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ONBOARDING



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ONBOARDING...EMPLOYEE RETENTION STARTS THE DAY OF THE OFFER

You've made the offer and Superman has accepted...now it's back to doing what you're supposed to be doing; recruiting is over...life will soon be very good again. Or will it?

The statistics on new employees 'sticking' are woeful...42% of new employees LEAVE before their first year! That means you're right back 'recruiting' again...paying additional fees, conducting multiple interviews, entertaining candidates and their spouses and training and not doing YOUR job, all over again. It's not what the grand plan was all about. The hard truth is: your new employee probably started to leave within the first week on the job.

New employees who leave invariably leave because of a difference in their perception of the job and reality. Losing a new employee is simply expensive. According to Bliss-Gately¹ the cost to replace an employee is 100 - 200% of their salary. This range is dependent upon their tenure and the complexity of the position. The further you head up the organizational chart, the relative costs to replace a tenured position increase, but the cost to keep that newly hired executive is amazingly cheap.

Every employee is a tangible asset and carries a tangible and quantifiable cost and ROI. Let's summarize the costs to 'replace' a new employee:

- Interview expenses: travel and each interviewer's time
- Screening expenses: time for each interviewer to review resumes or profiles and discuss candidate skills with the interviewers or HR, etc.
- Training expenses: all formal training on systems, skill sets and internal document formats.
- Ramp-up inefficiencies for the new employee to achieve break-even. Most new executives require up to 12 months to approach break-even.
- Ads and/or Web board expenses
- Recruitment expenses: HR processing personnel, in-house recruiters or screeners, third party recruitment fees, software or subscription fees for testing or resume screening tools, drug or psych testing
- Signing bonuses
- Relocation expenses
- Hiring Expenses: business cards, email addresses, security codes, passwords, badges, desk supplies, name plates, parking spaces, equipment, company logo materials, copies of literature/financial reports/org charts, etc. (and don't forget the labor expenses to produce these materials)
- Opportunity costs: these include lost business, missed business opportunities and operational inefficiencies due to the loss of a manager

It is out of the scope of this paper to define the actual expense and contribution margin for each employee in your company. Eventually, tenure equity and employee 'contribution margin' will become defined metrics within all HR departments and ultimately a cost entry in the company P&L. Once the true expenses for costs of hire are understood, the urgency of addressing a formalized on-boarding program is apparent.



ONBOARDING STARTS BEFORE THEY'RE ON BOARD

**YOU'VE EXTENDED
THE OFFER
AND THEY'VE
ACCEPTED; THERE'S
A 2 -3 WEEK
LAG BETWEEN
RESIGNATION AND
STARTING WITH
YOUR COMPANY.**

Remember, changing jobs is one of the top 5 most stressful events in a person's life, as is moving. If your new candidate is relocating to join your company, your goal is to mitigate the stress of those events as quickly and effectively as possible. So, let's start that process the day of acceptance:

I accept!

Acceptance means they've accepted the terms of your offer, but they've not resigned yet and they've yet to experience the reality of working for your company; so counter-offer risks are paramount from now until at least 3 months into their new job. To thwart the threat of counteroffers, ask your recruiter to contact the candidate's references and confirm he's taken the new job and to call him/her and congratulate them on their new

opportunity. The more who know of the resignation in advance of the resignation, the weaker the chance of an effective counter-offer.

Upon acceptance, immediately call the new employee and welcome them into your company. Have their new assistant call and introduce themselves. Send the candidate's spouse a 'welcome to our family' gift...flowers, wine, crystal, or fruit basket, for example.

For the duration of the resignation period, ask the new employee to have lunch with his supervisor at least once each week...to review the days ahead, maybe discuss some specifics of the state of the state for his new position, etc.

Hook 'em!

At a minimum of every other day contact the new employee in varying ways:

- Mail them their new business cards!!!! This is a huge 'hook' to any new employee, seeing their name on new business cards helps establish them emotionally 'in' your company.



Plus they now have their new phone number and email address and title!!!

- Send them some local sports gear pertinent to your sport teams; a Cubs hat for someone moving to Chicago goes a long way, for example.
- Send them a preview copy of your internal 'announcement' on their appointment.
- Send them a preview copy of your external Press Release on your new employee.
- Send them copies of company press releases; new products, earnings announcements, new employees, new customers or agreements you've recently signed; anything that is publicly available. And personalize these mailings... print her/his name on stickers and put them onto the materials.
- If the position warrants personalized stationery, create the stationery and use that stationery to personalize your mailings.
- Send them catalog literature for their review.
- Send any historical information on the company; founder's name and biography, origins, locations, and current status: how many facilities, where, how big, what you build in each facility, etc.
- Send them their First 30 Days Activity Schedule, which includes a detailed summary of their First Day, a map of the facility, information on parking and local restaurants in the area, any building access issues, (security gates, receptionist, whom to ask for, which door to enter), what time to arrive, what time their day will conclude, what to bring with them (identification is essential for I-9 reporting, but also bring their personal business equipment or reports you may have issued to them in advance, etc).
- Invite the candidate and spouse to a tour of their new facility and office; schedule it for late in the day or early evening and then take them to dinner to celebrate the new beginning.

THE FIRST 30 DAYS

THE FIRST DAY IS EITHER THE BEGINNING OF THEIR ENCULTURATION OR THE BEGINNING OF THEIR LEAVING.

The First Day will permanently be imprinted upon the new employee. There is no more important day than the First Day!!!

First Day

Motto for the First Day: Sell, Sell, Sell!

Schedule: the tendency is always to do the HR 'processing' first; which makes perfect sense, because it's boring, tedious and perfunctory... but why start the First Day with boring, tedious and perfunctory? The employee is there, in your building... they're not running away, so resist the tendency to load them down with 20 pages of forms as their first experience with your company. Don't set the tone that your company is all about filling out forms, dotting 'i's', and figuring out whether your

health plan is the \$500 PPO or \$1,000 HMO? Schedule that 'forms meeting' for later in the day. HR will have their shot...but not the first shot! Sending the obligatory forms to them in advance can be a good way to accomplish this task as well. This is a great application for internet resources; let them fill out the forms on the internet and either bring them or have you print them out completed and leaving only their signatures, and identification.

Before the First Day:

- Have welcome signs in the reception area welcoming them to the company.
- Have their desk or office area prepared for their arrival; including name signage, extension numbers pre-assigned.
- Have their desk equipment set on the desk; including their new business cards in a holder on the desk.
- All desk/office equipment should be ready: staplers, paper clips, pen holders, etc.
- Computer configured for their use, including email access, mainframe security codes assigned and all passwords loaded.
- Have a personalized welcome card on their desk; flowers or cookies/brownies wouldn't



be a bad idea!

First stop?

If applicable, the first stop should be to meet their new supervisor and their new assistant. Ideally, the three of you should meet in their new office and talk a little about the new employee's background, how the three of you will work together, and a brief history of the company and review of the day's schedule. Cover the personal side as well; most people enjoy, and become relaxed, when talking about their family.

Next...have the supervisor and the new employee spend about 30 minutes detailing the State of the State, where the new employee fits into the overall structure, and what the first 6 months' tasks will entail. Review the company organizational chart and define who does what, their background, how long each of the executives have been with the company and how the new employee will relate with each of them.

Next stop? Get 'em walkin'!

Introduce the candidate to the company cheerleader! Every company has one, they're the ones telling everyone how much they love their job, that they've been there since shortly after the Peloponnesian War and life is simply great. Have the company cheerleader take them on an extensive facility tour... meet people randomly walking the halls and introduce the 'new kid', and describe how the company 'really works'.

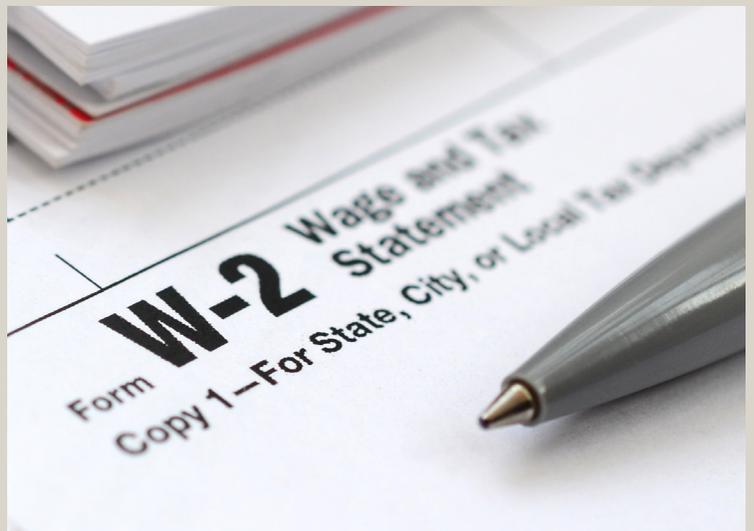
Ok, it's forms time!

Give HR their due and have them complete all of the registration issues after the tour. HR should complete all paperwork and be responsible for all security and access issues:

- ID badges
- Keys
- Security codes for building access
- Phone system setup, voicemail passwords
- Email setup and passwords
- Firewall/server access codes
- Parking assignments

Additionally, HR should review everything pertinent to their employment:

- Policy manuals
- Business hours
- Benefits summary, including detailed explanations of out of pocket benefit expenses, waiting periods for eligibility, preferred providers, etc.
- Payroll schedule (NEVER make a new employee ask when they're going to be paid!)
- Bonus payments schedule



- Building access issues and time restrictions, if any
- Facility layout
- Confirm payment of any outstanding interviewing expenses or travel expenses
- Company policies on travel expense or company credit card issues and how and when they get reimbursed for any business expenses
- Give them a detailed Who's Who in HR for future information on benefit issues

Lunch, with their new peers, catered in or restaurant outside.

After Lunch

Assign and introduce them to their first 90-days mentor. A 90-day mentor is their 'inside the ropes' person who will help them figure out who does what and how work is actually accomplished in the company. They serve as a formal guide to learning the nuances of the new company. This Mentor can be from within their functional department or outside of it... the importance of the mentor is to immediately provide them with someone who can answer the 'stupid' questions: where do I send my expense reports, how do I find out how many blue widgets we produced last month, how does Marketing tell Sales about the new product it's developing, is Bill really as important as he appears or is Sally the key person for that process?

Leave time for...

Let the new employee settle into their desk. Tell them to call their industry associates and announce the good news, or send emails to them. This gives them a little time to themselves and binds their industry associates to your company on very positive terms.

THE FIRST 90 DAYS

Ideally, the first 90 days should be as scripted and scheduled as much as possible. The key issues to include on that schedule are:

Training, core skills for success within your company

- If computer skills are important to the new position, assuming the new employee has those skills because they said so in the interview process isn't a guarantee that those skills measure up to your requirements. As an example, most people can 'use' Excel, enter numbers into columns and calculate column totals, but how many can create those cell formulae to create complicated, nested spreadsheets? Being comfortable using email or Word doesn't mean they have the core skills that meet your expectations of proper grammar or business formality. You need to ensure they match the image of the company and the level of professionalism for their level of management, and help them learn those parameters early.
- Training on your operating systems for accessing the

information the new employee needs to succeed is critical. I strongly recommend that you partner the new employee with an advanced 'user' of the system... not an IT 'trainer'. Users understand how to use the system from an applied perspective and generally know the shortcuts around the more formal IT- designed paths.

Training, functional skills for the position

- If the new employee is required to read sales reports, financial summaries or technical documents, then you need to assist them in understanding your internal document formats and logic. Don't ever assume that one company's P&L sheet is equal to another; despite the formality of standardized accounting principles, every company has to make some decisions of where to 'account' for specific activities or expenses, etc. Help the new employee understand your company's nuances of reporting systems.

Company Culture Assimilation

- The mentor program will go a long way in assisting a rapid transition here. Learning the insider approach to how things work in the company is essential to meeting an early ROI



on your new employee.

- Assign the new employee into a rotation of departments for his/her first week or two. Each day, assign the new employee into a different functional department and assign them specific tasks to accomplish within that department. As an example, assign the new VP of Sales to the Finance Department and have them work with the key employees who prepare financial summaries, and have them detail the month-end reports for the prior month. Next day; send that new VP of Sales to Shipping to review the paper flow for accounting. The goal for this exercise is to meet and interact with each department within your company and gain the insight and relationships with those employees with whom they need to interact to be successful.

Progress Reports

- Every new employee needs to know how they are performing. Set reasonable, attainable goals for their first 6 months and review their performance at a minimum of every 30 days against those goals.
- Probe for any inter-personal conflicts or issues.
- Reaffirm your confidence in them and ensure they feel comfortable in their company. Remind them of the reasons they joined your company and ask them if those benefits are becoming fulfilled.

Return on investment or return to sender?

On-boarding is a process, and it involves an investment of time from the supervisor, the support departments and of course, the new employee. The risk of a counter-offer is highest in the first three months from the day of resignation. Demonstrating that you have honored your commitment to making the new employee successful in your company is essential to keeping them focused on the positive things they initially saw in your opportunity. People rarely move just 'for the money'; they move for an improvement in the quality of their life. People genuinely try to perform well, when given the tools to allow them to succeed. Onboarding is a continuum of documented support to the new employee. It's calculated and strategic. When properly deployed, it ensures a successful transition and faster ROI on your new employee.

You made a huge investment in the new employee...make it pay off handsomely!

1: Bliss, William G. and Gately, Robert F. "Bliss Gately Tool: Business Costs and Impacts of Turnover". (2005) The Herman Group. Retrieved July 3, 2008 from http://www.hermangroup.com/BlissGately_OwnerManual.pdf

About Egret Consulting Group

Egret Consulting Group is a retained and contingent executive search firm, who specializes solely in the electrical and industrial markets. Our clients include manufacturers of electrical products, distributors of electrical or industrial products and professional consultants, such as engineering or architectural firms. We are the largest firm dedicated exclusively to the electrical industry and regularly work with firms of all sizes. Our results are measured by our client's satisfaction.

About Brooke Ziolo

Brooke Ziolo joined Egret in 2008 as an executive recruiter and has excelled. She became a Partner in 2013, the Managing Director in 2016 and the President in 2019. She was inducted into the Pinnacle Society, the premier consortium of industry leading recruiters in North America, in 2016. She holds a B.S. in Psychology from the University of Illinois.

Acting exclusively as a lighting recruiter, Brooke works with manufacturers of lighting fixtures, lamps and ballasts, lighting controls and LEDs; as well as lighting design firms, ESCOs, MEP firms, architectural engineering firms, independent rep firms, consulting engineering firms, etc. Brooke's experience in all facets of the lighting industry allows her to quickly assess her clients' needs and identify the right talent.

Brooke recruits for a variety of functional disciplines including sales from regional, national and international sales management; calling on specifiers, contractors, distributors, OEM's, etc. to VP's of sales, CEO's, engineering, operations, product management, marketing, design engineers and more. Additionally, Brooke is responsible for all of Egret's lighting design clients and has an extensive network of lighting designers (junior to senior level), project managers and management professionals.

About Pati Kelly

Pati originally joined Egret Consulting in 2000, recruiting in the Electrical and Lighting field and returned back in 2013 as an Executive Recruiter for Wire & Cable. Pati has over 25 years of sales experience including pharmaceutical sales and account management. She holds a B.A. in Business Administration-Marketing and a B.S. in Home Economics from Mississippi State University.

Pati concentrates on working with Wire and Cable manufacturers including bare copper, building wire, low voltage, industrial, high voltage, specialty cable (mining, marine, portable, etc.) She also works with Tool companies from hand tools to crimping and wire processing tools. Her clients range from major manufacturers of industrial and utility products to players in retail and datacom. Pati works with smaller value-added manufacturers of wiring harnesses and cable assemblies and follows the channel to manufacturers of connectors, wire nuts, lugs, grounding rods, tools and cable trays.

Pati specializes in building relationships with her clients to fully understand their needs in order to bring them the right candidate for positions including all levels of sales, operations, plant management, engineering, marketing and product management.

About Prudence Thompson

As a founding member and Senior Partner of Egret Consulting, Prudence Thompson has 19 years of experience recruiting exclusively for electrical distributors and offers a unique insight into the issues and trends facing today's wholesale distributor. Prudence is an award winning, nationally recognized recruiter throughout the industry. She has established herself as a trusted partner to both clients and

candidates and has a solid reputation within the membership of the industry's top marketing organizations such as Affiliated Distributors, IMARK, Equity/EDN and Vanguard. Prudence acts as a true partner to your management team and has established herself as resolutely reputable within her market. Whether your organization is entrenched in lighting or automation, MRO or C&I, she is leveraged for fast, accurate results. You don't need to teach her what you do, who you sell to, buy from or compete with, just why someone would quit their job and come to work for you.

Areas of expertise include positions that require significant product, customer or market intelligence tied to all levels of revenues, including: sales, branch and operational management, product experts in sales and application support of automation, lighting and switchgear as well as new market penetration. Prudence possesses a true understanding of the unique channels of distribution into the industrial / OEM, MRO, national account, government and contractor channels.

About Rob Wieska

Rob is a contingent and retained recruiter specializing in Power Distribution and Transmission (including electrical utilities), Building Automation and Technologies (including generation products, smart grid, building automation and controls manufacturers), and Renewables (including wind, solar, battery technologies and other emerging technologies). He recruits for Sales, Marketing, Operations, and Engineering positions.

Rob prides himself at exceeding the expectations of his clients. He understands the importance of cultivating a relationship that is a true partnership in every aspect. Rob will identify and attract talent in channels across the industry that include MRO, OEM, construction, utility, municipal / government, industrial, commercial, residential, and more.

Prior to joining Egret, Rob had a strong background in sales, marketing, and business operations; owning and operating a successful business for nearly 20 years.

About Ted Konnerth

Ted Konnerth has been CEO of Egret Consulting Group, a consulting and professional search firm since 1999. Egret Consulting Group is a boutique service firm offering executive search and consulting services in Organizational Development and Channel Strategies, Mergers and Acquisitions and more.

Prior to founding Egret, Ted was with Cooper Lighting for 16 years. Ted was the global VP, Sales for 4.5 years for the \$1Billion Lighting division of Cooper before starting his search firm. As VP, Sales, Ted managed a diverse channel strategy to position Cooper Lighting as the industry's market leader in profitability.

Ted holds both MS and PhD degrees in Psychology from Tulane University and a BS from The Ohio State University. He is a 20+ year member of IES, Emergealliance, and HCL.org. Ted is a contributing writer to industry journals, a speaker at Strategies in Light. IES Street and Area and LightFair.