

# **BEST HIRING PRACTICES FOR SMALL BUSINESSES**

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# What you see during an interview



**People fail in their jobs not because they are incompetent...but rather because they don't match the job!**

# What's the Cost of Making a Bad Hiring Decision?

# The Cost Of Making A Bad Hiring Decision?

**1-2 times annual salary**

If a \$50,000 annual salaried employee leaves, it will cost approximately \$50,000 to replace him/her

- Recruiting Expense
- Interviewing Time
- Training Time
- Lost Productivity
- Relocation Expenses
- Headhunter Fees

# Cost of Turnover

200 employees

An average  
annual salary of  
\$50,000

And a 20%  
turnover rate

will experience a turnover cost of  
**\$2,000,000 !**

**How much additional sales  
does this company have to  
have in order to make up the  
cost of their turnover?**

# Additional Sales To Make Up The Cost

Assuming a 20% profit margin... a company would have to generate an additional **\$10,000,000** in sales to make up for the turnover expense.

$$20\% \text{ of } \$10,000,000 = \$2,000,000$$



# Benefits of Reducing Turnover

Reducing turnover by 20% (20% to 16%) will result  
in a savings of

**\$400,000 per year.**

# What Can You Do to Reduce Turnover and Improve Productivity?

# 6 Steps for Effective Hiring

1. Understand the job you are filling
2. Don't believe what's on the resume
3. Don't be misled by first impressions
4. Ask the right interview questions
5. Use pre-employment assessments
6. Follow up with employee after hiring

# STEP 1:

- Review the job description
- Determine the success characteristics of the top performers in the job

# Step 1: Purpose and Scope

The Inside Sales Representative is responsible for responding to customer inquiries via phone, email or walk-ins, regarding products and services. This position supports the Outside Salesperson by initiating cold or warm phone calls to prospects and current customers. Reports to the Sales Manager.

# Step One: Primary Responsibilities

- ▶ Initiates sales calls to prospects and customers
- ▶ Develops sales leads by researching potential customers
- ▶ Responds to customer inquiries relating to sales, returns and delivery
- ▶ Provides technical support to customers
- ▶ Supports the sales efforts of the Outside Salespersons
- ▶ Performs other duties as may be assigned

# Step One: Experience and Qualifications

- ▶ Minimum of 3 years of sales or customer service experience
- ▶ Technical knowledge of widgets and sprockets
- ▶ Ability to deal with upset customers and work under pressure
- ▶ Ability to take customer orders and upsell
- ▶ Work in a team environment

## **Step 2**

**Don't believe what's printed on the resume  
and what's said during the interview.**



## Step 3

- Don't ask weak or misleading Interview questions
- Ask behavioral based questions

# Behavioral Based Questions

(Based on Success Factors)

- ▶ Tell me about a time you had to deal with an irate customer
- ▶ Tell me what happened when you lost a customer
- ▶ Give me an example of when you solved a problem with math
- ▶ How do you motivate yourself
- ▶ How do you set personal goals
- ▶ Tell me how you handle pressure at work

# Technical Questions

- ▶ What's the difference between a sprocket and a widget?
- ▶ Which one is better and why?
- ▶ How can a widget be used most effectively?
- ▶ What's the advantage of Company X's widgets?

## **Step 4**

**Don't be misled by “First Impressions”**

## **Step 5**

**Use pre-employment assessment tools**

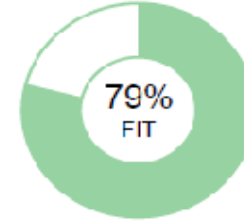
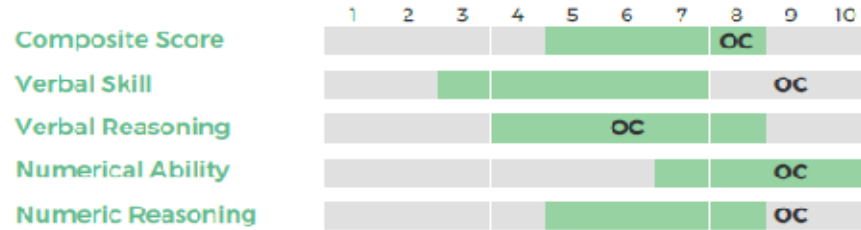
# \*\* SAMPLE POSITION FOR PXT SELECT \*\*

Oliver Chase

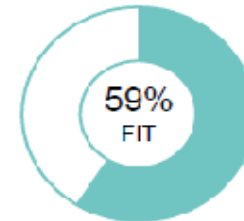
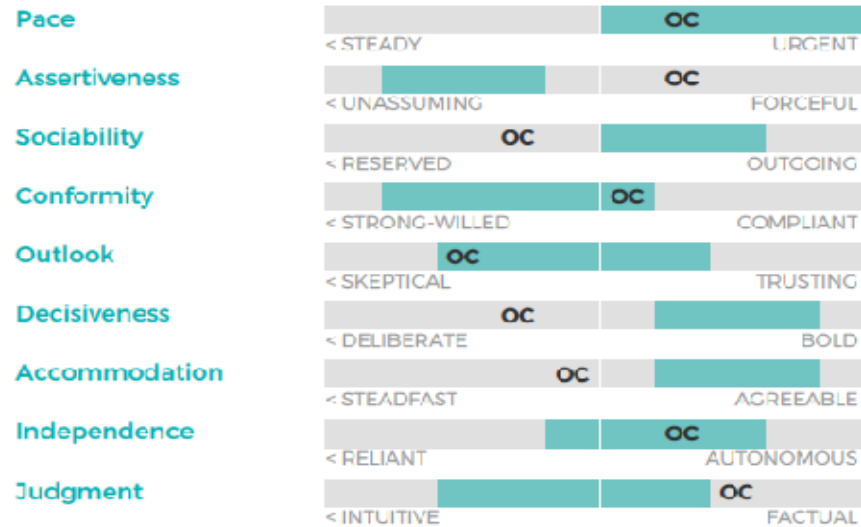
**OVERALL FIT: 70%**

Performance Model = highlighted boxes; Oliver's placement = his initials

## THINKING STYLE



## BEHAVIORAL TRAITS



## INTERESTS

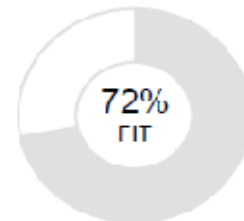
**OLIVER**  
in rank order

- TECHNICAL
- CREATIVE
- FINANCIAL/ADMIN
- ENTERPRISING
- PEOPLE SERVICE
- MECHANICAL

}] TIED

**PERFORMANCE MODEL**  
in rank order

- ENTERPRISING
- PEOPLE SERVICE
- FINANCIAL/ADMIN



# Step 6

Follow up after hiring  
(Onboarding)

# Onboarding

- ▶ Let employees know about the new employee
- ▶ Have the employee fill out paperwork before their first day
- ▶ Make sure work area is in order
- ▶ Make sure phone and computer are working
- ▶ Develop a training plan
- ▶ Set up meetings with key employees
- ▶ Take them to lunch on first day
- ▶ Communicate often



# Summary

- ▶ Know your job requirements
- ▶ Make sure all interviewers know the job
- ▶ Match the applicant's skills with your job
- ▶ Don't fall for first impressions
- ▶ Ask relevant questions (can do, will do)
- ▶ Use a pre-hire assessment
- ▶ On-boarding

Q & A

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