Hiring a Manager? Read This First



Source: www.TurfMagazine.com



As your business grows, there comes a time when you'll need help to manage it and continue growing profitably. The right time varies depending on several key elements in the business. Financing and cash flow, current employees and how they are performing all affect your future plans.

One mistake I see owners of small businesses making is hiring a manager before the time is right. Ask yourself, do I have the available funding to compensate the manager now before my revenue increases?

In service businesses, you don't always have to spend money to make money. The size of the business is not a determining factor; smaller operations should consider holding back until the uptick in business actually happens. Larger businesses have to consider whether it's a smart move expending funds to bring in a manager before it's absolutely necessary. Fortune 500 companies always hold off on hiring until the very last minute, and landscape service providers should also follow that rule. By holding off you are sending a message to employees that stepping up performance is a good career move for them.

Do like big companies do

Review each key employee and be sure each of them is working at peak performance. This demands your attention. It is vital for both the success of your business and for the success of your key employees. For your company to be competitive and profitable requires that every employee is in the right position and contributes fully and performs at peak productivity. It benefits your company and also benefits your employees.

They should realize that if they perform well and add value to your company there is the real possibility of promotions. This is especially true for emerging leaders who willingly accept the challenger of increasing their performance. Keep an eye out for them, and be aware that bringing in a manager prematurely could actually demotivate an emerging leader and make them feel unappreciated. That's the way Fortune 500 companies operate and you should, too.

Timing is everything

Before the economy fell six years ago, businesses could operate less than efficiently and still maintain profitability. Today, you have to operate efficiently and all employees must increase their productivity to help you be profitable.

You know that as the owner or senior manager, but do all employees understand the challenges of operating in this new economy? Many times, good hardworking employees don't realize what a stress it is to turn a profit today and it's important you communicate this to them. As the owner, you are too busy dealing with these challenges and could forget or neglect to communicate to employees the importance of increasing their productivity. Don't hold employees responsible for circumstance beyond their control. Make sure they understand you're relying on them to step up performance, especially if you think you need to hire a manager. Perform a time study on all departments, with special focus where you think you need more help getting the job done.



More than a game

Smaller companies are unique when it comes to some management job functions because the owner is usually doing more than just managing the operation. Owners in small businesses are responsible for managing all departments until the time is right to hire a manager. As a general rule, a manager in a small company should handle \$750,000 in revenue production and perform other tasks that might eliminate additional hires. Compose job descriptions for everyone and be sure they are doing the tasks they're assigned. In the book, "The Great Game of Business", author Jack Stack says, "Do your people know what to do without being told and are you getting the full benefit of their intelligence?"

This book offers many valuable suggestions on running a business, like teaching people to make money and using information to show employees how to work together to achieve goals. I've always subscribed to the theory that good people can accomplish great things, and weak people can't accomplish normal things. In determining when to hire a manager ask yourself, "Am I getting full benefit from my current employees?" If everyone is at peak productivity and efficiency and you're still falling behind completing jobs, it's time to bring in a manager.

This winter season has been very good for ice and snow service providers, so there may be extra funds available and it's logical to consider hiring a manager. Keep the extra funds you've earned until there's a need in your core business because the weather is unpredictable and we don't know what next winter will be like for almost nine months. Knowing when to hire a manager is

smart business and today's business environment requires smart thinking.

Rick Cuddihe is president of Lafayette Consulting Co., a PLANET Trailblazer, and he works with landscape contractors to improve their businesses. Contact him at rick@lafayetteconsulting.com.