

Members Quarterly

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Ask the Expert

Virtual Resources: Leveraging Your Compensation Investment

Put flexibility into planning

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Q: A number of organizations I know are moving towards virtual resources and are experiencing great success with it. Can you share your insights about how to determine if this is a suitable compensation alternative for us?

A: We don't often see the words "flexibility" and "compensation" in the same sentence, but flexibility is in fact the key to leveraging your compensation investment in the most effective manner. There are a number of ways to introduce flexibility into your compensation planning, but let's focus on a growing and innovative solution called "virtual resourcing".

Traditionally, smaller organizations were at a clear disadvantage because there just wasn't enough money or work to justify compensating a full-time resource with specialized skills. Specialized expertise therefore became a luxury only afforded large scale operations. Smaller organizations resigned themselves to the fact that they "just couldn't afford it".

Organizations will always need a core team of fully engaged staff to define and realize the vision and that's the way it should be. Staff in smaller organizations naturally fill broad, hybrid roles and develop a versatile skill set. Today's well educated workforce is more transient than ever before - always on the lookout for new and interesting opportunities. Information is more easily available to employees about their value than ever before.

As an employer, you always want to be thinking about what interesting opportunities your organization can offer and what you are willing and able to pay. Offering competitive salaries and benefits will position you well to attract, retain and engage a strong core team. But to really leverage your limited compensation investment as a smaller organization, you need to consider how the work gets done and how you can deploy people more flexibly.

You must challenge the current situation. This can be difficult but embracing flexibility is necessary to flourish and move forward.

First, identify what really needs to sit with your core team and what could be done by others on more of a flexible, as needed basis. This first step is a difficult one and requires very careful analysis. You may have to decide whether to supplement your current staff or reduce the number of actual employees and reinvest some of your budget to enlist some select support that will improve the success of your initiatives. Using flexible, "virtual" resources can be an effective way to provide top products and services within a tight budget.

Virtual resources are as flexible as the name suggests, but they will generally have the following attributes in common:

- They are not fancy, expensive consultants, but rather highly skilled, self-employed "doers", integrating with your core team as/when appropriate.

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- They bring to the table a vast array of experiences which they can now apply to drive your business forward.
- They are essentially free-lancers and their services are flexible. They may be available to participate in or lead strategic planning, technical projects or provide on-going tactical services.
- They have their own office space and are open to working either remotely or on site with their client.
- They are open to working on a flexible basis which ebbs and flows with the business needs and/or budget.

There is an ongoing increase in the availability of virtual resources. Some examples of more common specialized services include human resources, finance, marketing, social media, web development and maintenance and project management.

Virtual resourcing is an excellent way to leverage your compensation investment. Most organizations including the smaller ones are using it in one form or another. You can use your internal team to determine what positions and work can be done in this manner or consult a specialized service provider in virtual resources to assist you in the assessment, implementation and hiring stages.

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