

## 'Niche' HR firms target small business

*Small companies, consultants more nimble to make changes employers need*

| BY DANIELLE HARDER |

**TANYA SIELIAKUS** generally sees small business owners under one of three circumstances: They are in the red, in legal trouble or about to grow and don't have a recruitment plan. Most often, says the managing partner of Dartmouth, N.S.-based HR Pros, their difficulties are a direct result of not having a full-time HR professional.

"Small businesses are lean by nature," said Sieliakus. "They can't necessarily afford to have their own HR person. But it is a complex world and they need HR assistance."

HR Pros is one of many niche human resource firms popping up across Canada to help small employers. Ninety-eight per cent of employers across the country have fewer than 100 employees, according to Statistics Canada data released in 2008. Of that number, three-quarters have a staff of 10 or less. It's no wonder HR falls to the wayside, according to Glenn Nishimura, a Toronto HR consultant specializing in small business.

"They're the sales people, they're the marketing people, they oversee payroll and accounting and accounts receivable," he said. "Their fingers are just in so many pies, many of them just resent the fact that they have to do a lot of this tactical stuff because it takes them away from the big picture, which is really what they should be doing as a business owner."

Niche HR firms, said Nishimura, can be "nimble" in their approach to

helping these employers, whether it's designing a need-specific program or just being available at the right moment.

"Working with small business, it's not as simple as having a large organization say we'll just scale down what we do to meet the small business owner's needs," he said. "Small business owners tend to be very entrepreneurial in their thinking. They're strategic, they're big idea people. Their core strength isn't necessarily in documentation and process and areas like that."

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He said niche firms offer more flexibility and adaptability.

"The small business owner is hard to nail down for approvals, in some cases, so you have to exercise a tremendous amount of patience," he said. "And, what was a priority on Monday may be number five on Wednesday because of a huge problem on Tuesday."

Kim Bechtel has also found his fit with small business. His company, yourHRco in Calgary, has four employees who only work with companies that have fewer than 150 employees.

Bechtel said he takes a "tailored" approach that avoids the "mistakes" common to many larger HR models that often fill small employers with guilt. Case in point: Interviews. He said many small business owners tell him they know intuitively who to hire, but still feel the need to implement a formal process because "that's how HR is done." He begs to differ.

"It's difficult for me to sell to small business people the need to sit in an interview room for three or four days, interviewing 15 people when the research indicates that's not a very effective process," said Bechtel. "It's more than just an opportunity for me to strip away a lot of stuff that they don't want to be doing anyway. It actually enhances the results."

As a niche firm, he concerns himself more with alignment.

"We've tried to say, for small businesses, here are the things they need to know about how to hire, train, promote and use that person's valuable strengths in alignment with their business processes. Don't think about job descriptions," he said.

Working in partnership with a small business also allows Bechtel to be frank at times. Recently, an optometrist client asked Bechtel for his advice after an employee asked to move to a new role. The employer saw only the time, money and effort involved in replacing the employee; Bechtel was able to point out the benefits of the move.

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"He was having a real challenge. He was saying, 'But I hired them for this role. So we sat down and talked about this person's strengths and I could see the optometrist half-way through the conversation levitating off his seat because he could begin to see how this person could help him resolve a number of serious problems and challenges he has in his business,'" he said.

Sieliakus in Halifax said the personal relationship often makes it easier to force companies to make difficult HR decisions. She once worked with a small food manufacturing plant experiencing higher than average turnover. After spending a few days on-site, she approached the owner about doing a safety audit. He initially balked at the idea, so she offered to do the research on her own.

"I don't bill for every single second that I'm in the room," she said. "I'm

willing to take a bit of a risk on the research in order to show the client where the problem is, and then I need to translate that to dollar figures for them and substantiate why they need to go further."

Sieliakus' results surprised the owner, and led to an overhaul of company's safety program. He was losing people because, "People didn't think they were going to go home safe at the end of the day," she said.

Niche HR firms can often keep the cost down because they don't have much overhead, said Sieliakus. Consultants often work from home, as she and her partner, Sylvain Allaire, both do. On average, fees run anywhere from \$125 to \$250 an hour, depending on the project.

Nishimura in Toronto said it may seem expensive initially, but not compared with the cost of going to court to settle a constructive dismissal claim or the cost of replacing a posi-

tion twice in a year.

"Everyone talks about the cost of customer acquisition," he said. "But really, what is the cost of employee acquisition?"

Nishimura said a good way to keep the costs down is by determining what "chunks" of HR most require outsourcing. Payroll is an easy one; recruitment can be a little trickier.

"You can't outsource it nonchalantly because you need to keep a very active hand and be thoroughly engaged with the outsourced recruiter," he said. "So, the small business owner has to ask, 'What kinds of things do I need to keep a hand on, and what kinds of things can generally run on autopilot? And what things can I check on every once in a while?'"

*Danielle Harder is a Whitby, Ont.-based freelance writer.*