

Conversations to Avoid

“Trust me. I’ve been managing for 20 years and I know when I need another employee. Approve one position and I’ll do my best to hold it to just one.”

“Sales is projecting a 25% increase in new business next year. This will mean a 50% increase in quote activity. We need to start hiring now to meet this demand. I don’t know exactly how many people we will need but I think we should start with at least 7. We need to start training right away so they’ll be functional when the deluge of new sales comes.”

“Remember what happened three years ago when we were short staffed? Service was terrible. Customers complained. It took a whole year before we regained the confidence of our sales force. We don’t want that to happen again, do we? Approve my requisition for two more employees and everything will be fine.”

Wouldn’t it be better and easier on everyone if you had the following conversation instead?

“I’ve run the new sales projections for next year thru our sales model and we will need four additional staff to meet their projections -- one underwriter and three customer service reps. There will be a slight increase in the work done by other positions but the model shows we can handle it with our current staff. This is the most cost effective way to handle this new work. The model shows that we will save almost \$100,000 next year by hiring these positions instead of using overtime and temporary staff to handle this work.

“My plan is to promote Mary from Senior CSR to Junior Underwriter. Her training should start right away. The model shows that with her background she should be 50% efficient almost right away. We can then focus on hiring and training four new CSR’s. We’re in a slow work period now so this is the perfect time to get started. My plan will be to hire two CSR’s right away and start their training immediately. I’ll hire the other two in 45 days. All four should be at a 75% performance level by the time the workload becomes intense.

“I’ve done a staffing projection on our model in case new business activity is far above what we expect. It looks like we can handle sales results that are up to 50% above plan with this additional staff plus some overtime and limited use of temporaries. If sales results are less than expected, we can use our additional staff to work on the two systems projects we’ve been trying to get done. In any case, this looks like the best plan.

“We’ve also used the staffing model to identify the four or five work processes where we’re spending most of our time and money. We’re looking at ways to do this work more efficiently and are talking to Systems about our ideas. This will help us maintain staffing levels in the future and also handle our annual workload problem when we have our big sales contest in the fall.”

Having staffing models with these capabilities is essential in managing an efficient and effective company in today’s environment. Stop the “trust me” conversations and start making staffing decisions based on solid business facts.

If you are not currently using staffing models or the models you have do not have the capabilities we described in this letter, please call me. I’d be happy to discuss how to make these changes in more detail. Also, please visit our web sight at McDonaldConsultingGroup.com, where you’ll find further explanations of these ideas (and other exciting ideas) in our Concepts and Ideas section.