

KSG Talent Management Newsletter

Lessons from Past Recessions

The daily headlines and effects on our everyday lives due to the state of our current economy have caused many of us to reflect upon the recession of 2001. Even though we aren't technically in a recession it does not negate the reality of the commentary and observations of pundits and politicians alike.

Since it is easiest to learn from hindsight, the following are suggestions from the learning curve of 2001 and the more successful reactions to the ongoing world of talent management:

Take care of your "A" players. Do not project the attitude that "you are lucky to have a job". The best players are hardest to come by and will always have career options. Sales organizations feel this more than others. Your "A" players will always be sought by your competitors and the same players know they can be successful for you or against you.

It is the wrong time to make cutbacks in your incentive compensation plans. Sales people are motivated by money, do not make major changes to their compensation plans or their territories unless it only benefits them. A top sales person wants less quota, more territory and more money. Almost any other change will be viewed negatively.

At all costs, avoid across the board layoffs or restructuring. If necessary, make cutbacks based solely upon performance. It is a good time to look at your "C" players and work them out of the business, with the intention of finding an "A" player as their replacement. During the worst of the last recession, KSG continued to do the same number of sales placements because clients viewed the situation as an opportunity to improve their organization. Another benefit to this type of employment action, is that you give your competitors less chance to tell

your clients that your business is struggling and it was necessary to resort to layoffs.

Start planning for 2009 by acting now. Many companies are currently cutting back on hiring in response to the unknown certainty of our economy and future business climate. Companies are starting their fall planning process, which normally involves hiring requirements for the next year. If you are planning to add staff for the new year, you will want to start the process sooner rather than later. A good sales candidate might be interested in switching, but will be too busy finishing out their quota year and not able or willing to devote their time to the hiring process. Thus, October and early November are the ideal times to select your new hires for January 1.

If you have announced hiring freezes or are looking to cut down on hires while still having a need for talent, *consider contracting*. The flexibility offered by contracting can be an appealing alternative. Some ways we have worked with our clients include:

- **Contract Staffing** - the ability to bring on top-notch professionals for a specific length of time or specific project.
- **Temp-to-Direct Hiring** ("Try Before You Hire") - allows you the time to evaluate a candidate's skill level, technical ability and personality before you make an employment offer.
- **1099 Conversations** - avoid the risks associated with incorrectly classifying an Independent Contractor that should be an employee.
- **Retiree Re-Staffing** - this option allows that ideal retiree to come back for a specified project or period of time.
- **Internships or Seasonal Employees** - can be brought in during the times when you need additional staff or to keep up with a long-standing program without the long term commitment.

Working with an affiliate, KSG offers all these contracting solutions to provide a complete Talent Management portfolio of services. If you would like additional information on these offerings and benefits please let us know and we will send you an information packet. Also, if you have any questions or interest in understanding how KSG can assist in your pressing Talent Management needs, please contact us.

As always, we hope that you found the information timely and useful. We welcome the chance to work together now or in the future.

About KSG

KSG is a national boutique executive search firm that specializes in the placement of high technology senior sales executives, from SVP of Sales to senior level sales professionals, including pre and post-sales engineers and architects. Our clients include those selling high-end information technology hardware, enterprise software and professional services.

For additional information on Kuttbauer Search Group, please visit our website at www.kuttbauer.com.



Curtis D. Kuttbauer
President
Kuttbauer Search Group, Inc.

234 Midtown Drive
Traverse City, MI 49684-5751
T: (231) 922-9380 x300
F: (267) 395-9380
E: curtis@kuttbauer.com
W: <http://www.kuttbauer.com>
ICO: 109516911
AIM: Tis Teambuilder

Your High Performance Team Builders

