We'd Love to Skip 2009!

Having a hangover from 2008? Here's some advice for getting through a terrible year.

By Naomi Bloom

When I laid out my 2008 list of column topics, I had planned to write for this year-end column something reflective of HRO in 2008 and inspirational for HRO in 2009. Well, so much for our best-laid plans.

Sitting here in December, it's impossible to reflect on 2008 without the tough economy dominating our thoughts. Given the extent and speed of the economic downturn, not to mention the daily drumbeat of truly dreadful economic and geopolitical news—and here I include the tragic impact on our Indian colleagues and by extension on all of us of the Thanksgiving terrorist attacks on Mumbai—it's little wonder that so many of us are unsettled if not downright frightened. But being paralyzed by our personal and professional challenges won't help us conquer those challenges.

To use a very old-fashioned expression, when the going gets tough—and 2009, at least from an economic activity perspective, is likely to make 2008 look like a walk in the park—the tough get going. So, with our eyes on 2010 and truly better times ahead, here's some very direct advice to my end-user readers for getting through 2009.

- Minimize the pitfalls of reliance on HRM software/services/outsourcing vendors which are being consolidated, too cash-strapped to achieve their roadmaps or perhaps survive, being sold to private equity firms which may not have product/service innovation and quality as their top priorities, losing their most seasoned staff through short-sighted expense reductions and layoffs, being pushed by their current investors to reduce costs dramatically, and all the other fates that can befall your portfolio of vendors. Do a quick but intense competitive analysis of the vendors on whom you depend and act quickly to protect your firm from likely changes in the ability of those vendors to keep delivering to the expected/needed standard
- Renegotiate every remaining contract for HRM software/services/outsourcing. In this tough economy, you're being foolish if you don't make sure you're getting the very best possible pricing, service, support, etc. from every one of your retained vendors, who have little respect for the foolish among their customer base. You can improve substantially your negotiating position by being a showcase of innovation, effective leadership, and vendor management, all of which make you a desirable reference.
- Keep your very best people, and keep them engaged, while at the same time cutting costs to the bone, reducing investments in your next generation capabilities, and squeezing one more year out of your worst HRM service delivery work-arounds. One specific approach is to engage your best people in collaborative approaches to innovate on the cheap—not only to achieve greater administrative efficiency and effectiveness but also to generate new sources of revenue and profit. Doing a lot with limited resources is what every great HRM software, service and outsourcing entrepreneur must do, without compromising quality, robustness, or responsiveness.

How has Workday delivered four major product releases in 2008? How has Patersons grown and sustained its very large network of 160 (per its web site) country-based payroll providers? How have your own firm's most respected innovators succeeded without huge budgets, thus avoiding the bureaucracies that usually accompany them? Clearing the obstacles to innovation and unleashing your best people is absolutely essential to keeping them when compensation budgets are tight and benefits are being cut.

- Meet the expectations of users who have had their customer experience bar set by Amazon and Facebook rather than by your aging HRMS' or HRO provider's self-service. These users (I'm among them) don't want to deal with call center reps, especially those whose responses are heavily accented or read from scripts, or who are minimally knowledgeable. There's no better way to improve your HRM service delivery quality, risk profile, and costs than to eliminate human intervention through much more extensive, intelligent, and integrated automation. And there's no way at all to attract and retain some very desirable segments of the workforce, let alone to unleash their energy and creativity, unless you're ready to do business the way they are already doing it. It's a social-networked, self-directed, intelligently self-serviced, collaborative world out there, and employers who can't or won't provide that environment won't be able to attract or retain the best and the brightest workers once this rotten economy turns around.

I know that the global economy is still slowing and that there's plenty more bad news coming, but I'm going to use 2009 to prepare for the return to prosperity that's sure to come. You may want to do likewise. **HRO**

Naomi Lee Bloom, Managing Partner, Bloom & Wallace, can be reached at 239-454-7305 or naomibloom@mindspring.com.