



A Guide to

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# Hiring a General Manager

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## Disclaimer

This guidebook is provided for general educational and planning purposes only. It is not legal, tax, or financial advice. While we aim to provide accurate information based on hiring practices, each hiring process is unique and may involve different facts, laws, and regulations.

You should consult your attorney, accountant, or other licensed professional before making any decisions related to hiring. Legacy Entrepreneurs disclaims any liability for actions taken based on the information contained in this guide.

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# Introduction: Are You the Business, or Do You Own One?

You've built something great—maybe with your own two hands, maybe by sheer will, maybe both. You keep the lights on, make the calls, talk to customers, and train your team. But let me ask you this:

## Are you running a business... or are you the business?

This guide is here to help you change that.

Hiring a general manager (GM) isn't just about lightening your load—it's about transforming your business into something scalable, sellable, and sustainable. Whether you're a plumber in a growing shop, a chef-owner tired of 80-hour weeks, or a professional services founder trying to work on the business instead of in it...this is for you.

Even though adding a management level is transformative to a small business and critical to making you truly a business owner – most owners are bad at hiring a manager. Even worse, many owners think they're great at it but are not! So, we have made this guide so you can see the process you need to have to hire a general manager effectively.

So here is how to get you out of every meeting, shift, and emergency call—and into the owner's seat where you belong.

## Overview: The First Step Toward Exit, Scale, or Sanity

Hiring a GM is the gateway to three types of business transformation:

- **Lifestyle Upgrade:** Step back and reclaim your time.
- **Stuck & Stagnant:** Grow by delegating operations and focusing on strategy.
- **Optimize for Sale:** Increase business value and reduce buyer risk.

**"I already have a manager"**  
*If you are not benefiting from a lifestyle upgrade, growth, or optimization, then you don't have a good general manager.*

Even if you're not thinking about selling right now, this process will make your business more attractive—and less dependent on you.

## Our Hiring Process

### 1. Prepare

- Clarify your business goals (lifestyle, scale, or sale)
- Define the GM's role and responsibilities
- Determine compensation and incentive strategy
- Draft the job description and job posting

## **2. Screen and Assess**

- Post to targeted job boards and/or industry networks
- Review resumes and initial fit
- Send and score custom assessments
- Conduct first-round video or phone interviews

## **3. Selection**

- Present top candidates with profiles
- Conduct owner interviews
- Compare and evaluate based on interviews + assessments
- Make final selection and negotiate offer

# Prepare

## Determining Job Requirements

Most owners don't do this step for managers, and every other key step in the process depends on this exercise. And this is why so many business owners are bad at hiring managers! There is often a focus on hiring for high level responsibilities and soft skills like "leadership" and "management" and "people skills".

That's nice—but not enough.

You need someone who can **do the job**. This means defining:

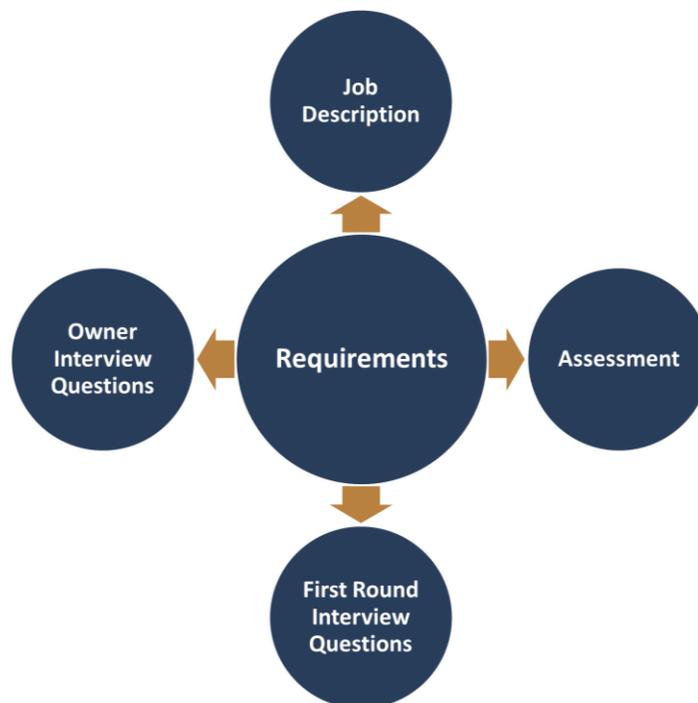
- Core responsibilities
- Core knowledge base
- Skills and experience
- Decision-making authorities
- Who they manage and report to
- Systems they need to master
- Daily, weekly, monthly, quarterly and annual tasks.

**"Maybe I should just hire a sales director and not a manager"**

*If your goal is growth, you may consider hiring a sales director instead of a manager.*

*If you have a marketing strategy, a CRM and a sales system – then get **two** salespeople.*

*If you don't, get a GM to run operations while you build sales systems.*



*Requirements are central to many future parts of the manager hiring process*

## Workbook Section: Determining Job Requirements

What tasks does the general manager need to do?

Tasks that I don't want to do anymore...	Tasks others are doing that need to be moved....
<b><i>Every Day</i></b>	
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b><i>Every Week</i></b>	
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b><i>Every Month</i></b>	
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b><i>Every Quarter</i></b>	
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b><i>Every Year</i></b>	
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What software systems or platforms does the manager need to use? (CRM? Payroll? Social Media? QuickBooks? POS?)

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**“This won’t work, my business is too unique”**

*Then we focus on industry passion and functional requirements. The challenges around uniqueness don’t negate the need to transform your organization.*

*Finding someone talented will be that much harder, so get help, and get ready to train a new hire in the unique operations of your business*

## Compensation Research

GM pay can range wildly depending on your industry, location, and expectations. Don't guess—research.

Consider Checking:

- Local salary benchmarks for managers.
- Similar job postings in your area with posted compensation.
- Similar job postings in other areas with posted compensation, that you adjust for local cost of living.

## Incentive Pay and Bonuses

This matters less than you think. High performance in a small business is driven by the self-motivation of the employee. Incentive structures are a kicker to reward the manager to reach a little extra, but it will not drive general performance.

Before coming up with complicated incentive structures tied to KPIs with complicated tiers of bonuses – go back to the main reasons a general manager is needed in the first place.

- **Lifestyle Upgrade:** The goal is to step back and reclaim your time. Tie an incentive package to operating income or key metrics related to maintaining operating income.
- **Stuck & Stagnant:** The goal is to grow and get out of a stagnation cycle. First determine who is going to be responsible for growth – you or the manager. If the manager is key to driving sales in your plan, reward them based on revenue or metrics tied to making sales. If you're mainly responsible for growth, tie the manager's incentive to metrics important to maintaining quality of operations.
- **Optimize for Sale:** The goal is to professionalize operations, increase margins, and get ready for a business sale. Tie an incentive package to operating income, or specific areas of improvement like inventory management.

## Job Description Example

Once we have all of the requirements for the job, we can create a job description. We need to paint a picture of what the business is like and be clear about what we need someone to do. An example is below. When combined with an attractive and attention getting job ad headline, we can start to attract quality candidates.

### **About the Business:**

*Tri-Star Example Co, is a fast-paced, mid-sized manufacturing and distribution company located just outside Nashville, TN. We specialize in precision metal parts for the automotive and industrial sectors, supplying customers across the Southeast. Operating on tight timelines and high-quality standards, our production lines and distribution center move thousands of units each week. With a dedicated team of 65 employees, a modernized facility, and a reputation for on-time delivery, we're a critical partner to our clients' success.*

*We're growing—and we need a hands-on, experienced General Manager who can lead operations, optimize systems, and manage people from the production floor to the loading dock.*

**Position Overview:**

*We are seeking a General Manager who thrives in a fast-moving, metrics-driven environment and knows how to balance big-picture strategy with day-to-day execution. You must be an operational powerhouse with experience in manufacturing, distribution, or logistics, capable of overseeing production, inventory, quality control, and team performance. Strong leadership, organizational skills, and the ability to adapt to shifting priorities are essential.*

**Key Responsibilities:**

- *Oversee daily plant and warehouse operations, ensuring production targets are met*
- *Manage and optimize scheduling for production shifts, maintenance crews, and logistics teams*
- *Review and analyze KPIs—production output, quality metrics, labor efficiency, and on-time shipments*
- *Ensure safety and compliance standards are met and exceeded*
- *Lead quality control initiatives and resolve operational bottlenecks quickly*
- *Manage raw material inventory and finished goods stock levels*
- *Collaborate with sales and account management to align production schedules with customer needs*
- *Work closely with purchasing to maintain supply chain efficiency and control costs*
- *Mentor and manage department leads, supervisors, and key operational staff*
- *Drive communication and accountability across production, warehouse, and admin teams*
- *Support continuous improvement initiatives, including automation and process optimization*
- *Plan for seasonality, large orders, and capacity increases*
- *Assist with long-term business strategy, expansion projects, and capital investment planning*

**Requirements:**

- *Proven leadership experience in manufacturing, distribution, or logistics*
- *Calm under pressure with a steady approach to high-volume, time-sensitive operations*
- *Skilled in hiring, staffing, and managing multi-shift teams*
- *Strong organizational skills with an ability to juggle competing priorities*
- *Capable of managing people, not just processes*
- *Clear, direct communicator with a track record of driving accountability*
- *Trustworthy, reliable, and ready to take full operational ownership*

**Preferred:**

- *Familiarity with ERP/MRP systems, warehouse management software, and lean manufacturing principles*
- *Experience managing both production and distribution functions under one roof*
- *Knowledge of OSHA compliance and industrial safety protocols*

**Compensation & Benefits:**

- *Base Salary: \$85,000 – \$115,000, depending on experience*
- *Performance-based bonus structure*
- *401(k) with employer match*
- *2 weeks paid vacation to start*
- *Comprehensive health, dental, and vision insurance*
- *Employee discount programs for partner suppliers*
- *Flexible scheduling when production demands allow*

**Culture Fit:**

*This is a leadership role with full accountability—you'll be expected to know the pulse of the production floor, the status of every major order, and the challenges your team faces daily. If you lead from the front, enjoy solving operational puzzles, and thrive in a business where every shipment matters, you'll succeed here.*

***“You're just posting on job boards, there's nothing special about that.”***

*Sometimes it makes sense to do direct outreach in a specialized industry for an executive level role. But if you go on job boards, you can find roles for VPs supervising major operations.*

*They are using a similar set-up to what we offer: talent acquisition team sourcing people from job boards so a hiring manager (aka business owner) can make a final decision*

## Screen and Assess

Once we start receiving applications, we review resume's and send qualified candidates to an assessment. The assessment questions are also based on the requirements of the job. We ask open ended questions and are looking for responses that:

- Form a complete thought, this is not a test of writing excellence or English composition (unless that is a job requirement!).
- Demonstrate an ability to meet job requirements.
- Provide an example story of a self-motivated achievement.

### Assessment Example



### Tri-Star Example Assessment Form

\* Indicates required question

Tell me about a time you saw a production, inventory, or shipping issue before anyone else did. How did you address it, and what was the outcome? \*

Your answer \_\_\_\_\_

Describe a situation where you had to lead a team through a high-pressure deadline or large order. How did you keep the team motivated and ensure the work was done correctly? \*

Your answer \_\_\_\_\_

What's one process improvement you've implemented in a manufacturing or distribution environment that you're most proud of? How did you identify the need and measure its success? \*

Your answer \_\_\_\_\_

Submit Clear form

## First Round Interview Questions

We need to screen for the job requirements, so we need to ask questions that give the candidate the opportunity to demonstrate that. We are first focusing on skills and achievements; this includes hard and soft skills. So, we will ask about people and soft skills too.

We customize questions for each business and industry. In the Tri-Star example for manufacturing and distribution, we might ask:

- Walk me through your experience managing both production and distribution functions. What size teams and facilities have you overseen?
- How do you typically monitor and manage key performance indicators like output, quality, and on-time delivery?
- Tell me about a time you implemented a new process or system that improved efficiency or reduced costs. How did you approach it?
- What's your experience with warehouse management software? How have you used it to improve operations?
- Describe a time you had to balance production capacity with fluctuating customer demand. What steps did you take to get it right?
- Give me an example of a challenging personnel issue you've faced. How did you handle it, and what was the result?

## The Owner Mentality

Since our clients are small business owners, we need to make sure the candidate can thrive in a small business and protect your wallet. We believe that the key to this is self-motivation. The candidate needs to excel because they like excellence – not because you're supervising them every day. That would be counterproductive.

Questions to ask and what to look for

- What's the most significant operational problem you've solved without being asked to? How did you spot it and what was the impact?
- If you started in this role tomorrow, what would you want to know or do in your first 90 days?
- What motivates you personally to take ownership of a business's success?

## Selection

Even though questions are open-ended, there are right and wrong answers. A candidate needs to demonstrate through their responses that they can meet each requirement of the job, and show that they are self-motivated. Candidates that can do that should be sent to interview with an owner.

### Owner Interview Questions

As an owner, you should be confident after the first round of interviews that the candidates you are interviewing are qualified. You can now spend time focusing on assessing your ability to work with the candidate, their cultural fit with the business, and sharing specific scenarios developing in your business today.

- Where do you see the biggest opportunities for improvement in our operations? How would you tackle them?
- How do you see yourself contributing to our growth over the next 3–5 years?
- One of our shift managers doesn't perform very well, what would you do to fix the situation?
- What would your past team members say is your greatest strength as a leader—and what would they say you could improve?

Try to ask the same questions of each candidate so you can make fair comparisons between them and interview all candidates within the same week if possible. Pick the one you think is most capable of achieving your goals and is someone you feel like you can have earnest conversations with.

### Employment Agreement Negotiation

We don't draft your employment agreements – but when negotiating an agreement and compensation with your desired candidate, consider:

- Understand what terms matter (noncompete, at-will, etc.)
- Set expectations around reporting and review processes
- Determine starting salary based on both the candidate's track record and current market demand
- Structure incentives that reward hitting KPIs such as revenue growth, efficiency gains, or retention
- Decide whether to offer signing bonuses, relocation assistance, or retention bonuses for long-term commitment
- Performance-based raises tied to measurable results in the first 12–18 months
- Identify “must-have” vs. “nice-to-have” terms so you can negotiate with confidence

## Thoughts on Equity Compensation

Should you offer equity in the business as a way to incentivize its good stewardship? It's worth considering, but generally we recommend discussing the possibility only if the candidate brings it up first. You can achieve similar financial effects by adding bonuses tied to the business' profitability without giving up any ownership.

Consult an attorney for any employment agreements that deal with business equity.

## Next Steps

You can take this playbook and DIY it—but if you want a faster, more professional search, that's where we come in.

We manage the entire GM hiring process from start to finish in 4–6 weeks:

1. **Prepare** (Job Description + Assessment)
2. **Screen and Assess** (Post + Screen + Interview)
3. **Selection** (Final Interview + Offer Guidance)

### Fees

- \$2,500 Setup
- 10% Success Fee (based on base + expected bonus)

Example: If you offer \$80K base + \$20K bonus, our fee is \$10K.

### Want to talk?

Schedule a Zoom with us and we'll walk you through what it takes to find the GM who will run your business like it's their own.