

# HIRES from HELL

THE WRONG  
EMPLOYEE CAN HAVE YOU  
PUTTING OUT A LOT OF FIRES.  
READ THROUGH OUR CASE  
STUDIES SO YOU CAN AVOID  
SOME COSTLY MISTAKES.

*by Kristen Hampshire*



# Close-knit encounters

**A**s a growth consultant working with companies of all sizes, in all industries, Jason Cupp has seen the good, bad and ugly. Usually, hiring mistakes can be avoided by following a couple of key tenants. First, be slow to hire and quick to fire. “Make sure you check references,” he says. “A shotgun hire will usually end up biting you in the behind.” Second, beware of friends and family – and run them through the same hiring process as you would a perfect stranger.

Here’s why. Cupp shares a sticky situation where the wife/bookkeeper was essentially stealing money from her husband’s business to maintain the fam-

ily’s overabundant lifestyle. She didn’t want to reveal to her husband that they didn’t have the money to continue their lifestyle,” Cupp says. He discovered this dirty family secret when he was hired to analyze the company’s financials. The husband felt his margins should be higher.

Upon closer examination, Cupp figured out exactly why some expense categories were unusually high. The wife was running personal expenses through the business and then miscategorizing the expenses. For example, the children’s private school bills were flagged as “computer equipment.”

“This was life-changing for the couple because the husband couldn’t believe his wife was stealing from his own business,” says Cupp, who was immediately fired from that consulting job after he uncovered the sad reality.

At another company, Cupp evaluated the administrative efficiency of the business. The administrator was logging too many hours for that size of a company. And, Cupp realized that there were lots of accounting mistakes, such as loan payments being miscategorized.

Turns out, the owners had hired a family friend who they trusted. “The truth is, the person was incompetent for the job,” Cupp says. Because of this, the worker spent more time trying to complete tasks. Plus, this person really needed the job from a

financial standpoint and was generously logging hours. The end product was a messy balance sheet and incorrect profit and loss statements. “There were a lot of adjustments we needed to make because this team member just didn’t know how to do (the accounting),” Cupp says.

The business owners were so busy they didn’t realize what was happening in the office. Besides, they trusted this person. “It was a hard decision to make to ask this team member to leave because they were a close friend and their families spent time with each other,” Cupp says. “Even their kids played together, so it was difficult to say, ‘You know what, as a friend, we have to end this agreement, and we have to find someone else to do this position,’ while trying to save the friendship and grow the business.”

The situation has a positive outcome. The company hired an office administrator who has ramped up efficiency in the office.

“They got that key person in there who isn’t a friend, who has the credentials and has a background in the landscape industry and has been a great leader in this business and took over the books,” Cupp says.

Think twice before hiring family, Cupp warns. Are the people you know and love really qualified for the job? “Stick with your hiring process no matter who the candidate is,” he says.

Jason Cupp, growth consultant **LOCATION:** Kansas City, Mo. **ESTABLISHED:** Spent 24 years as CEO of landscape design/build maintenance companies with 100-plus employees **CUSTOMERS:** Consults with companies in all industries throughout the United States



## QUICK TIPS

**Establish a process.** Avoid hiring on a whim by putting a recruiting process in place that includes checking references, conducting background checks (if necessary) and other screenings.

**Spread the love.** You care about your friends and family – but think beyond this personal circle of trust when hiring workers for your business. Strip away the emotion and ask yourself: Is this person fit for the job?

**Stop, look and listen.** It’s easy to get so bogged down in the business that you overlook administrative activity, for example. Remember to evaluate those performing tasks for your business, and call in an outside pro if you need a third party to evaluate efficiency.