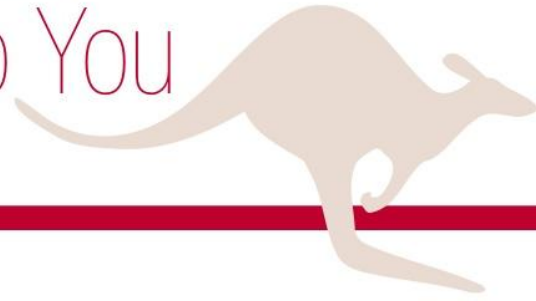


# From ROO to You



December, 2010

## To Hire or not to hire. That is the question.

As we emerge from the recession, many employers are still cautious, while others are “dipping a toe in the water” for key investments. People are one of the most significant investments an organization makes, and often the differentiator in determining the customer experience. Before implementing a full recruiting plan, take time to consider whether to use contingent labor or a full time employee for various business needs. Contingent Labor options include temporary employees, independent contractors, consultants, interns and other short term service providers. Factors to consider include:

**Business Volatility:** If you serve a relatively stable client base and diverse markets, there is less risk in committing to a full time employee. Conversely, if your industry is less predictable and subject to significant business fluctuations, you may want to consider using contingent labor to cover peak periods. This reduces the need for reductions in force, which in turn can lead to legal claims from those that believe they were unfairly selected for the RIF.

**Duration of Assignment:** If the position or assignment is expected to last less than six months, you may want to consider a temporary employee or independent contractor. Assignments lasting more than six months place the employer at risk for creating an employer/employee relationship. If the position will perform ongoing services for the organization, a full time hire may be more appropriate if there is a full time need. If the need is ongoing, but not full time, consider a part-time employee or outsourcing.

**Specialization:** If you require a specific area of expertise to service your core business, an employee is probably the best option. For example, an FDA-regulated company should probably have their own Quality Department well versed in the intricacies of FDA requirements. They will be called on regularly to address customer or operational issues, participate in audits, etc. Alternatively, if you need someone to help you establish an SEO (search engine optimization) program or help you identify the best location for a new plant in Eastern Europe, a consultant may be a better option. You need their expertise today, but not tomorrow.

**Scarcity of Skills:** If the skill set is rare but can easily be “bought”, consider using an agency with quick quality placements, or a consultant with particular expertise. This area should be carefully. If the skill set is rare, but critical to your business, it probably makes sense to hire this rare gem (and to work very hard to retain her). Is having this skill set on staff worth the pay premium, even if the person won’t use a particular skill set regularly? In some cases the answer is “yes.” Remember to consider cross-training or a backup plan in case this rare gem leaves the company.

**Core business activities:** Traditional wisdom holds that if a function is core to your business it should be a

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staff position. This makes a lot of sense for a production supervisor, customer service representative or R&D Engineer. This also tends to make the most sense for centralized functions such as Finance, Marketing and Human Resources. Today this paradigm is being challenged by outsourcing organizations such as B2B CFO, and yes, Roo Solutions. Consider what degree of expertise is required on a regular basis. If a Finance employee is focused on typical accounting activities it probably makes sense to have this Accountant or Controller on staff. But what about a CFO? You may only need a person for risk analysis, financial planning, etc. a few hours per month or per year. In this case, consider a consultant. You may have a marketing staff needed for traditional marketing activities such as trade show management, collateral development and basic website maintenance. It probably makes sense to have some of this capability in house. If you are upgrading your website and have a tight deadline, or need different skill sets, consider an IT agency or contractor.

**Finally, the most important factor is your time. How much is it worth?** I often think about this when I am banging my head against the computer trying to update my website. I spend 3-4 hours per month doing something an expert could accomplish in a matter of minutes. A similar phenomenon occurs in businesses. I recall a situation with a company that needed to place more emphasis on marketing, but did not have a marketing department. So what did we do? We put together a cross-functional team that met every week to move our marketing initiatives forward. Was it worthwhile? **Yes, ....** We put a system in place for press releases and a basic structure for newsletters and a production calendar. **but...**we spent hours researching how to write press releases, develop a social media presence and create a company newsletter format. 6 or 7 people, half of whom were executives, dedicated 1 hour every Monday morning figuring out how to market. This doesn't include the countless hours researching and working on our individual assignments. While the direct costs might not be significant, the soft costs can be huge. What could we have been doing with that time? Remember to consider the opportunity cost. **Time cannot be recovered...** In many cases our intern got us farther, faster than a group of us working together. We could have gone even farther by hiring an intern or consultant. If time to market or production is critical, consider an outside expert. If you are working on a non-mission critical project with no firm deadline, a cross-functional project team can be a great way for staff to develop new skills working on a relatively "safe project."

By intentionally considering these factors, you can make the right investments in people and move forward with key initiatives quickly.

Wishing each of you a prosperous 2011.