

Article on Human Resource Challenges
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Adversity challenges us to stretch, which accelerates our rate of personal growth. One of our clients suffered a sharp decline in revenue, which caused it to suffer devastating losses. The situation became grim, and the company had no choice but to make drastic cuts, including personnel. The staff was reduced to one third of its original size, and those that remained experienced steep pay cuts.

The results that followed were not what I expected. Instead of falling into chaos and paralysis, the opposite occurred. The team pulled together in a way I had not seen in my career. The result was sales growth, perfect delivery and quality results, and positive cash flow. There simply was an energy and camaraderie that had not existed before.

How does this illustration relate to the challenges that we face? I believe there are a number of similar challenges and lessons to be learned when we ask our people to stretch:

- Maintaining positive morale: It is key for individuals to understand and be recognized for the contribution they make. In the example above, each employee knew that they had a lot of influence on the fate of the company. The same holds true for our firm, Hennessey Capital. Our Credit Analysts know the importance of confirmation calls in protecting Hennessey Capital. If they increase the number of calls their efforts should be acknowledged along with the impact it has on reducing our loss exposure.
- Improving customer service: One manufacturing client did this through hard work by insuring that their orders were all quality inspected and that delivery was ahead of schedule. In our own business, effective use of technology is indispensable. If we can use online tools to provide and receive information, our staff can concentrate on higher level engagement with the client. If a Credit Analyst is able to identify a cash flow challenge that a client is experiencing, we may be able to offer a solution which will enhance our relationship and benefit the client.
- Maintaining control while growing: In the case of our manufacturing client, the necessary discipline came from external sources: a financial consultant and me. For the entrepreneurial finance company, it must come from inside. Processes need to be understood and followed by *everyone*, from the CEO, to the Business Development Officer, to the person who inputs the invoices. Everyone should be aware of how the company is performing, what is going well, and what isn't. If a process is not working, those who live with it each day should feel comfortable addressing it and making suggestions for measurable process improvement.

Often said but true, the most important asset any company has is its people. In challenging times it is important to be innovative with technology, streamlined processes and other tools that ultimately support our people and give our organizations value.