

## ASSESSMENT TO BUILD AN ORGANIZATION TEN-FOLD: FRANKLIN SQUARE CAPITAL PARTNERS

### About our client:

Franklin Square sponsors and distributes alternative investment products designed to give the investing public access to institutional investment strategies. Today, Franklin Square is a firm of over 240 employees, headquartered in Philadelphia, PA, with approximately \$5 billion in assets under management across three funds. The company anticipates continued growth over the next year with assets under management expected to surpass \$14 billion in the next 14 months.

### The Challenge:

Franklin Square co-founder and CEO, Michael Forman, set out in 2007 to build an organization of highly-talented and motivated professionals. By 2009, the Company had successfully launched its first fund and had grown to over 20 employees. Forman acknowledged that Franklin Square “had a good product, but needed to build a company as good as the product.” Franklin Square sought to recruit new employees who could not only adapt but succeed within an ever-changing environment. In addition to the challenges of integrating new employees and establishing a company culture, both new and existing employees were promoted to managerial positions and had no experience managing others.

### The Process:

#### *Using the PI® for Selection and Culture Development*

Recognizing the organizational challenges often associated with dynamic growth, Franklin Square “strived to create a common company language which could articulate our human capital needs in the midst of rapid growth,” according to Forman. As a first step towards establishing a common language, the Company implemented Predictive Index® by training the executive team and individuals who held positions managing others on how to effectively apply the tool. Predictive Index is an assessment tool that measures the motivating behaviors and needs of individuals to help leaders optimize their people and better connect with their teams to become more effective. It is a validated tool used by thousands of employers worldwide. For Franklin Square, providing a tool was especially important in helping newly promoted managers engage and motivate their reports.

PI provided a common ground for employees to understand individual differences and effectively communicate with one another, helping to establish more cohesive and productive teams. “PI also created a way to discuss difficult issues and bring about change with respect to individual differences, rather than creating change through a matter of will,” says Forman. Teams were created by reviewing complementary behaviors and maintaining diversity of operating styles. The carefully crafted teams were self-aware about their decision-making styles and strategic focus. Potential conflicts or issues could also be anticipated and addressed in advance, limiting disruption and distraction. In addition to building more productive teams among existing employees, PI serves as an indispensable tool when evaluating the best role for potential new hires.

### *Using the Selling Skills Assessment Tool™ (SSAT) to build a sales team*

As the number of funds grew along with Franklin Square's assets under management, the senior sales executives were confronted with an increasingly complicated sales process. Franklin Square now had multiple investment strategies and a selling group with tens of thousands of financial advisors, each with a different investment and asset management approach. Training was a necessity for both new and existing employees to ensure continued growth and success. Additionally, Franklin Square's products involved a complex sales process which required a significant focus on relationship building. Once employees completed the SSAT, an assessment that provides an overview of individuals' strengths and areas for improvement in the sales process, the company could focus the sales training accordingly. Sales managers could measure and track an employee's progress in mastering the sales process through follow up SSAT administration after the initial round of training.

### *Professional Learning Indicator™ (PLI) to hire the best*

The Professional Learning Indicator™ is an indicator of trainability and helps identify capacity to absorb new information and the ability to adapt to change. Relevant for both entry and advanced positions, PLI™ uses an individual's cognitive ability as a measure of on-the-job performance. With this tool, Franklin Square had yet another measure to identify top candidates who would best fit the open position and complement the existing teams.

### **The Results**

Since 2009, Franklin Square has raised over \$5 billion in capital and increased its employee base by ten-fold – all in the midst of a global recession. The company continues to increase its assets under management, expand its sales team and penetrate deeper and broader within its customer base. With the careful selection of new employees based upon their operating styles as defined by Predictive Index and their learning ability measured by the Professional Learning Indicator, the company built a behavioral culture adaptable to constant change within a heavily regulated industry. The SSAT provided Franklin Square with unique insights into developing a more strategic and focused sales process as well as a more comprehensive manner to track employee progress. The implementation of SSAT resulted in the formation of new strategic relationships as employees moved beyond their comfort zones to achieve higher goals.

Franklin Square boasts 2% involuntary turnover among its 240 employees, and has received several awards over the last few years, including awards from Forbes, Entrepreneur of the Year, and it is a top 100 company in its home market of Philadelphia. The company has thoughtfully and efficiently built a well-balanced team of professionals within a short time period. The results of these efforts are reflected in the company's significant achievements over a short time period.