

Video: Hiring and HR

Subject	Notes
Start	When you start it's only you
Decision to Hire 1 st person	When your business grows to a point where you can hire an employee and there is value in having someone else do routine tasks. It allows you more time to focus on parts of the business that are needle movers.
Contractor	Provides work according to contract. A contractor is not an employee. 1099 form Laws around when/how to use a contractor. Possibility for fines Seek guidance from tax professional IRS 20-Factor test for Contractors Must have a contract in Place -Services to provide -Compensation
Advantages for using a contractor	Test drive – How do they perform? No Taxes No Medicare No Unemployment insurance No Benefits (health care, vacation, 401k, etc....) Easier to attract for a start-up
Employee	Harder to attract to start-up companies Cost of benefits (health care, vacation, 401k, etc....) Cost to administer benefits
Before you interview – Learn the laws	Many types of illegal questions (some examples): Are you Married? Have you ever been arrested? Do you have children? What year did you graduate high school? What country are you from? Where were you born? Where does your spouse work? Who takes care of your children while you are at work? What nationality are you? Which religious holidays will you need off? Do you rent or own?
13 protected categories	Categories: Age Citizenship Criminal Record Disability Family Marital Status Military

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	<p>National Origin Parental Status Race or Skin Color Religion or Creed Residence Sex</p> <p>There are appropriate and inappropriate questions for these categories. If you ask an illegal question you open yourself up to a discrimination lawsuit.</p>
Risk of lawsuits	<p>Harassment Discrimination Injury LLR: Loaded Labor Rate</p>
Your 1 st employee	<p>The first employee becomes half your company. It's critical that the 1st employee is good and represents the company the way you do.</p>
Example of negative impacts from bad employees	<p>Sales: What if you don't have the guy that's willing to make ten contacts for a sale?</p> <p>Customer Service: What if they hate their job and are rude to the customers...the customers you contacted ten times to get a sale? How many contacts are now needed to get another sale from them?</p> <p>Collections: What happens if they aren't customer sensitive and threaten or demand payment for orders. What if the demanding calls were invoices where your company made an error or didn't deliver yet?</p> <p>Distribution: What if they don't pay attention to details and constantly ship the wrong products or quantities? What is the cost to fix the errors and will customers ever buy from you again?</p> <p>Production: What if they aren't qualified to do the job correctly? What is the cost for quality defects, loss of customers, or law suits?</p> <p>Finance: What if your finance team has Binocular Focus and only looks at sales? What's the impact to costs, Mark Up, margin, inventory levels, receivables, Cash Flow, etc.?</p>
Critical	<p>It's critical to hire the right people. Who you hire will have a major impact on your business.</p>
Strategies for Hiring	<p>(1) Treat it like an investment: Treat the search and hiring of new employees as an investment and identify what type of return you expect over time. Identify what skills and abilities the person needs to meet your return expectations.</p> <p>(2) Actively Recruit: Recruit candidates through employee referrals, professional networks, professional associations, headhunters, colleges, temporary agencies, contractors, and</p>

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	<p>online job postings. Try to find and attract the best qualified candidates instead of expecting the best to find you.</p> <p>(3) Cross-functional interviewers: Have members from cross-functional teams interview to provide feedback on compatibility.</p> <p>(4) Personality test: Administer a personality test to identify if the perceived attributes match the test results and determine if they are a strong fit for the role and team.</p> <p>(5) Be thorough: Check referrals of previous employers and managers as part of your evaluation.</p> <p>(6) Final interviews: Have someone with no skin in the game interview your finalist to get unbiased feedback.</p> <p>(7) Don't hire below your expectations: A bad hire costs \$25,000 to \$50,000 to replace. Hire someone you are excited to have on your team for the next 10 to 15 years.</p>
<p>Other issues you may face with employees</p>	<p>You can think of millions of issues that arise when employees don't do things the right way. Now think about how your business be impacted when the employee experiences the following:</p> <ul style="list-style-type: none"> Takes vacation has alcohol or drug issues enters drug rehab has family issues takes sick time must take time to take care of sick family member (FMLA) goes on maternity leave harasses a customer harasses someone at work gets harassed at work gets harassed by a customer walks out and quits fight at work argues with co-workers dies
<p>How to handle issues</p>	<p>Remain calm Work the issues Logic instead of emotion</p>
<p>Why 1st employees are critical</p>	<p>1st employee = 50% of company 2nd employee = 33% of company 51st employee is not as big of a deal. Your 1st employees play a critical role in your success</p>
<p>Users Additional Notes:</p>	