

Goltz On Business

by Jay Goltz



Hiring the First Employee

To hire, or not to hire? That is the question that many frame shop owners ask themselves as they grow their businesses. Hiring the first employee is a game changer. It is not a decision that should be taken lightly or a decision that should be made without understanding what you are getting into. It could lessen the load on the owner, or it could make things worse. Whether it works out well probably depends upon three factors. Here they are.

Do the Math

Have you done the math? Do you have enough work to justify another person? Are you charging enough

“There is a big difference between being a framer and running a frame shop through good management.”

to cover that person's wages while leaving you a profit? One of the occupational hazards of the custom picture framing business is that people earn “framer wages” and do not actually make a profit. There is nothing inherently wrong with this unless you want to pay other people to do the work, in which case there might be nothing left for you. There doesn't seem to be much point

in taking responsibility of managing other people without making a profit, unless you are a masochist.

The theory usually is that by hiring the person you will be able to generate more framing revenue and, in turn, make a profit on that framing. That works fine if you do indeed have enough demand to keep an employee busy.

The exact moment of when to hire is hard to determine, especially in this economic environment. Here is the way it really works. You start to lose effi-

ciency when you stop doing everything yourself, and it probably makes sense as well as dollars to charge more. If you truly have enough demand that you are thinking of hiring someone, you could very well be undercharging.

You can save yourself a lot of trouble and a bad surprise if you make a plan that clearly forecasts how much more business you can do if you hired someone and what the resulting profit will be. Are you going to offer health insurance? That might be difficult if you are the only employee and you are on your spouse's policy. You need to factor in all the other extra costs of having an employee, such as workman's comp, holiday pay, vacation pay, and all of the associated taxes. Look before you leap.

The Hiring Process

Okay. You have done the math and you are ready to take the big leap and hire someone! More than good luck is in order. Good hiring practices are more important. Be prepared to interview as many people as possible, which means that you have to put enough ads out there to attract some candidates. Buy a book on interviewing and hiring. Find out what questions you can legally ask. You can't ask age, marital status, or religion. You can ask why they left their last jobs, and then you can listen to their delusions, lies, or sob stories. Better yet, they haven't left their jobs and are still working.

After you have sorted through the eager beavers, the happy-go-luckies, and the misfits, you should be able to find someone who you feel good about. That person is friendly and outgoing enough to deal with customers, seems to understand and have the skills to do framing, and have a track record that suggests that he or she will be a good

employee. You need to check references. Verify. Ask. Read between the lines. A great employee should be able to come up with great references. This process doesn't always work, but it surely dramatically increases your odds of success.

And don't be so naïve to think that if you hire someone from your competitor that it will be easier. Maybe yes, maybe no. You might have just taken over someone else's problem employee. Don't just hire whoever shows up. That is a crapshoot, and the odds are against you.

What Kind of Boss Are You?

This gets us to the last question. Have you ever managed anyone? The experience will vary depending on whom you hire, and will vary by who you are. Are you a control freak? Moody? Unorganized? Unethical? A screamer? Intolerant?

Unreliable? Do you know?

As a percentage, there are probably as many bad bosses as bad employees out there in the world. If you are one of them, this adventure is probably not going to be fun at all, for you or the employee/victim. The fact is, some people are better off working by themselves. You probably won't know that until you try hiring a few people. Being a good boss also requires taking care of business, which means training, holding people responsible, and providing a safe and pleasant work environment. If you can't handle confrontation, you are probably setting yourself up for failure. Confrontation does not mean yelling at people; it does mean dealing with issues and not just hoping that you hire a perfect employee.

Here's the bottom line. I have about 50 employees. I started by

myself. I can tell you that management is like nature. Not only can it be as beautiful as a sunset over the Grand Canyon, it can also be as rewarding as anything I can think of. It can also be as ugly as a hurricane. And all on the same day! There's a big difference between being a framer and running a frame shop through good management. One isn't necessarily better than the other. It depends on your personality and goals.

See you in Vegas! ■

Jay Goltz, Business Editor, started Artists' Frame Service in 1978 fresh out of college. AFS employs more than 50 people at its main framing operation in Chicago, IL. Jay has received numerous business honors and is best known for his straight talk on how to succeed in business. He has taught at The National Conference.

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