

## *The Value of Employees*

Managing the People Who Manage Your Business  
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Of all the assets that a business owner must manage, your human assets are one of the most important. I don't mean that you are not in charge; rather your employees manage the functions that make the business run each day.

The effectiveness of this process can either make your business run like a finely tuned machine, or clunk along stalling periodically. But truth be told, this asset, people or employees, is the most neglected area of a business. Why?

Perhaps because there are a few misconceptions:

- It is difficult
- It is not understood
- It is perceived as less important
- It takes care of itself

True the employees are "assets", but they are much more. Let's look at the human side of the equation. Every employee you have in the business managing multiple functions has varying degrees of experiences, personalities, mannerisms, etc. Sometimes these can change daily, making it even more difficult to manage. This month's topic is performing a "skills inventory". Performing such a process can benefit the company in several ways. First, it can provide an understanding of whether you have employees in the proper positions. You certainly would not want someone who has poor communication skills in the customer service area, or someone with poor analytical skills in the billing department. The assessment of your employee's core competencies is a step in the right direction to creating efficiencies in the business by having people in positions that more closely match their skills.



Second, performing a skills inventory combined with annual performance reviews will help you determine whether the employees are performing tasks in a way that benefits the company. Are people performing in a way that meets or exceeds minimum standards?

Third, the process can aid you in succession planning. You will not run your business forever and developing an exit strategy is crucial. You may decide to sell the business to a local, regional, or national competitor in order to take advantage of the value you have built. If

selling is not the option you pursue, then you must know how the business will survive when you are not at the helm. Do you have someone in place who could take over? Do family members in the business have the skills to run the business? Taking a skills inventory will help you answer these questions.