

## 10 WAYS TO SAVE MONEY BY USING CONTRACTORS

- 1. Strategic Management**, including the ability to compete in global markets and respond rapidly to changing conditions, require more of leaders and managers than ever before. Contract consultants allow companies to create competitive advantage in their marketplaces by providing talent and horsepower to an organization to achieve internal and external client goals faster than traditional employment practices. The immediate result is increased revenue, reduced costs, and increased customer satisfaction.
- 2. Convert Fixed Cost to Variable Cost** Labor is usually the largest line item in a company's P & L. To minimize labor expense our clients utilize contract consultants. Core staff levels are maintained but augmented with the specific expertise required to complete technical projects on a fixed time-table. When the project is done, the consultant is done, and the company is not responsible for expensive COBRA and unemployment costs.
- 3. Reduce The Risk of Hiring Mistakes** The Talley Group is unparalleled in locating and screening qualified technical consultants; but only our client can determine personality and culture fit – and that can take some time. Some of our clients hire most of their engineers through our “Contract-to-Hire” program. “Try before you buy” has eliminated many costly “wrong fit” hires.
- 4. Mitigate Overtime Expense** When a project begins to require excessive overtime hours, and resultant “burn-out” of key employees, our clients often choose to add a contract consultant to the team. The result is reduced overtime expense and improved efficiency.
- 5. Limit Benefits Expense** According to the USDOL Bureau of Labor Statistics, in December 2010, the average cost of benefits to private employers was 29.4 percent in excess of payroll expense – and this is just the average. Utilizing contract consultants for project related employment shifts this burden to The Talley Group.
- 6. Prevent Unemployment Costs** In 2009 and 2010 Congress extended unemployment benefits as recession forced the necessary reduction in work force for strapped employers. Clients who had utilized contract consultants during previous years did not see the massive increases in their unemployment costs that most employers did. The responsibility of unemployment costs were transferred from the client to The Talley Group, who pays all statutory taxes, including unemployment, for these, our W-2 employees.
- 7. Reduce Training Costs, Scrap & Rework** Training is expensive – and not just the hard dollar cost of the training program. The soft costs of managing inexperienced personnel and the inevitable rework required are practically inevitable with novice employees. Our clients expect The Talley Group to refer qualified Engineers and related professionals, who are capable of “hitting the ground running”. Training costs are eliminated. One unintended consequence of this utilization of contract Engineers is that the employer is adding someone to their team who may have faced

of the same challenges for other companies. Contract consultants often suggest solutions and innovation learned on other projects – resulting in efficiency, and saving time and money.

8. **Shift Recruiting Costs, Advertising and Screening** What is your time worth? The cost of advertising open positions is eliminated by utilizing the Talley Group. The ability to search and post on numerous on-line and off-line sources is extremely expensive; but, these expenses are part of our basic “cost of doing business”. It is our core business to find that individual our client is seeking who has a difficult mix of technical expertise. In the recruiting world this is called a “**purple squirrel**” – they’re really hard to find, and it takes time. In addition, the soft costs of utilizing engineering managers or HR Directors to sift through resumes and screen candidates, is enormous. The Talley Group will send candidates who are sourced, qualified and screened, saving you hours of unproductive time and effort.



9. **Litigation Avoidance.** The Talley Group has certified PHR, CSP and TSC recruiters on staff who are capable of performing a SWOT analysis to look at strengths, weaknesses, and opportunities to pro-actively assist our clients. We advise of “best hiring and employment practices” per state and federal employment law. We are not attorneys, but our intention is to help you avoid costly and un-intentioned liability.
10. **Human Capital Management - Retiring Senior Employees to a Consultant Status** Many of our clients have sorely needed, extremely valuable employees who are ready to retire but may wish to continue to work on a part-time basis. We have shifted these senior employees to The Talley Group’s payroll where they are paid for part-time or project-related consulting services. Clients have reduced head count and their accompanying expenses while retaining the needed expertise of veteran engineers.