now plus 12–18 months — big-company habits don't fit a small company.
3. **Screen** 5–15 minutes for expectations only: pay, hours, location, must-haves.
4. **Interview:** *"Screen for expectations, interview for culture, skill, and potential."* L While the team is small, one person runs one interview; how to make them comparable is in section 6.
5. **Check references:** 1–2 for frontline; **4–5 for managers and directors**, 30–45 minutes each, same questions, two follow-ups per answer. *"people have more experience lying than you have detecting liars."*
6. **Talk money early:** 3–4 calls for a director; negotiating is normal. Under 50 people, the founder sits in every management final interview.

SENIOR ROLES: FOUR INTERVIEWERS, FOUR FITS

Recruiter	Leader A	Leader B	Founder
expectations	culture	skill	potential — do their goals match the role?

Add a peer from another department who has no pressure to fill the seat.

3 • WHERE THE GOOD PEOPLE COME FROM

- **Employee referrals first:** *"People who are referred by somebody else in the company stay 70% longer."* L An agency charges ~20% of salary, so pay the team up to that. Their bonus went from $2,000 to $5,000; a broker friend pays $25,000 per agent — only once the agent is productive.
- **Headhunt senior roles** directly (LinkedIn outreach beats job ads). End every message with *"do you know somebody who would be?"* — two of their current hires came that way.
- **Specialist recruiters** for high-volume roles: ask for their placement rate, check references, choose the fast ones, test with one low-stakes role. *"The best candidates are gone like in nine days."* L
- **A candidate tracking system** once hiring volume grows: easy to use first, then stage-by-stage funnel numbers to see where interviewing fails L.

4 • PROMOTE ON PURPOSE, NOT BY DEFAULT

The Peter principle: people promoted until they fail. *"And you lose twice when that happens."* — a great individual contributor gone, a weak manager gained.

1. **Same process as outsiders:** same questions, same grading. *"because process protects us from our emotions."*
2. **Try before you buy:** a 60–90-day trial in the new role. The milestones are what an outside hire would do in their first 60–90 days. Check in weekly or every two weeks.

Green they already do this part of the new job	**Yellow** partly	**Red** not yet

Highlight the target job description; every line must be green by the end. Worst case, they return with new skills. *"Do not put people in a role out of convenience. Do it out of intention."*

5 • BEFORE YOU ADD HEADCOUNT

Prune first: *"the companies that prune six times as much are three times more profitable than companies that don't."* L Gym Launch removed a 35-person support department customers didn't value; churn didn't change. Someone senior must push deletion, because *"people on the team want to keep everything"*.

Size it by numbers: standard times for repeated tasks, utilisation per team, a 12–18-month workforce plan: who, how many, how fast, who leaves at today's turnover, who backs up whom. *"figuring out the who to make the what happen."*

6 • MAKE INTERVIEWS COMPARABLE

- **Structured:** the same 5–10 questions for every candidate for a role, covering expectations, culture, skill and potential.
- **Panels with roles:** 2–3 people on culture, 2 on skill — including peers who don't need the seat filled, because *"you need people that have no incentive to fill the role that quickly on the interview panel"*.
- **One simple scorecard:** five scores for skill, five for the values. A 30-point form doesn't get filled in.
- **Judge the evidence, not the charm:** *"likeness blinds us"*, and *"interview skill does not equate to ability to do the job."* Some of their best hires had horrendous interviews.
- Compare interviewers' scores; push hardest in the final round on the weakest area.

7 • SET THE RULES OF THE GAME

An employee handbook, reviewed and signed at hiring: mission and values, conduct, hours, pay and bonuses, benefits, leave, how performance is graded, safety, technology use, resignation and termination. Not to be read cover to cover — *"so that you can point to it when things occur"*.

Onboarding that makes offboarding easy: every account on company email, a password manager, company-owned devices, security training by role (heaviest for anyone touching money or legal data). Then leaving is a *"one-click shutdown"* — fear of what someone has access to is a common reason founders delay firing.

8 • RUN THE TEAM ON A RHYTHM

GAME TAPE — THE FIVE A'S L (LEILA INTRODUCED IT; THEY NOW USE IT IN EVERY BUSINESS)

Arrange	Assemble	Assess	Analyze	Act
60–90 min weekly: heads of sales, product, marketing, service	one recorded call — a lost sale or a great one; later onboarding calls	each department: what does this call tell us?	pick one action per department	done within 7 days, before the next one

Daily while there's a live problem (churn, mis-sold expectations), every other week when calm. *"You are a leader in the company who happens to be over sales."* L In team reviews the person goes first with what they'd do better; everyone else says only what they did right.

STANDING RHYTHM

- Daily huddle, weekly team meeting, weekly one-to-one; kudos for leading indicators, shout-outs tied to the values.
- KPIs by person every week; red / yellow / green goal tracking by department.
- Leila deletes meetings first each week, and reviews every recurring meeting quarterly.

PROTECT MAKER TIME ALEX · MANAGER VS MAKER TIME

Makers (writers, editors, engineers, course builders) need 4–6-hour blocks — about ten a week. *"if someone takes one meeting in the morning they blew one of your 10 work blocks per week"*. Set standard meeting days, a company quiet day (theirs is Wednesday), and say which hat you're wearing. A one-hour call with ten $50–100k people costs $400–500. Leila runs about 1 maker day and 4 manager days a week; Alex the reverse.

9 • SEE THE WHOLE COMPANY AS YOU NEAR 100

Past 100 staff *"the little whispers turn into shouts"*. What was set up the first time their company passed 100:

- Access to every manager's one-to-one notes; weekly feedback from each team about its manager; a weekly survey on the CEO and on progress to goals.
- Quarterly goals tracked weekly, red / yellow / green by department.
- A responsibility chart (who is responsible, accountable, consulted, informed) for each team — it exposes one person doing everything or a leader with too many reports.
- **Career ladders** L: support reps start on smaller customers, move up to the second product (+$15k) and then enterprise (about double the starting pay). *"you extend the lifetime value of your talent"*.
- Leila watches all earlier interview recordings before her own final interview and asks directly about the one red flag L.

10 • MOVE DECISIONS OUT OF YOUR HEAD

"you need to take it out of your brain and into an SOP." L

NEEDS APPROVAL	THE PERSON DECIDES
contracts and legal, major operational decisions, regulatory issues	direct customer replies, minor operational calls, credits and refunds up to a limit, discounts and bonuses

- Give every customer-facing rep **four things they can do** to over-deliver without asking.
- **Spending:** named roles may spend up to $10,000 in defined categories on their own cards; above that, a written approval path L. Build budgets from what departments actually spend, then prune; review expenses and subscriptions quarterly.
- Leaders end up owning a mini P&L.

11 • PAY AND BENEFITS STAGE 6, 20–49 STAFF

- Tie bonus to the 1–2 metrics a person controls most. *"Nobody has complete autonomy over any one metric in your company, including you."*
- One package: base + performance pay + benefits; at this size lead with performance pay. Example only: managers up to 25% of salary in bonus, directors up to 75%.
- Benefits cost about 15–30% of payroll but retain better than salary: about $12k a year of benefits can hold someone like an extra $40k of pay. Outsource the admin; ask staff quarterly what they value.
- Build complex plans only when you have a hiring or retention problem.

12 • LET PEOPLE GO WELL L

"firing should never be a surprise for people." Name the problem and the risk the week before, in status language: you're yellow — it can go green or red.

- *"If they don't know how bad it is, you're the problem."*
- Reasons: culture, skill or will. Low skill or will leaves no gap; a skilled person who poisons the culture does.
- Plan coverage first (who takes which customers and duties); not before a big sales day; keep two hours free after for questions; follow up pay, benefits and equipment in writing.
- *"Most of the time people are avoiding the conversation. They're not avoiding what happens after the conversation."* She still gets nervous after a decade — *you do it scared*.

> **Culture at 50–100 people:** *"they have a culture accidentally, not intentionally."* Repeat the same values; train on them twice a month; reward them (they printed a T-shirt for whoever lived a value that week). Who you hire, promote and fire says more than any speech.

USE IT MONDAY

- Ask *why* on one stuck goal until you hit the real constraint.
- Write the approval / decide-alone list for one team.
- Start a weekly game tape.
- Rewrite one job ad as an ad.

READ WITH CARE

- Their HR and benefits points are US law (at-will, benefits rules). In Canada, notice, severance and employment standards apply — check before any firing.
- Stats like *stay 70% longer* and the prune figure are unsourced.
- Speaker credits are cautious: unmarked points may be either of them.

HOW THIS PAGE WAS MADE. From the full captions of the Scaling Roadmap videos (stages 3–9) and Alex's *Theory of Constraints* and *Manager Time vs Creator Time*. Leila's beginner-leader video is not covered; the *4 Simple Steps to Creating Systems* video is by Stacy Tuschl, not a Hormozi, so it isn't used. Every quote checked word for word against the captions.