



# INSIGHTS

*FOR BUSINESSES AND PROFESSIONALS*

FALL 2010

## Tips for Hiring the Right Employees

**R**ecruiting a team of talented and committed staff members is crucial to the success of any growing company. As an employer, you are challenged with finding not only skilled workers, but also those individuals who will best represent your company. In order to fill your open positions successfully, you need a solid plan of action.

It's no secret that first impressions make a lasting impact, but keep in mind that potential employees are evaluating your business in the same way that you're evaluating them. Candidates will form opinions about your company based on what they see firsthand and how they are treated. Your company may offer great benefits and take great care of its employees, but to attract the very best candidates, your firm's reputation must precede itself. You can enhance your company's reputation by attending industry events or being active in the community.

As you begin your next hiring process, consider taking these steps:

**1. Keep your eyes open.** Industry events, job boards, and professional

publications provide excellent opportunities to meet skilled workers and to advertise your company's benefits. Even if you don't have immediate job openings, you may meet professionals who will be a perfect fit for future open positions.

**2. Examine track records.** If you hire candidates who have already demonstrated mastery of the skills needed to do the job, the time and money needed for training may be less. However, you may want to consider candidates with less experience if you want the opportunity to develop specific skill sets.

**3. Look within.** When the company has an opening, consider advertising

it internally first. Doing so can demonstrate to your employees that their efforts and skills are appreciated and can be rewarded with a promotion. Also consider asking your trusted colleagues for referrals.

**4. Seek assistance.** When reviewing applications, you may want to involve your employees in the process of selecting and interviewing candidates. Current employees know their jobs well and can assess a candidate's skill level and ability to fit in with the company culture. In addition, their involvement can facilitate the learning process of the new hire.

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Assess the Health of Your Business with a SWOT Analysis • Getting the Most from Outside Consultants

## Assess the Health of Your Business with a SWOT Analysis

In today's business climate, it may be more important than ever for companies to operate at maximum efficiency and with a keen awareness of the potential impact of changes in their industry and the economy. Using a SWOT analysis to take a closer look at your company's internal operations, as well as its position in the marketplace, may help you avoid costly mistakes, improve your management practices, and refine your long-term strategic goals.

The acronym SWOT stands for **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats. A SWOT analysis is a strategic planning tool designed to assist an organization in identifying the internal and external factors likely to affect its ability to achieve its objectives. It can also be used to help management formulate ways to enhance processes and prepare for potential challenges. While some businesses regularly conduct these assessments, a SWOT analysis can

be especially helpful prior to making a major strategic decision.

To conduct a SWOT analysis, start by evaluating where your company currently stands in each of the categories. Under the heading "strengths," list the areas where your



business currently performs exceptionally well or possesses certain competitive advantages. Your company may, for example, have experienced and committed employees,

a long history in the community, or products and services that have been shown to be effective. Under the heading "weaknesses," make a list of areas where your company could show improvement. Weaknesses may include, for example, cash flow problems, high levels of debt, a key employee who is about to retire, or inefficient and aging IT systems.

If you have trouble developing an objective assessment of your strengths and weaknesses, imagine that you are viewing your business from a variety of perspectives, such as that of a client, a vendor, a staff member, or an investor. The comments you have received from others about your business can help you to determine more accurately the areas in which your group excels, as well as those in which improvement is needed.

Next, take stock of the external environment by evaluating potential opportunities and threats. When

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**5. Conduct reference checks.** Although it may be tempting to skip checking references, this omission could be a costly mistake. Former employers can give you an alternate perspective of a candidate, which can affirm your choice or alert you to potential problems.

In addition to the steps listed above, keep in mind that hiring employees who are pleasant, respectful, and professional can help bolster

relationships with existing clients and potentially attract new ones. To determine if a candidate has these capabilities, engage him or her in a few minutes of informal conversation. Casually chatting with job-seekers can reveal much about their personal interests, attitudes, and circumstances. Creating a friendly environment will also make candidates feel comfortable. If candidates are at ease, you are likely to

get a more accurate picture of who they are and what motivates them. Remember, a candidate may have a long list of impressive qualifications, but that does not always translate into being a good fit for the job or the company's culture.

The hiring process is rarely easy, but if you fully utilize your company's assets, you may be more likely to select employees who will thrive in the position for which they were recruited.

# Getting the Most from Outside Consultants

At various points in its development, your business may benefit from the expertise and insight that only an external consultant can provide. But without the right selection process and procedures in place, bringing in an outside consultant can be a waste of time and money.

Here are some tips for selecting and effectively utilizing outside consultants:

## **Define exactly what you need.**

When your company needs help with a specific project, identifying the reasons why a consultant's services are required is not difficult. But what if the needs of your organization are less obvious? Bringing in a consultant to "improve efficiency" is far too broad an objective. Before seeking a consultant, identify the specific areas in your organization that need to be addressed and the precise goals you wish to achieve.

**Ask around.** If you are unsure about how to find a consultant who will meet your needs, contact professional associations or other businesses for their recommendations. Take advantage of opportunities to speak with others about their experiences with consultants or consulting firms. Such individuals may also offer advice on consulting fees. Avoid selecting a consultant simply because he or she is a friend or family member of an employee or manager.

**Prepare an RFP and collect proposals and bids.** Once you have determined the goals you hope to accomplish by hiring a consultant, include this information in a "request for proposal" (RFP) to be distributed

to candidates. Ask each candidate to submit a proposal that includes information on fees and reimbursable expenses. Examine each proposal carefully, asking questions or interviewing candidates where appropriate. Eliminate any proposals that are not professionally presented or that fail to include the requested information.



**Draw up a contract.** After a candidate has been selected, prepare a legal agreement that outlines the services that the consultant is expected to deliver, dates for completion, and a schedule of payment. Have the consultant sign the contract *before* beginning the work.

## **Collaborate with the consultant.**

Keep in mind that even the most qualified consultant cannot be of assistance without input and cooperation from your company. Before the consultant arrives, make sure that the appropriate managers and employees have made time in their schedules to meet with the consultant and provide him or her with the necessary information. Also, prepare any background information on your business that the consultant might find useful prior to his or her arrival.

Remember that consultants are not responsible for doing the work of management or regular employees. Instead, consultants are a source of expert advice on how staff can perform their duties more effectively, even after the consultant's work is finished.

## **Put the consultant's proposals into practice.**

After spending considerable amounts of money to have a consultant address an issue or solve a problem, many businesses fail to take the consultant's advice or to translate his or her recommendations into action. Carefully consider each of the recommendations and decide how the business will put them into practice.

## **Evaluate the consultant's performance.**

After the consultant's ideas have been implemented and enough time has passed for the results to become apparent, analyze the impact of the actions taken and ask employees to assess the usefulness of the consultant's work. This can help you determine whether your original goals in hiring the consultant were met and provide insight into how your business can make effective use of consultancy services in the future.

Outside consultants can provide valuable insight and advice for your business. To get the most from your consultancy experience, be sure you have reasonable and well defined expectations at the outset, that you communicate these expectations clearly to the consultant, and that you implement the suggestions thereafter. Then, when the consultant has finished, you'll know that your time and money were well spent.

## Trends in Group Disability Coverage

While many employers continue to offer long-term disability benefits, some companies have lengthened the amount of time a worker with a disability must wait before benefits begin, according to a 2010 survey conducted by human resources news website BLR/HR Daily Advisor.

The survey queried 400 HR professionals about their company's disability benefits and other forms of group insurance coverage. Results showed that 77% of respondents offer short-term disability benefits, and 82% offer long-term disability benefits. In addition, 5% said their companies offer group auto insurance, 5% reported offering group homeowners

insurance, and 13% said they offer group prepaid legal services.

Focusing on disability coverage, the poll asked HR professionals whether their organization requires a waiting period before disability coverage begins, and, if so, how long it is. More than three-quarters (77%) reported that their company has imposed a waiting period of at least seven days before short-term disability benefits begin, up from 65% in a similar survey taken in 2006. The 2010 survey also showed that most companies pay a short-term benefit of 60% to 69% of weekly pay for 13 weeks or less, and this benefit is funded primarily by conventional insurance.

Meanwhile, a similar trend toward longer waiting periods was also found for long-term disability benefits, with 94% of respondents reporting that their company requires a waiting period of three months or more, up from 80% in 2006.

When asked who is responsible for paying the premiums for group disability insurance, 70% indicated that the employer picks up the full premium amounts for short-term disability coverage, and 76% said the employer pays the full premium amounts for long-term disability coverage. In addition, 59% impose no maximum dollar amount for weekly short-term disability benefits, while 19% set the limit at \$800 or above.

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compiling a list of "opportunities," think about the possibilities, both large and small, for expanding your offerings or creating new funding streams. These may include, for example, partnering with another business, adding new products, or intensifying marketing efforts in a new target demographic. Under the heading "threats," list all of the outside influences that could prove detrimental, such as downturns in the economy, shifts in client demand, changes in the legal or political landscape, or natural disasters.

After compiling your own SWOT list, convene a meeting of members of your management team,

professional advisors, and a representative group of employees. When discussing strengths and weaknesses, focus on where your company stands in each of these areas relative to competitors, the company's capacity to grow and to take on new challenges, and how your company's strengths and weaknesses make it more vulnerable—or more resilient—in the face of outside threats.

Once you and your team have compiled a thorough SWOT list, this information can be used by the company to streamline practices and formulate new strategies. A SWOT analysis can help your company build upon its current strengths,

make plans to improve areas of weakness, and prepare to avert or cope with potential problems.

Besides helping you hone your strategy and strengthen your position in the marketplace, a SWOT analysis can be useful when approaching investors and in improving your relations with board members, employees, and other stakeholders. A thoughtfully prepared inventory of your assets and liabilities, coupled with a strategic plan to act on those findings, can serve as tangible evidence of your management skills and willingness to take the action necessary to ensure that your business continues to meet or exceed its goals.