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Gaining a Competitive Edge in a Challenging Economy

Using the right people to improve your market position



BY
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Cut costs radically, reduce headcount, and hunker down until signs of a recovery are in sight — that's the conventional script executives follow in a downturn.

But what if your company could actually improve its competitive position during an economic downturn?

By taking time to strategically assess your business now, you have a unique opportunity to not only determine what it is that really makes your company tick, but to also drive results.

ASSET ASSESSMENT

When asked what the most valuable asset of a company is, the most common answer is “our people.”

Yet, as Jim Collins states in *Good to Great*, people are not your company's most valuable asset, the right people are.

Be sure that you have the right people on the bus and in the right seats. This is an opportunity to evaluate your team, especially those in key positions, and muster the courage to make some tough and impactful decisions. Shed your non-productive or marginal players and build your team with top performers.

TRADING UP

Upgrade, Upgrade, Upgrade. Because of the extensive downsizing over the past several months, there is exceptional talent in the marketplace. Upgrading your team with a key player or two will elevate the performance of those around them, breathe new life into your organization and yield positive results for the long term.

ADDING HORSEPOWER

Another successful team-building strategy, which is very common after industry-wide downsizing, is the addition of contractors to your team. They are a “variable cost” resource that can immediately add productivity. Many organizations have followed the course of downsizing once, versus monthly or quarterly, to minimize the impact on company morale. Leaders tend to err on the side of cutting deeper than necessary to ensure that they don't have to do it again, which places additional pressure on the remaining team members.

The strategy of utilizing contract employees provides much needed flexibility when organizations are focused on controlling costs. Contractors are both easy to bring into an organization and easy to transition out when their work is complete. In today's market, leaders can utilize this highly productive and flexible workforce as a means to add previously unavailable or hard-to-find talent to their teams.

AS LEGENDARY GE CEO JACK WELCH ONCE SAID, **“THE TEAM WITH THE BEST PLAYERS WINS.”**

DECISIONS, DECISIONS

According to Chris Isidore, CNNMoney.com, in January, employers shaved 598,000 jobs off of U.S. payrolls, the biggest drop in 34 years. The unemployment rate climbed to over seven-and-a-half percent, which was a 16 year high, and he emphasized that “the real problem in the U.S. labor market today isn't layoffs. It's a hiring freeze that is gripping most work places.”

As a business leader, you face an important decision. Do you hunker down until signs of the recovery are in sight? Or do you act strategically to take advantage of a growing labor pool to help your organization build a more competitive team?

As legendary GE CEO Jack Welch once said, “The team with the best players wins.” **MB**

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