

Assessments for Educational and Employment Settings

**Business Services
Talent Assessment**

**Wonderlic, Inc.
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**CHARLES F. WONDERLIC, JR.
CEO**

BIO:

Mr. Wonderlic, grandson of founder and test author E.F. "Al" Wonderlic, is the third generation of the Wonderlic family to lead the 75-year-old company. During his 26-year tenure, the company's assessment capabilities and market share have grown appreciably. He is currently responsible for providing direction and leadership toward the achievement of the organization's mission, strategy and annual goals.

Mr. Wonderlic served as the Chairman of the Board and President of the Association of Test Publishers in

2006, and his views regarding the purpose and value of assessment have been aired on national television programs including Dateline, Lifetime, CNN FN and 20/20 as well as in hundreds of newspaper and magazine articles. He is an active Junior Achievement volunteer and is a member of the Crisis Ministries board of directors; a not for profit organization that provides food, shelter and hope to end homelessness.

Mr. Wonderlic received his B.S. in Finance from Miami University, Ohio, and his M.B.A. from the Lake Forest Graduate School of Management, Lake Forest, Illinois.

About Wonderlic, Inc.:

Wonderlic, Inc. is a privately held company headquartered in Vernon Hills, Illinois and a founding member of the Association of Test Publishers. The company provides businesses and schools with a comprehensive library of highly regarded assessments and surveys for each phase of the hiring and student selection process. In its 75+ year history, Wonderlic has delivered over 300 million assessments and surveys for more than 60,000 organizations, government agencies and accrediting bodies.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Wonderlic, would you give us a little background on the company?

Mr. Wonderlic: Wonderlic Incorporated was founded in 1937 by my grandfather, Al Wonderlic. He founded the company as a result of some work that he was doing as a doctoral student in psychology at Northwestern

University in Evanston, Illinois where he developed our first test which is called the Wonderlic Personnel Test.

CEOCFO: Does the history matter today when you are talking with potential customers? Do they respect it or is it not as important as it might have been in some previous times?

Mr. Wonderlic: The relevance of the history of a test publisher is very similar to that of a pharmaceutical company. When a person is prescribed a medication, they really don't know what that medication consists of and yet they are asked to consume it. As a result, they must have a very high level of trust and confidence that it was prescribed by a competent physician and produced by a capable and reputable manufacturer. When it comes to employment and educational tests, it's very similar, because decision-makers who rely on test results may not be experts in test development yet they often rely on test results to help them make mission-critical selection, placement and training decisions in a fair and legally defensible manner.

CEOCFO: Would you tell us a bit about the various tests you offer? What is most common and perhaps something that people might not even realize can be tested?

Mr. Wonderlic: Wonderlic develops and sells assessments for use in educational and employment settings. In education, we publish tests that help career colleges select students who can both benefit from the training and secure gainful employment in their chosen field. Within the area of employment, we focus on helping employers evaluate the knowledge, skills and abilities (KSAs) of their job candidates.

Our core competency is that we are uniquely capable of developing assessments that combine ease of use with technical integrity. We gather the right information at the right time and deliver it in a way that is convenient and effective for students, job candidates, instructors and employers.

We use, as you stated that you do with your editorial style, proven measurement methodologies, and we leverage these with the latest in technology. We are a really interesting blend of the two. Very, very well established measurement principles and capabilities combined with cutting edge technological deployments and vehicles.

We are one of the only test publishers that serves both educators and employers. What's interesting about that is we help educators better understand employer expectations so they can better prepare their students for work. – thereby increasing student placement rates and job satisfaction. About 75% of for-profit career colleges use one or more of our assessments to help them admit students into programs such as medical assisting, criminal justice and HVAC.

Most recently, we've been developing interactive, program-specific learning outcome assessments that make it possible for career college students, instructors and decision-makers to evaluate and monitor the degree to which learning objectives have actually been achieved. The content of these assessments is reviewed and rated by large panels of employer subject matter experts to ensure that program curriculum is aligned with employer expectations.

CEOCFO: There is a certain percentage of people that do not test well. How do you overcome this challenge?

Mr. Wonderlic: One of the foundational goals of educational and employment assessment is to obtain test scores that accurately reflect the test taker's capabilities. There are some cases where individuals may have one or more disabilities or may have

other reasons why, on any particular day, they may not have tested well. In those cases, we have a variety of solutions. Our tests are offered in a variety of different mediums that include online, paper, large print, Braille and audio. Additionally, our scoring algorithms calculate test results in the context of the whole test and not just one question – taking into account both correct and incorrect answers as well as item difficulty.

CEOCFO: Tell us a little bit about the technology side. How do you make use of technology in your offering?

Mr. Wonderlic: From our perspective, technology has made the student and job candidate recruiting/selection process more efficient, relevant and convenient for all parties. More efficient and convenient because necessary information can be gathered online on a self-service basis. More re-

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– Charles F. Wonderlic, Jr.

levant because responses to many of these questions can be explored in greater detail via our robust online assessment platform.

CEOCFO: How do you reach potential customers or does everyone know you by now?

Mr. Wonderlic: We reach potential customers through advertising, trade shows and email campaigns. Nearly a quarter of our new clients are referrals. We take great pride in getting very close to our clients and making sure that they are pleased with our services. We know that if they appreciate our services and see that they're getting real, measurable value, not only will they remain clients but they will refer us to their friends and peers. Our phones typically ring off the hook during the annual NFL Scouting Combine as football fans seek more information about why the NFL includes the Wonderlic Personnel Test as part of the draft process.

CEOCFO: Is there a regulatory component?

Mr. Wonderlic: The specific type of regulatory oversight varies somewhat by market—educational or employment. With respect to the educational domain, a number of our tests must have been reviewed and pre-approved by a governmental agency (e.g., the U.S. Department of Education) in order for schools to implement them. In the employment domain, there are no governmental entities that review and certify tests prior to their usage. Rather, agencies such as the Equal Employment Opportunity Commission (“EEOC”), state human rights agencies and the Office of Federal Contract Compliance Programs will subject tests and other hiring procedures to scrutiny based on a job applicant's complaint of unlawful discrimination or such findings indicated by an audit. Also, in both market areas, prospective students and employees may have various forms of legal recourse if clients are not using our tests in an appropriate and professional manner (e.g., providing reasonable accommodation in accordance with disability protection laws). Additionally, poorly developed educational and employment assessments can be the focus of common bases of litigation, such as invasion of privacy or negligence.

Bottom line, using assessments, as well as other hiring tools, to select prospective employees and students is closely regulated. Our company is staffed by highly trained industrial-organizational and measurement psychologists who are keenly aware of legal issues and relevant professional standards (e.g., *Standards for Educational and Psychological Testing*), as well as an attorney who focuses on regulatory and judicial trends.

CEOCFO: Are your tests available in English only? Are there multi language components to some of your testing?

Mr. Wonderlic: They are multilingual depending on the test.

CEO CFO: Where do you see more growth these days in education or employment?

Mr. Wonderlic: Well, both. The economy is growing again. Every time we go through a recession, employers are reluctant to hire, and then they stomp on the gas pedal, and I think we're reentering that phase. We are seeing much greater demand for higher skilled positions, but what we've also experienced, which we experienced through each of the last three recessions, is that employers are becoming increasingly selective and reluctant to hire at the same time. That serves us very well, because as employers, we understand how important it is to hire the right people, and then retain and train the right people. Leaders seek new and different ways to do that and assessments are a way that can really enhance those processes. That's been very, very good for us after a very difficult recession where hiring was way, way down.

In terms of education, what we're finding is that career colleges and really all higher education institutions are increasingly being pressured by both public opinion and regulatory requirements to demonstrate that they're actually delivering on their promise of providing a quality education. That's where we're spending a tremendous amount of time right now, helping career colleges clearly demonstrate that the students they're teaching have learned and retained the kind of knowledge they need to be successful in a given trade.

CEO CFO: What is your geographic reach today?

Mr. Wonderlic: Primarily North America, but we have worldwide clients.

CEO CFO: Do you see international as a growing area or more ancillary?

Mr. Wonderlic: We see tremendous international opportunities and one of the things that we're working on right now is the development a non-verbal version of one of our most popular assessments; the Wonderlic Personnel Test. We believe that a language independent IQ test will have tremendous value, particularly for multinational organizations.

CEO CFO: How often do you review each of your tests? Do you create a new test perhaps based on customer requests or are you all working like busy bees to formulate tests and then find the audience?

Mr. Wonderlic: The vast majority of our development is client initiated or based on client requests. For a test to meet the kinds of standards that are required for use in employment and hiring decisions, it typically takes about a year for us to be able to engage the appropriate number of institutions to participate in the studies, collect data and conduct the validation studies and the fairness analytics. If a sufficient number our clients are willing to participate in the necessary studies, then that's a very good indication that there will be subsequent demand, because it takes a lot of work on the employer's part to participate. That's basically the model.

When it comes to technology, it's a little bit different. We can turn technology around much more quickly. What we're finding is that our employers,

and many other employers, are becoming increasingly interested in finding better ways of measuring employee performance. They're frustrated with their current performance management systems, probably because they are too big, too heavy and too unwieldy for the reality of conducting performance appraisals.

We are working with our employers or clients right now to find ways to make something that's much more efficient. Also, to make something that ties performance to selection so that employers begin to see the relationship between making good hires and subsequent performance. Then they can continuously tweak and modify their processes as their businesses change and as their goals change.

We make sure that the new hires that join their businesses have a higher likelihood of being top performers. Organization's today need top performers merely to compete. It is no longer sustainable to have acceptable performers on your team. It is our opinion that employers and organizations that have peak performers, top performers are the only ones that are going to survive.

CEO CFO: Why does Wonderlic stand out as an exceptional company?

Mr. Wonderlic: We stand out as an exceptional company because we form and nurture relationships, concepts and products that are intended to last generations, versus merely leveraging them to achieve quarterly results.

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