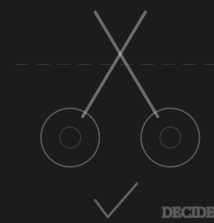
THE 50 FOR 50 GROWTH GUIDES · GROWTH FACTOR 43

The Hardest Conversation: Firing Fast

THE 50 FACTOR — GROWTH FACTOR #43

When to Fire Fast — and How to Know It's Time

The Complete Implementation Guide



BY SCOTT SCULLY

Growth Factor #43: When to Fire Fast — and How to Know It's Time

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This white paper is a companion to Chapter 43 of The 50 Factor by Scott Scully. The book tells the story. This guide gives you the framework, the courage, and the process to make the hardest decision in leadership — and make it before the damage compounds.

Why This Growth Factor Matters

Firing is the most important skill a CEO develops between $10M and $50M in revenue. Not because you should fire a lot of people — you shouldn't. But because the willingness to fire fast, when it's clearly time, is what separates companies that scale from companies that stall.

Most founders fire too slowly. They know — they've known for months — that someone isn't right. But they wait. They give another chance. They hope it resolves itself. They tell themselves "maybe next quarter." And every week they wait, the damage spreads: the underperformer's impact widens, the team loses faith, and the founder's credibility erodes.

The pattern is the same in every company: a hire that looked great on paper and interviewed brilliantly starts showing cracks at month three. By month six, the concerns are clear. By month eight, two good people have asked to transfer off the team. By month ten, the monthly board packet shows the function trending in the wrong direction for three straight months. And by month twelve, the founder finally has the conversation — six months after they should have.

That six months cost: lost revenue, lost team members, lost confidence, and the compounding damage that comes from tolerating a standard below what the company needs.

The Three Tests

Before you fire anyone, three conditions must be met. These aren't optional — they're the ethical prerequisites that earn you the right to make the decision.

Test 1: Have You Been Clear?

Have you told this person, explicitly, what the gap is between their performance and the standard? Have you given them the accountability conversation from Principle #2 — clear expectations, measurable gap, specific improvement targets, and genuine support?

If you haven't been clear, you don't have the right to fire them. A person who doesn't know they're failing can't be held accountable for not improving. Clarity comes first. Always.

The clarity check: Can you point to a specific conversation — with a date, specific metrics discussed, and documented follow-up — where you told this person exactly what was expected and exactly where they fell short? If you can't, go have that conversation first. Then apply Tests 2 and 3.

Test 2: Have You Given Time and Support?

Not indefinite time. Thirty to sixty days. With a specific improvement plan that names the behaviors or outcomes that need to change. With weekly check-ins where you review progress against the plan. With resources — training, coaching, tools, mentoring — that give the person a genuine chance to close the gap.

If you've given a fair runway and they haven't moved, you have your answer. If they've improved temporarily and then reverted — which is the most common pattern — you also have your answer. Reversion after coaching is a signal that the improvement was compliance, not capability.

Test 3: Would You Hire This Person Again Today?

This is the question that cuts through all the noise — the sunk cost ("we invested so much in recruiting them"), the loyalty ("they've been here since the early days"), the discomfort ("the conversation will be awful"), and the rationalization ("maybe with more time...").

Knowing everything you know now — their performance, their attitude, their impact on the team, their trajectory — would you hire them if they walked in for an interview tomorrow? If the answer is no, it's time.

All three tests come back yes? Execute within 48 hours.

The Four Costs of Waiting

When you keep someone in a role they're failing at, you're not being kind. You're inflicting four types of damage simultaneously.

Cost 1: Team Damage

Your best people see the underperformance. They've seen it for months. Every week you keep the underperformer, they lose a little more faith in your judgment. The question in their heads isn't "why is Grant struggling?" — it's "why is the CEO allowing this?" Your A-players — the ones with options, the ones other companies are recruiting — start wondering whether the standards here are real or decorative. Some of them start answering recruiter calls.

Cost 2: Function Damage

Every month of underperformance digs a deeper hole. Campaigns don't ship. Leads don't flow. Quality scores drop. Clients notice. The function falls further behind — and the longer you wait, the deeper the hole the next person has to dig out of. A function that's been underperforming for 3 months can be recovered in 90 days. A function that's been underperforming for 12 months needs 6-9 months of rebuilding. The delay costs you exponentially.

Cost 3: Person Damage

This is the cost nobody talks about. Keeping someone in a role they're failing at isn't mercy. It's cruelty in slow motion. The person knows they're struggling. They go home every night feeling inadequate. Their confidence erodes daily. Their anxiety builds. Their health may suffer. Their relationships may strain.

If you let them go now — with dignity, with honesty, with fair severance — they can reset. They can find a role where their skills fit. They can rebuild their confidence. One CEO tells a story of a VP he waited 14 months to release. Three months after the separation, the VP called: "I'm grateful you let me go. I just wish you'd done it sooner. Those last fourteen months were the worst of my career." The CEO thought he was being loyal. He was being selfish — avoiding his own discomfort at the cost of the VP's wellbeing.

Cost 4: Founder Damage

Every week you avoid the conversation, your own credibility erodes. Your leadership team sees you tolerating what they wouldn't tolerate. The standard drops — not just for this person, but for the whole company. And the next time you need to make a hard people decision, it's even harder because you've established a pattern of avoidance.

The compound effect: three avoided terminations over two years creates a culture where underperformance is tolerated, A-players leave, B-players coast, and the founder wonders why "things feel off."

The Execution: Speed, Dignity, Clarity

Once the three tests are confirmed, execute within 48 hours. Not next week. Not after the holidays. Not after the current project wraps. The anticipation is always worse than the conversation — for you and for them. Every day you delay after the decision is made is a day of compounding damage.

Speed

48 hours from decision to execution. This means: prepare the severance package, brief HR, schedule the meeting, prepare the team communication, arrange the logistics (equipment return, access revocation, final paycheck). Have everything ready so the conversation can happen cleanly and the transition begins immediately.

Dignity

This is a human being with a family, bills, and an identity tied to this job. You owe them:

- • A private conversation. Not in an open office. Not over Zoom with cameras off. In person if possible. Door closed.
- • Honest reasons. Not vague platitudes. Specific, direct, kind: "The performance has not met the standard we discussed."
- • Fair severance. Two to four weeks minimum, depending on tenure and level. More for senior roles. This isn't generosity — it's respect, and it protects your reputation in the talent market.
- • A clean exit. No walk of shame. No packing a box in front of the team. Arrange for them to collect belongings privately. Protect their dignity as carefully as you'd want yours protected.

Clarity

No euphemisms. Don't say "we're going in a different direction" or "it's a restructuring." Say: "The performance has not met the standard we discussed in our conversations on [dates]. Despite the improvement plan and the support we provided, the gap has not closed. I've made the decision to part ways. Here's what the transition looks like."

They deserve the truth. The truth — delivered with kindness — is more respectful than a comfortable lie. A person who's told clearly why they're being let go can learn from it and grow. A person who receives a vague non-answer is left confused, angry, and unable to course-correct in their next role.

The Team Communication

Within 24 hours of the separation. In person or on a call. The whole team.

What to say: "Grant is no longer with the company. I'm grateful for his contributions. Here's the plan going forward: [who's covering what], [timeline for finding a replacement], [how I'll make sure you're supported]. I want to hear your questions."

What not to say: Don't disparage the departed person. Don't explain the performance issues in detail. Don't over-explain. Don't apologize for making the decision.

Address the anxiety directly: "This was a performance decision based on specific standards that were communicated and supported. If you're meeting your scorecard targets and living our values, you have nothing to worry about." This matters because every firing makes the remaining team wonder "am I next?" Addressing that question head-on prevents the anxiety spiral.

The Relief Effect

When you finally make the decision — when the underperformer departs — the immediate effect is almost always the same: the team gets lighter. Energy returns. People volunteer for things. Performance goes up across the board. And you wonder: why did I wait so long?

Every founder who's been through this — every single one — says the same thing: "I should have done this six months ago." The dread of the conversation is always worse than the conversation itself. And the relief afterward is always greater than expected — for you, for the team, and often for the person who left.

Common Mistakes and How to Avoid Them

Mistake #1: Firing without the three tests. If you haven't been clear, haven't given time and support, and can't pass the "hire again" test — you haven't earned the right to fire. Go back and do the work.

Mistake #2: Waiting more than 90 days after the decision is obvious. Every week costs team trust, function performance, and founder credibility.

Mistake #3: Hiding behind euphemisms. Be direct. Be kind. Be honest. They deserve to know why.

Mistake #4: Skipping the team communication. If the team finds out through gossip instead of from you, you've lost control of the narrative and the trust.

Mistake #5: Confusing loyalty with leadership. Keeping someone in a failing role because "they've been here since the early days" isn't loyalty. It's avoidance. True loyalty is being honest with someone about their trajectory, even when it's uncomfortable.

Quick-Start Checklist

- ✓ ☐ Apply the three tests to anyone you've been on the fence about
- ✓ ☐ If all three come back yes: set the date within 48 hours

- ✓ ☐ Prepare the severance package
- ✓ ☐ Brief HR on the timeline
- ✓ ☐ Prepare the team communication
- ✓ ☐ Execute with speed, dignity, and clarity
- ✓ ☐ Communicate to the team within 24 hours
- ✓ ☐ Address the anxiety directly: "performance decision, specific standards"
- ✓ ☐ Begin the replacement search immediately (using the hiring-ahead systems from Principle #42)
- ✓ ☐ Reflect: what could you have done differently earlier to avoid this outcome?

Implementation Tools

Ready-to-use templates for this Growth Factor

PDF **Three-Test Assessment Worksheet**
Structured evaluation before the decision

PDF **Separation Conversation Script**
Speed, dignity, clarity framework

PDF **Team Communication Template**
What to say within 24 hours

XLSX **Severance Calculator**
Columns: Channel, Sales Spend, Marketing Spend, Total Spend, New Clients, CAC, +2 more

PDF **Post-Separation Checklist**
Logistics, access, equipment, final pay

This is Growth Factor #43 of 50. The hardest conversation is also the most important. The founders who make it — with the three tests as prerequisites and speed, dignity, and clarity as the method — build companies with A-player teams, high standards, and the credibility to attract the best talent. The founders who avoid it build companies where underperformance is tolerated, A-players leave, and the standard slowly erodes.

Get the book: The 50 Factor by Scott Scully