

Outplacement - a New Service and Opportunity for the Transport and Logistics Industry?

Companies need to restructure! Companies need to make adjustments due to changing economic conditions. By hiring employees, companies take on a social responsibility. Situations of separation between an employee and a company can be brought about by various reasons and can cause an extreme burden to the individual, the company, and the overall working climate. Long-term employees and senior staff members may be most affected by such circumstances which could lead to a personal and existential crisis for those involved.

Like so many others, the term outplacement has its origin in the USA, where it was used in connection with the process of re-integrating soldiers into civilian life after their turn of duty. Subsequently outplacement became an instrument for high-level executives throughout all industry sectors and the efforts to assist them with finding a new position somewhere else. To date this group remains a large part of all outplacement customers. However, an increasing number of companies offer counselling services during periods of group outplacements. Naturally outplacement consultants cannot revive a flailing job market or create additional jobs; however, the advisor can ensure that the most effective methods and tools are being utilized during a hopefully quick transition to a new job. This requires expert knowledge and appropriate networks in the industry segment for which the outplacement takes place – in our case the transport and logistics industry.

A service for large companies only? Certainly not!

Contrary to common belief most mid-size companies find themselves increasingly in situations where they must respond to changing economic conditions by adjusting the size and configuration of their workforce and due to their size almost always at a much faster pace than large corporations. Some of the more prevalent triggers are mergers & acquisitions, consolidation, or location changes.

Outplacement consultations should be engaged as early in the process as possible to limit negative repercussions or avoid them entirely. The goal here is to minimize conflicts from the beginning, help the affected employees with extensive support, and allow the company to demonstrate social competence.

Here outplacement consultants can help with creating and conveying a secure environment to the remaining employees. Professional outplacement not only reduces expenses but also limits the negative effects of short term and temporary solutions such as reassigning internal resources or delaying necessary layoffs.

Outplacement often helps to avoid or limit the payment of horrendous separation packages and substantially reduces the risk for expensive law-suits as well as a loss of image on the part of the company as well as the employee.

One of the key problems – especially in Germany – is the fact that companies still shy away from the outplacement expenses, while they have little or no problems paying large sums for severance packages and law-suits, seemingly without much thought.

All aspects should be considered, including the more subtle problems created by layoffs such as extensive management expenditure and the ensuing uneasiness among the remaining co-workers.

Outplacement is not Outsourcing!

Outplacement is no miracle cure. Not a single job is saved or any layoff notice is avoided through it. Still professional Outplacement-Advisors can avoid unemployment for the concerned employees which in most cases prefer a new position over a generous severance package.

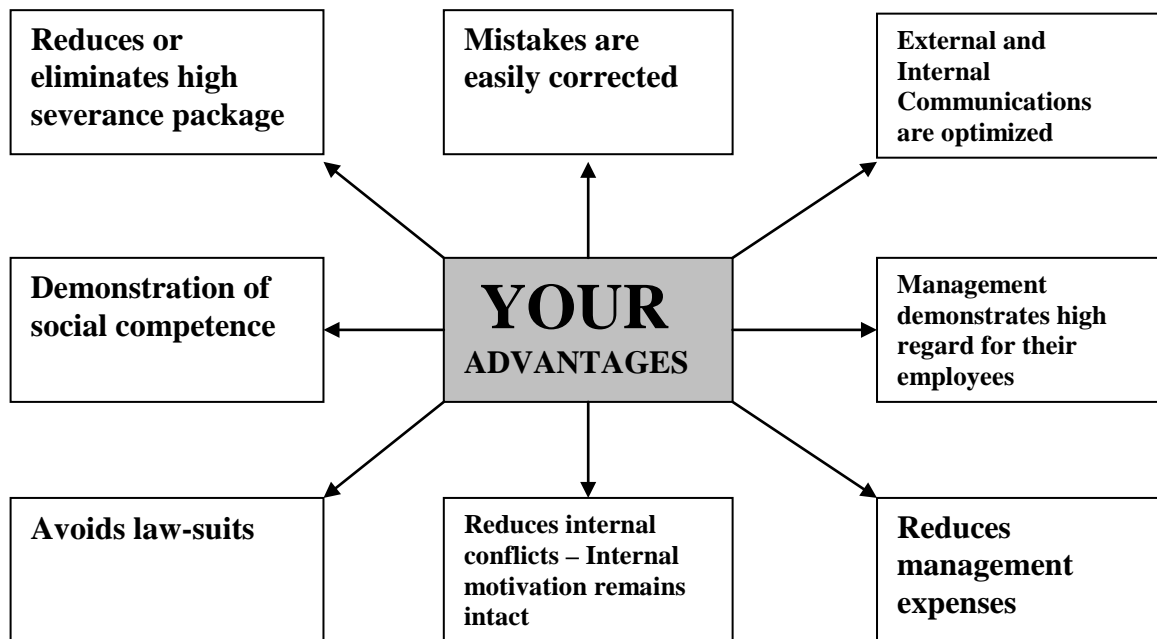
Many managers believe that smaller outplacement companies are less effective than larger organizations. This is certainly not the case since many of those smaller companies are not only highly competent in dealing with these situations in general but they also have highly specialized knowledge and extensive connections in their core markets.

Another excellent alternative to outplacement companies are executive search firms. Many of them are very experienced in Outplacement-Consulting and the most important aspect – finding a new job for the candidates - is their core competence.

As a specialist in the transportation and logistics industry, **adi Consult Germany/USA** utilize the advantages of their own extensive partner network. Outplacements for expatriates on a national and international basis can be handled particularly well by adi Consult.

The cost for outplacement engagements depends upon several factors such as the total number of contracts awarded and whether the mandate is for individual or group outplacements, however, a good rule of thumb is 20% - 30% of the person's yearly income. Terms for group outplacements are usually negotiated on a case by case basis.

Your advantages at a glance:



How does the process work? After a firm has made the decision to reduce its head-count, an outplacement consultant is called in. It is best to have the consultant already involved before any preceding arbitration proceedings. The often tense situation of giving notice can be relaxed and made less hostile through the presence and leadership of the outplacement consultant.

Helping an employee to deal with the psychological aspects and in some cases even shock over losing her/his job, as well as the process of coping with the situation, internal and external communications, and preparing the employee for new job-applications, setting up the personal profile and preparing the person for new tasks are all a part of this type of consulting.

Group outplacements are handled similarly fashion, however, group training sessions are a part of the approach.

adi Consult is a specialized Consulting-Firm with focus on the transport and logistics industry. adi has branch offices in Germany, USA and South America. (also see www.adiconsult.com).