

INVESTOR'S BUSINESS DAILY

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MANAGING FOR SUCCESS

FOLLOW THE LEADERS

Quality Systems Taps Teamwork To Maximize Returns

Steve Plochocki likes to tell his employees, "The strength of the wolf is in the pack." That means they grow stronger by working together.

"We perform better when we work collaboratively," said Plochocki, 60, chief executive of **Quality Systems, Inc. (QSII)**, which develops health care information systems in Irvine, Calif. "We engage our people at all levels and foster a team spirit."

Before becoming Quality Systems' CEO in 2008, Plochocki had engineered several successful turnarounds at other firms. His experience in restructuring operations taught him to treat employees as participants in propelling collective success.

He communicates openly with workers and develops trusting relationships with them. He often assures them, "I'll tell you the good and the bad. There are some things you might not like, but you'll always hear it from me. Any opinion is valuable if offered constructively."

Judge And Jury

To prod employees to express constructive views, Plochocki tells them, "I'm the judge. Pretend this is a jury trial. Now make your case."

Many staffers welcome the chance to propose a solution to the CEO. They know that Plochoc-

ki will listen respectfully and evaluate the merits of their argument on objective grounds. It gives them an opportunity that they might not have at another company.

To train the firm's roughly 2,000 employees to articulate well-reasoned opinions, Plochocki invites them to hear his presentations to investors and analysts. He'll tell them, "Listen to the case I make for our company. Follow that pattern and you'll understand what we're trying to do."

A Rotating Board

To stay close to the 200 employees housed in the firm's Irvine headquarters, Plochocki set up a "corporate advisory board" consisting of five support-level workers chosen by their manager to serve a one-year term. The "board" meets privately with Plochocki every few months during the year to share ideas.

"I listen intently to them and respect their opinions," Plochocki said. "And I'll ask them, 'Do you understand why we did that?' after we do something as a company. Their response helps me determine how I can better explain business developments when I speak at our general assembly of employees."

Fostering teamwork pays off. When the federal government an-

Quality Systems

qsii.com

Ticker	QSII
Share price	Near 43
12-month sales	\$418 mil
5-year profit growth rate	16%
Rank in 2/21 IBD 50	50

IBD SmartSelect Corporate Ratings

Composite Rating	84
Earnings Per Share	95
Relative Price Strength	60
Industry Group Rank	127
Sales+Profit Margins+ROE	A
Accumulation/Distribution	B-

See Investors.com for more details

nounced the Hitech or Health Information Technology for Economic and Clinical Health Act in February 2009 that included \$30 billion in incentives for dentists, doctors and hospitals that invested in electronic health records, Plochocki realized his firm only served dentists and doctors.

"We didn't have a hospital product," he recalled. "So we acquired two companies — one in the fall of 2009 and the other in the spring of 2010 — and got certified by the government (for our new hospital product) in the fall of 2010, before the law began in January 2011. Assimilating two software acquisitions that quickly is almost unheard of, but our employees understood it was a once-in-a-lifetime opportunity and worked as a team." **Morey Stettner**

