

## **5 Key Factors to Consider When Selecting an Outplacement Firm** by Ann Hackett

With today's economy, more and more companies are finding themselves faced with the situation of having to reduce headcount to remain competitive. Here are five key factors to consider when selecting an outplacement firm if your company is ever faced with a workforce reduction.

1. **Types of Services Provided.** One decision you will need to make regarding outplacement is whether your displaced workers would benefit most from group or individual one-on-one outplacement. For the majority of outplaced employees, if your budget permits, individual outplacement is the preferred option since it provides one-on-one support that will help them move forward more quickly than they would on their own.

If you decide they would benefit most from individual outplacement, you will then need to determine what services would be most valuable to your displaced employees. One option would be to select an outplacement firm that develops their resume and cover letter for them. Another option would be an outplacement firm that offers office space and a computer for the displaced worker to prepare their own job search materials.

2. **Areas of Specialty.** Another factor to consider when selecting an outplacement firm is whether it is important to you that they have experience working with the type of displaced employees you will be sending them. A related factor is whether it is important to you that the outplacement company specializes in dealing with companies like yours.

If their areas of specialty are important to you, review the outplacement company's web site and other marketing materials to see what their specialty is or ask them directly. If an outplacement firm's expertise lies in serving large companies displacing administrative staff and your small business is displacing experienced managers, this outplacement firm may not be the best fit for you.

3. **Experience with Current Job Search Practices.** How important is it to you that the outplacement firm be experienced with Internet job search techniques? Is it likely that the Internet will play a key role in your displaced employees' job search strategy?

If you determine that Internet savvy is an important evaluation point for an outplacement firm, check to see whether the outplacement firm recognizes the importance of the Internet by having a web site. Are they aware of the top online career sites? Do they offer a service to post displaced employees resumes on these top online career sites? Do they have the ability to distribute resumes electronically to a select group of employers and recruiters?

4. **Length of Time Support is Provided.** Another factor to consider when selecting outplacement services is the amount of time you feel the displaced worker would require outplacement support. In general, the more senior-level the position, the longer it will take the displaced employee to find suitable employment.

A second time factor to consider is whether the displaced worker will receive ongoing one-on-one scheduled sessions with a career transition consultant or whether the ongoing support merely includes access to job search support materials.

5. **Costs.** Outplacement costs must be considered when selecting an outplacement firm. Check to see whether outplacement costs are clearly defined and stated on the outplacement firm's web site and in their marketing materials. Are there affordable packages available that provide the services you feel your displaced employees would most benefit from without providing unwanted services?

Another cost factor to consider is whether the outplacement firm gives you the able to select outplacement services a la carte to meet your needs. Also determine whether the outplacement company has a minimum fee requirement or whether they will charge you only for the number of displaced employees you actually have even if the number is as few as one.

By considering each of these five factors you can develop effective selection criteria for deciding on an outplacement provider to best meet the needs of your displaced employees while adhering to your budget constraints.

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