

## PLANNING FOR YOUR HUMAN RESOURCE NEEDS

Dorothy I. Riddle, Ph.D., CMC  
Service-Growth Consultants Inc.  
riddle@servicegrowth.com

Your competitive advantage is embodied in the people on your service delivery team. It is those people who create the service for your clients, and it is those people (not your firm) that have core competencies or specialized expertise. Just think about what happens if you lose a key person. You may not even be able to deliver a particular specialty service (e.g., forensic accounting) without them.

Now think about who makes up your service delivery team. You will probably find that you have four kinds of people:

	Helpers	Doers
Internal	Support staff	Professional staff
External	Clients	Strategic partners

One of the common contradictions in professional service firms is that, while your human resources are critical to your success, the human resources function itself may be the managerial responsibility most often ignored. Think about yourself and the demands on your time. How much time do you devote to personnel supervision each week? Do you hold regular performance appraisals and provide feedback to your staff? With strategic partners, do you invest time each week in managing that relationship, or do you just let it “run on automatic”? If you give human resource issues lower priority, you are certainly not alone. In fact, you are unusual if you do anything else.

While you cannot inventory your services, you can “inventory” your production capabilities. As you look ahead to anticipate clients’ needs and expectations, you should be able to gain a sense of the types of expertise you will need. How are you determining the expertise you need at the moment? When you sense a new competitive opportunity, do you automatically think about staffing implications?

You can’t hire staff to cover every contingency and still be competitive. So when will you make use of temporary or part-time staff? When do you use subcontractors or strategic partners? And when do you expect clients to help out by doing some of the work themselves? These are all critical strategic questions. You may find it helpful to establish ground rules for when your firm will and will not outsource client work to strategic partners.

Here are some scenarios to consider:

- Contract out support activities, like background research, rather than the analytical work.
- Contract out work in which you are generally competent rather than your specialty work.
- Contract out work that does not involve client contact, rather than direct service to clients.
- Contract out specialized work when it is not your core competency but will provide added value to your client.

As a rule of thumb, you will want to have what you consider your core competencies provided by your own in-house staff rather than by strategic allies; otherwise, you run a strong risk of creating your own competition.

If partnering with another firm runs the danger of someone learning your business and forming relationships with your clients, why would you want to partner? There are several good reasons that you might already use or might want to consider:

- a) Having a well-connected local partner can make it much easier for you to gain credibility in a new export market.
- b) One of the most effective competitive strategies is to “bundle” your services together with those of another professional discipline to provide “one-stop” solutions.
- c) If you manage a small firm, you may find it helpful to partner for “back-up” (i.e., extra capacity in case you need it).

Your competitive environment is continually changing, which means that your professional staff’s skills (including your own) keep needing upgrading. How are you identifying and addressing staff needs to upgrade their skills at present? There are many mechanisms that you can use including circulation of reading materials, in-service training, attendance at professional conferences, and so on. Since staff expertise is your competitive edge, consider how much you invest in keeping it current. Do you have a percent of payroll that you allocate for professional development? Consider allocating up to five percent of payroll for staff’s ongoing professional development.

Your professional staff are not the only ones who need ongoing training. In fact, your clients probably have more contact with your front-line support staff than with professional staff. So it is those staff who in turn shape client satisfaction. You might think of these staff as your *front-line marketers*. What are the implications for how you relate to these staff and the degree of authority you give them? How can you be sure that they will exercise good judgement and create a favourable impression on clients?

If at all possible, you want to hire for a courteous, respectful, “can do” attitude. It is much easier to recruit for the skills and abilities you need than it is to try and change someone’s attitudes and behaviours once hired.

Front-line staff occupy a position where they need a high degree of discretion in how they handle clients. A common error is to place temporary staff in this position. Why would you turn over a key marketing position to someone who is not committed to your firm?

In actuality, the front reception position is one of the most critical ones in your whole firm. Unfortunately, many still see this position as having the lowest status, and associate higher status with moving further away from direct client contact. Treat the reception position as a senior marketing position rather than a junior clerical position.

If you want to increase client satisfaction with your service, front-line staff need the linguistic skills to deal with international clients and to be empowered to resolve client issues on the spot. This requires both training in “what if...” scenarios and the confidence that you will support their decision. You can increase your competitiveness by delegating authority to front-line staff to resolve client concerns immediately.