

The Challenge

From IT to engineering, technology departments have been severely cut during recent months. And just as we've become "lean and mean", the economy seems to be rebounding. Within months, we're likely to see a deluge of new projects and new demands for technical talent.

The pressure is going to be intense. Not only will there be strong demand for talent, but management's going to want to see quick results. Budgets will be restricted, schedules will be tight, and our project management skills will be put to the test. Want to come out a winner? Then start planning now for an effective strategy to deal with what will become your number one challenge: finding technical talent.

While no "one-size-fits-all" solution exists, there are a variety of staffing strategies that can be effectively used in different situations. What follows is an overview of several of the most commonly used and effective techniques for project staffing.

The Solutions

1. Redeploy current talent

The first, and most obvious, solution to getting project work done is to assign the work to your current staff. This strategy works great, as long as you have people with the time and expertise available. Too often, project managers enlist the support of employees who are either already bogged down or who lack the skills necessary to succeed. The result: needless project delays and cost overruns.

A redeployment strategy makes sense when the resources you need are being underutilized. Technical professionals love challenges, and if new projects will provide them, terrific. But don't trust your results to people who lack the skills or experience to ensure success.

2. Develop Talent

You may not have a talent shortage problem, just a skill shortage. Project staffing challenges can often be overcome by training the people you already have. Businesses have recognized several critical factors with regard to training:

- It's easier (and less risky) to manage a known commodity than a new hire.
- It's less expensive to teach someone something new than to hire the expertise.
- Professional development opportunity is a great recruiting and employee retention tool.
- Training, and providing new challenges and opportunities, improves productivity and morale.

Like redeployment, training is an ideal solution when your assets are being underused. If your people have the mental capacity to take on new challenges and the time available to learn new skills, get them trained now.

3. **Acquire Talent**

Frequently, the most effective solution to project staffing challenges is to hire. But, nothing is ever as easy as it seems. When it comes to hiring, you have a number of alternatives:

- Direct Hire. Make a full-time addition to your team.
- Contract. Bring in technical temporaries for the duration of the project.
- Freelance. Locate independent contractors and moonlighters to supplement current staff.

Which is most appropriate for your project? That depends. Is your need for the project only or are you creating a permanent position in the organization? Do you have a full-time or a part-time need? Where can you find people with the expertise you need? (You may have to search all three markets.) Do you have the recruiting capability to locate top technical talent or do you need the help of a professional technical recruiter? How long do you have to get the position filled? Can you afford the co-employment risks associated with using independent contractors?

There are many tough questions to be answered to develop the best solution. Typically, managers will initially be inclined to make a direct hire, but often that is the most costly solution. Direct hire is ideal when you need a permanent staff addition and you can afford a lengthy search. Direct hires are hard work, distracting to your project, and costly--and that's assuming you get it right the first time! For project work, contract staffing and other alternative hiring arrangements often prove to be the more cost-effective solution.

For more information on contract staffing, please see the Contract Q&A.

4. **Use Consultants**

Sometimes you need more than talent. Consultants and consulting firms can offer you people with state-of-the-art skills and access to significant resources. They can bring to your organization practical experience to help shorten your learning curve, speed the development cycle, and maximize your probability of success.

Of course, all this value comes with a price and that price is likely to be the highest among all the project staffing alternatives. For mission critical applications, and highly specialized expertise, consultants can make an ideal supplement to your team--especially if people with equivalent skill and expertise cannot be found through any of the talent acquisition channels.

5. **Outsource**

Tom Sawyer was a master of outsourcing. When he didn't want to do the work, he got others to do it for him. While Tom Sawyer's methods may not work for your business, outsourcing may prove to be a perfect solution to your project staffing challenges. If you can't find people to do the work, can you find a company to do it?

While the hourly rate may be more, outsourcing expenses are fully controllable. And quite often, the total cost will be less, since the outsourcing company can offer greater economy of scale or operating efficiency. By outsourcing to the right partner, you will be able to not only resolve your staffing dilemma, but also improve your profitability.

What's your strategy?

Less than 18 months ago we faced a severe shortage of technical talent. When the economy picks up, and your projects kick into high gear, you won't be able to be reactive. Project staffing must be done strategically. Your success may hinge on your ability to attract and retain intellectual capital. And if you can't recruit it yourself,

partner with someone who can.

Contract FAQ's

Contract staffing offers an excellent way to meet critical project goals, control costs, increase productivity, and manage risk. While the decision to use contingent staff should never be made lightly, the benefits can be substantial. By partnering with a professional technical staffing firm, you give yourself an easier and faster way to locate technical talent. And you give your business a competitive edge in the market!

Despite the benefits, only 20 percent of businesses use contract staff. Why is that? Consider the following frequently asked questions.

Q. Mid-level programmers on my staff make \$45/hour, while contract programmers may cost \$70/hour. Why should I hire someone who's more expensive?

A. Look behind the figures, and you'll find a few faulty assumptions. An employee's hourly rate is only a fraction of his total expense. Add in payroll taxes, benefits, and administrative costs (which typically range from 30 to 50 percent of salary), and the hourly rate is almost identical.

Then, factor in hiring expenses. First come recruiting costs, such as advertising, assessment testing, and candidate travel. Add to that the productivity lost as project leaders are taken off assignments to manage hiring activities. And finally, consider extraordinary expenses such as the signing bonuses frequently associated with high skill positions.

With contractors, the hourly fee is inclusive. And when the project is done, so is the assignment. There are no termination costs or other expenses. But the greatest value of contract staffing is often the time savings. Time is your most precious asset. Think of the effort it takes to recruit, screen, test, interview, and hire personnel. With contract staffing, your staffing partner handles these activities, while your team stays focused on project work.

Contractors can also reduce project development time. Hiring a contractor is faster than hiring a direct employee. And the time you save increases the probability of meeting your project schedules. In industries where product life cycles are measured in months, reducing time to market is critical.

Q. Contractors are not employees of my company, so how can they get on the same page with my direct staff?

A. Effective leadership is about guiding and motivating people to produce results. Whether those people are direct employees or contract, you're faced with the same challenge. But since contractors and direct employees are likely to be motivated by different needs and wants, it's often easier to lead a blended team and satisfy the varying needs of both.

To lead your team, start by practicing open communication. Clearly delineate the roles

and value contractors and direct staff bring to the project. Usually, direct employees possess broader management skills and the specific company knowledge needed to manage the project, while contractors provide specialized skills. Cultivate partnerships between these two groups. Such integration fosters personal rapport and encourages team members to learn from one another.

Next, develop management standards. In part, that means making sure financial treatment is equitable. Consider paying direct employees for overtime. Offer bonuses to everyone when tight deadlines are met. And ensure that every member of the project team--contract and direct--has defined and measurable goals. In the case of contract employees, be sure to work with your staffing partner to set goals, provide rewards, and hold contractors accountable for results.

Q. It seems like contract employees are motivated primarily by money. Won't they leave my project when a more lucrative opportunity comes along?

A. For most contract employees, their primary motivation is not money--it's a combination of learning new technologies and having job flexibility. They like the independence and challenge that comes from varied assignments. As important, they are able to work as little or as much as they want.

But to enjoy this level of flexibility, they have to be easily employable. And that means they have to be reliable. Competent contract employees recognize this fact, so they make sure their customers are satisfied with their work. Results from a recent survey show that 94% of those who use contract staff believe that their work is better than average.

Q. What's to prevent a contract employee from using our acquired intellectual property for the benefit of another business--maybe even my competitor?

A. The technical staffing industry does not ignore intellectual property rights. Most staffing firms require contract employees to sign a confidentiality agreement--a legal assurance that they will not disclose what you share with them. Contractors working on sensitive government projects may even be required to obtain security clearances.

On a practical level, however, the likelihood of a contract employee "stealing" your intellectual property is quite slim. Usually, contingent staff are placed on assignment because they can provide needed technical expertise. When their piece of the project is finished, they leave. They don't have time to study project phases and formulate "big picture" implications--even if they wanted to!

In the final analysis, your company will probably take away more "intellectual property" from the contract employees than they will get from you. Use their knowledge to its fullest to improve your projects and enhance your staff's skills.

Q. Contract employees aren't my employees, so who manages them? Who--if anyone--do they listen to?

A. Contract employees work for your staffing partner, but when they are on assignment at your facilities, they are under your direction. They can and should be included in all project

team meetings and process improvement activities.

When distributing important project information, don't forget your contractors. As stated earlier, you should work with your staffing firm to develop measurable goals for contract employees. Then, make sure they deliver. By ensuring that their progress is managed, contractors won't feel isolated, and you won't feel uninformed.

There are some responsibilities that should be left solely to your staffing partner, including pay rate discussions, end of assignment notification, and in rare instances, disciplinary action. A good rule of thumb? When in doubt, consult with your human resource personnel or your staffing firm.

The Bottom Line

Today, contingent workers are found in virtually every industry and in every type of technical position. And as new technology drives the need for highly skilled employees, the benefits of using qualified contract employers will only increase. It's time to consider contract staffing for your next project!