

THE FIRST REPORT

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to outplacement's
fundamental and
worthy premise:
a commitment to
helping individuals
rebuild their
careers and lives*



WILL BIG OUTPLACEMENT FIRMS BECOME HARVARD CASE STUDIES?

The outplacement industry has changed significantly in the 20-plus years since it began its incredible growth in the early 1980s. It's now an industry characterized by very large or small companies. We wonder whether the large firms are causing their own decline.

It boils down to shrinking profits and quality of service. Smaller firms, such as First Transitions, aren't included in this because they typically have distinguished themselves by providing high-quality services at reasonable prices. We remain true to outplacement's fundamental and worthy premise: a commitment to helping individuals rebuild their careers and lives.

At First Transitions, for instance, candidates remain until they find new positions. We charge one fee for the duration, simply asking our clients to be fair in providing appropriate service for their employee(s). We don't ask our clients to pay us more so candidates can stay longer, or tell candidates themselves that their time is up.

Larger outplacement firms provide tiered service levels and limit candidates' time. Senior level candidates are the exception. Large firms charge about 15% of a top exec's former salary for customized attention until the person has a new job. (However, in many cases, services are limited to 12 months.)

And their marketing premise has changed. Instead of saying they help candidates find new jobs, the large firms now say they teach displaced employees the skills necessary to find new positions. This is a more provable outcome, and it allows the companies to cut back on service and personal attention.

The ratio of candidates to counselors has increased at large firms. It's typical for counselors to be seeing more than 100 candidates at one time (at

First Transitions, the ratio is 23:1). Some former outplacement candidates have complained that they rarely saw their personal counselor.

Surveys of outplacement participants indicate that one-on-one time with a counselor/career coach is the most valuable component of their career-transition process, though at the large firms, they will be hard pressed to get more than an occasional meeting. At two of the large firms, a three-month career-transition program entitles an individual to four and six hours of one-on-one time! We spend an average of 22 personal-meeting hours to prepare each individual for his/her search.

Many large firms now use "virtual" counselors, who work with job hunters by phone or email from remote locations. This allows them to say counselors are always available. Some classes in job-search techniques and other group sessions also are held for job hunters using remote-access technology (computers and telephones).

Large firms have high overhead costs. These service cuts have been necessary for them to keep generating acceptable profit margins as the industry matures.

But observers believe the move to computerized and remote-access services may put the large companies out of business since these are cookie-cutter products that are easily replicated.

Certainly, the time is ripe for middlemen offering the same products to undercut current prices and seize market share. And certainly, the level of personal service that created and distinguished our industry has declined. As large firms continually cut costs to satisfy investors and owners, they may actually bring about their own demise.

*The time is ripe for middlemen
offering the same products to
undercut current prices and seize
market share from large
outplacement companies*

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FIRST¹ TRANSITIONS

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RANKS OF FEMALE EXPATRIATES ARE GROWING

Companies were more likely to send women on expatriate assignments in 2006 than in 2001, reports Mercer Human Resource Consulting. Unlike men sent overseas, though, women are less likely to be accompanied by a partner in a foreign location. They also are more likely to be single at the start of the assignment.

Mercer's findings come from a survey of 100 multinational companies with nearly 17,000 male and female international assignees. Companies in the Asia-Pacific region reported having 16 times more females on assignment in 2006 than in 2001 to support Asian companies' increasing globalization. North American-based employers reported sending four times as many women overseas while European companies asked twice as many females to work abroad.

While 57% of companies said the majority of their male assignees go overseas with a partner, only 16% of employers said their female expats had partners with them. At nearly three-fourths of companies, most of the male expats had partners prior to going overseas, but only one-fourth of companies said female expats had partners before leaving. About 12% of companies reported that some female expats in 2006 were single parents.

QUIT RATES HIGHER FOR STAFF ON BOARD LESS THAN 2 YEARS

To retain employees, companies should pay special attention to workers who haven't reached their two-year anniversaries. Once employees pass this mark, they are less likely to quit, according to a survey by Sirota Survey Intelligence, a Purchase, N.Y., research firm.

The study of nearly 47,000 workers indicates that about 20% of employees with less than two years of service voluntarily leave each year, compared to 10% of workers who have more experience. And, of all employees who quit voluntarily in any given year, almost 60% have less than two years' tenure.

Managers can improve retention rates by recognizing that morale drops significantly after the employees' first six months on the job when work may not measure up to expectations, say Sirota researchers. Making work more challenging, being clear about career paths and development, creating an atmosphere of respect toward workers, and helping managers be consistent are among steps employers can take to improve retention, the firm reports.

ARE YOUR MIDDLE MANAGERS QUALIFIED FOR PROMOTIONS?

At about a third of employers, mid-level managers aren't ready to be given more responsibility. This is because they lack critical skills needed to move upward, reports a Boston-area executive-coaching firm.

ClearRock surveyed about 100 organizations and found only two-thirds believe their middle managers are qualified for bigger jobs. But among those employers, only 6% rated their mid-tier supervisors as very qualified for more responsibility.

Surveyed companies say that to move to a higher level, mid-managers need these skills: strategic thinking, leadership, communication, and motivational and staff development abilities, the firm reports.



EMPLOYERS' PET PEEVES ABOUT JOB APPLICANTS

Candidates aren't the only ones who may get frustrated about job hunting.

Employers also have their gripes with the process, especially when it comes to applicants. JobKite.com, an online job-search site based in Rochester, N.Y., surveyed human resources, recruiting and hiring managers nationwide on their pet peeves. Here are the top three:

Applicants applying for jobs that don't fit their background or experience. Don't waste your time or the hiring manager's by trying to make your credentials fit a position that really isn't right for you. This may even make you appear desperate or insincere.

Forgetting to attach a resume when e-mailing employers, or sending a resume that won't open. Hiring managers are too busy to send back a note asking you to attach your resume. They also don't have time to figure out why your attachment isn't opening. These two mistakes may indicate that you aren't good with details.

Candidates who have difficulty scheduling interviews, especially those who are unemployed. Having difficulty scheduling an interview time with an applicant may show that he or she won't be easy to work with once hired. While you're not expected to come in at a moment's notice, within reason, you should be flexible and accommodating about interview times.



**CEOs, PRESIDENTS DON'T LIKE CRITICISM;
INSURANCE EMPLOYEES ARE THE FRIENDLIEST**

Top executives can give it out, but they can't take it. Of all types of employees, C-level executives are the least tough-minded, or least able to accept critical remarks, one study has found.

PsyMax Solutions, a Cleveland human-capital assessment firm, analyzed the profiles of 2,000 employees in 12 industries. It found that middle managers are the most resilient or able to take criticism, while CEOs, presidents and COOs are the least resilient.

Middle managers may be the most resilient because they're in the center of organizations and receive feedback from all directions. The middle-manager group includes district, regional, department and unit managers and supervisors and foremen, who ranked very high or high on the resiliency scale.

CEOs, COOs and presidents may be sensitive, but they have a work style that tends to be more creative than other executives, according to PsyMax Solutions. The firm analyzed the behavioral profiles of 240 presidents, CEOs and COOs within its larger employee database. Creativity includes innovativeness and risk-taking, and CEOs score well above average in their ability to advocate and sell ideas. However, they are less organized than other executives, which implies that they need support from their teams to execute their ideas.

Resiliency Rating by Functional Title

TITLE	MEDIAN SCORE FOR RESILIENCY	RATING
District/regional manager	84.1	Very high
Department/unit manager	78.8	High
Supervisor/foreman	77.9	High
Executive	72.8	Average
Professional and technical	72.6	Average
Administrative and clerical	72.6	Average
President/CEO/COO	65.6	Low

Source: PsyMax Solutions, Cleveland

When it comes to social skills, workers in the insurance industry had the highest marks, while research and scientific workers scored lowest. Sociability means the ability to relate to others in a highly engaging, expressive, extroverted and lively style. Insurance employees had a score of 78.8, or a "very high" ranking.

Other employees who ranked high on the sociability scale include those in human resources, training/education, health care/medical services, and utilities, all with a median score of 65.5.

Industries with employees who were "average" in sociability include: retailing/wholesale, general manufacturing, financial services, communications /telecommunications, and computer/office equipment. They had a median score of 57.9.

Those with low sociability rankings include employees in pharmaceutical/medical products (38.2) and research/scientific fields (18.4).

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Our day-to-day activities, our dealings with each other and our relationships with customers/clients must be governed by a passionate and unwavering commitment to a set of values, which are:

QUALITY

Take time to do things right the first time.

SERVICE

Render intelligent, timely and considerate service to all.

CONCERN FOR PEOPLE

Treat clients, program participants and employees with honesty, trust, fairness and respect.

COMMUNICATIONS

Communicate with our clients, program participants and employees in ways which will assure mutual understanding.

CONSISTENCY

Insure that our behavior each and every day supports our values, goals, and standards.

SIMPLICITY

Conduct our business in an easily understood manner.

REALISM

Acknowledge that our success will come through intelligence, hard work, patience and experience.

RECOGNITION

That our clients and participants trust us with the most highly confidential information they have.

RESPONSIBILITY

Encourage individual responsibility and decision making.

FLEXIBILITY

Recognize the necessity to be open to change for the mutual benefit of our clients, program participants and our organization.

RESPECT FOR TRADITION

Understand what created past successes.

INTEGRITY

Consistently practice the utmost modesty and integrity in serving our clients, our participants and ourselves.

COMMITMENT

Take the plunge - there is truth in the theory that there is "strength in numbers."

And finally, never sacrifice these precepts for the short-term.





This is our 20th year

in our headquarters

location in Oak Brook, Ill.,

and we like to think that

we're still here because we

got it right the first time



IN OUTPLACEMENT, IT HELPS TO BE OLD-FASHIONED

Dear Friends and Colleagues:

If you're a baby boomer like me, you may sometimes feel nostalgic for the 1950s and 1960s. We were kids then, and things seemed simpler. We knew our neighbors, and it was usually safe for us to play outside together until after dark.

We had far less than kids do today, but it seemed like more. TV sets weren't turned on all the time, and no one wore headphones all day long. If it was a sunny day and a couple of friends were around, there was always plenty to do outside. Trees were for climbing, grass was for walking on, and having a few coins in your pocket meant your life would be enriched by a pack of gum, a comic book or baseball cards.

Change came a lot slower during those decades. Now things seem to happen so fast that we've come to expect everything immediately — from instant messaging to instant oatmeal and even instant solutions to problems.

In business these days, the message seems to be that if you aren't changing, then something must be wrong. But what if your original business model was correct? Should it be changed to squeeze out more profits — or maybe for the sake of change?

Call us old fashioned, but at First Transitions, we don't think it should. This is our 20th year in our headquarters location in Oak Brook, Ill., and we like to think that we're still here because we got it right the first time.

Our mission has always been to help people succeed. We break this into smaller components, such as helping them to remember their dreams and to then take steps to realize them.

This overarching objective — helping others achieve personal success through our support and guidance — governs our day-to-day decisions, from the staff we hire to our counselor-candidate ratio to the time we spend with candidates (virtually endless). The organizations we work for know that the quality of service we provide is the best available in this business and that we don't cut corners to make an extra buck.

Funny thing, that sounds like the way it was in an earlier, simpler time.

Russ Jones



FIRST¹ TRANSITIONS

First Transitions, Inc. has been a provider of career-transition services since 1981. We have completed consulting assignments for more than 400 organizations in 35 states. Our uniqueness has been in the caring, nurturing approach we have taken in assisting individuals in attaining life goals, personal and professional.

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