



OCTOBER 2009

## PLANNING FOR A RETIREMENT TRANSITION

### NEW HORIZONS™

**Revisit Your Current Retirement Strategy.** Have the bad economy and the associated belt-tightening, layoffs, and furloughs totally distracted you from the impending crisis you were thinking about a couple of years ago? How will your company fare if and when the economy recovers and an avalanche of baby boomer retirements occurs? Do you have any idea whether you can really count on them staying longer because of the damage done to retirement portfolios? In Ernst & Young's 2007 poll of the Fortune 1000, HR executives acknowledged the lack of preparedness for the "brain drain." They also noted that succession planning was especially deficient at the middle management level.

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### WHEN THE AX HITS HOME

Brad Nelson thought he had landed well when he accepted a position as Senior HR Generalist with a major company in the financial services industry at the end of 2006. He was the last of several additions to the HR staff, and much of his role was focused on recruitment. Things took a major turn in the opposite direction, though, in August 2007. That's when the first of the layoffs began, each one exacting a personal toll on him. **He participated in more than 400 employees being laid off by the departments he directly supported before the ax fell his way** in October 2008. By that time, Brad was ready to leave.



Nelson realized his layoff was imminent and even volunteered for it. And while he knew a lot about the services he would be offered as part of the separation, **he never truly understood how much the quality of service delivery** would matter in his ability to bounce back. "I had a choice between [a much larger provider] and CPI's Winston-Salem, NC partner, Williams Roberts Young," said Nelson. "I'm really glad I made the choice I did, after talking to other people who went with [the other provider]."

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### How Many Survivors Will Jump Ship

**How can we avoid having to clean up our own mess once our remaining employees see other options becoming available to them?** The bad financial results have been indicating a downsizing for quite a while, and now you've gone ahead and done it. All of the weeks and months of planning and agonizing over executing a RIF (reduction in force) are over. You've taken a big breath and started to relax only to learn that a number of very key people and not so key people have just handed in their resignations. Their reasons? "I'm getting out while I can!" "There's been little to no communication with the survivors over dealing with everyone's loss and how to cope with the ever increasing workload."

And worst of all, "This downsizing was executed carelessly, without concern for anyone's feelings, and with way too many political overtones." So the question is: **How can we avoid having to clean up our own mess once our remaining employees see other options becoming available to them?**

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# SURVIVORS

## How Many Survivors Will Jump Ship

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**Talk with the experts.** Talk with companies who have done this before and get their common sense advice – learn from their mistakes, not your own. Talk with and work with reputable outplacement firms. They can give you options that best fit your business environment, degree and scope of urgency, and company culture. Outplacement firms can provide training seminars to help managers assess the emotional state of their employees, teach them effective ways to lead their employees through these changes, and help managers adopt an attitude of “catching, recognizing and rewarding employees for doing well.”

**Can we talk?** Develop a communication strategy with your remaining employees. Be consistent, honest, and thank them ahead of time for their increased workloads. Keeping a dialogue going is critical to restoring trust with survivors. Continue to show your appreciation in ways that are creative and sincere, but also budget-minded. Communicate early and often. Managers should not assume that because there is no new information, there is no reason to meet with employees. They will make things up that are many times worse than any reasonable scenario.

**Acknowledge the elephant in the room.** Survival guilt is a legitimate emotion. Talk about it and get it in the open. Understand that people deal with change and loss in different ways, so pay attention and track the emotional stages that your staff members are experiencing. It's an emotional roller coaster.

**Don't overreact to a productivity hit.** If your RIF was very recent, realize and adapt to the likelihood that there will be an initial drop in productivity. However, if the RIF is dealt with openly and honestly, productivity will eventually rebound, and in some cases may exceed previous levels.

**Evaluate your career management culture.** Now more than ever, employees need the reassurance that they are part of the company's future vision. If they see HR and management as being proactive in helping them to achieve future aspirations, they're more likely to tough it out with you. If at all possible, avoid eliminating training plans that are pertinent to employee and career development. Consider other approaches, such as e-learning, that may allow training to continue at a lower cost per student. Perhaps key employees can be tapped to locate and evaluate other options that make it more affordable for career development to continue at the same or an improved pace.

**Engage, engage, engage.** Keep employees informed of positive improvements in company financials and productivity. Do everything you can to portray them as much-appreciated contributors to the successes.

## JOIN US FOR THESE UPCOMING EVENTS

**Wednesday, October 21, 7:30am – 9:00am, HR Roundtable discussion group.**  
Featured Speaker: Dave Zabloutny, Executive Director, Habitat for Humanity.  
Interested in joining? Contact Mark 716.632.0850/mweigel@rwcaldwell.com.

### **Management Development Seminar:**

**Wednesday, November 4 and 11, 8am – Noon, Hire the Best—Interview Training**  
Fee: \$399 per person for 2 half-days.

Interested in registering or finding out more about this course?  
Contact Diane Denton @ 716.853.7601./ ddenton@rwcaldwell.com.

Visit our website at [www.rwcaldwell.com](http://www.rwcaldwell.com), click on **Leadership Institute Curriculum**

# New Horizons™

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CPI will be helping its clients to structure innovative win-win plans that use the New Horizons program as one method of calmly steering companies away from a potential future disaster – the boomer brain drain.

*optional component  
of our career  
transition program*

No matter how much you'd like to push this concern to the back burner, the fact of the matter is that over 7,000 people are reaching the "traditional" retirement age of 65 every day. How are you planning to develop qualified leaders, in the face of younger generations who are less likely than the boomers were to stay around and be groomed for the next level of responsibility?

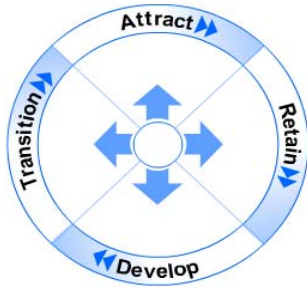
**Why Does Retirement Have to Be an On/Off Switch?** We probably fell into that thinking because corporate pensions and government-sponsored supplemental income programs are much easier to administer if employees are either not yet eligible (OFF = employed) or eligible (ON = unemployed) for benefits. By the 1970's when most boomers were in their early career years, social security income had risen to the level that it had largely eliminated the poverty of the elderly it had been designed to address. Perhaps this was an early reinforcement of the idea that everyone could or should just stop working at age 65, although some would aspire to do so even earlier.

Health studies show that such abrupt change is a great driver of mortality. The earlier the retirement occurs, the greater the increase in mortality rates. Not only is our current social philosophy killing people, it could also be the next corporate killer. On the heels of an economic recovery and increased employment needs, companies could be faced with too few workers and too few experienced middle managers to keep the company on track.

**New Horizons™ - Planning for a Retirement Transition.** Career Partners International has just launched a program – New Horizons – that supports employees thinking through their preparedness for retirement, not just financially but from every angle. This program is initially receiving lots of attention and deployment as an **optional component of our outplacement programs**. However, CPI will be helping its clients to structure innovative win-win plans that use the New Horizons program as one method of calmly steering companies away from a potential future disaster – the boomer brain drain. **Why not help the boomers map out a smooth path to retirement that is less likely to leave you in the lurch?**

According to a Fidelity Investments survey, 82 percent of the near-retirement-aged couples they polled didn't even agree on when to retire, whether to continue with part-time employment, or how to spend their new leisure hours. **No wonder retirement proves to be so stressful and harmful to health!** Financial advisors cannot begin to develop a plan until such fundamental questions are resolved. That's why the New Horizons program is so valuable – it provides a reality check for every aspect of retirement, not just the financial considerations.

**New Horizons - An Individualized Approach to Planning.** Unlike most retirement training programs, the New Horizons program begins with an assessment that helps each individual understand how well he or she is prepared for retirement as compared to others with similar profiles. **This makes the task of retirement planning become more manageable and practical, both for employees and for CPI's specially trained and certified retirement coaches.** Your support in helping employees map out a sound retirement path with New Horizons could have a great boomerang effect. You could open the door to developing a graceful retirement process that is truly a win for both parties.



## Career Management Cycle

Attract

Retain

Develop

Transition

## Staff and Associates

**Dottie Austin**  
*Principal*

**Mark Weigel**  
*Principal*

**Diane Robinson**  
*Business Development Director*

**Todd Nicholas**  
*Senior Consultant*

**Diane Denton**  
*Administrative Associate*

**Carol Merrill**  
*Accounting*



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## WHEN THE AX HITS HOME

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Deanna Leonard, Nelson's outplacement consultant at CPI, allowed him needed time to accept his job loss – to grieve. According to Nelson, friends who went with the other company were pushed hard to immediately complete their resumes and begin their job searches. "Allowing me to grieve and helping me through that process actually helped me land faster." Nelson met with Leonard weekly, and also phoned her every time he had either good or bad news to report. He always spoke immediately with her or got a prompt callback and experienced a great "cheerleading" and advice session. Nelson says it seemed like he must be Leonard's ONLY charge at CPI. (In reality, Leonard was similarly counseling 14 other outplacement candidates, and handling a variety of other corporate responsibilities as a Vice President of the firm.) Leonard mentions that it was during this process that "Brad rediscovered his creativity – something he'd almost forgotten in the process of pushing so many people out the door."

### Razor-Sharp Focus Wins

The 30-second commercial was truly a turning point for me," says Nelson. "I finally put together what I'd learned on my previous job about the aspects of HR that I enjoyed, and what other people told me I was really good at doing." He excelled at "affecting employees" and helping companies maintain high employee satisfaction – something he didn't get to focus on much in his old job. Nelson tried out his commercial – "I'm in HR, and my dream is to make a difference in someone's life every day" – at a networking event. The commercial landed him an interview with his current employer. Fortunately, Leonard pressed Nelson to work through the interview questions CPI provided and helped him with his negotiation practice. It wasn't long before Nelson had not one, but two job offers on his plate – true cause for the celebration dinner that Nelson and Leonard enjoyed. Nelson accepted the position at Moses Cone Hospital in Greensboro, NC and at six months into the job is thoroughly enjoying his ability to make a difference in so many individuals' lives.

## MAGIC AT THE CAREER CENTER

Here in western New York job activity remains steady. Candidates are interviewing, accepting jobs, and celebrating with pizza parties. Recently a candidate remarked there was some "magic" happening at the career center. I responded that it is amazing how magic happens when you work hard and follow the process. We don't teach magic but we do teach the "differentiators" we know give our candidates the edge they need to be consistently victorious.

We understand the importance of providing a successful outplacement experience for our clients who want to ensure their employees move ahead with a positive career transition. We also survey each candidate to ensure we are meeting, if not exceeding, their expectations, and we keep you updated on our progress with real-time updates so you can see our success in action.