

Use 80/20 to Hire from Within Your Company

Category: 80/20 Principle

Business owners today are finding it increasingly difficult to find employees, and one of the best ways to solve the problems created by a tight labor market is to reorganize your business using 80/20 principles. When you have gone through the reorganization process described in xxxxxxxx, it creates a significant opportunity to hire within your existing employee pool.

Let me offer an extreme example. One of my clients went through the exercise of producing quartiles for his company and identified that the bottom 50% of his customers contributed to less than 5% of revenues. The different options for dealing with this scenario are laid out in xxxxxxxx, and one way to deal with this is to simply lop off that business and let it go elsewhere.

In that scenario, what happens is that you suddenly have far too many resources. Think in terms of simply firing the appropriate employees, but before doing so, take a good look at the pool of people and identify who you want to “rehire” This is a group of people whose capabilities you already know that you can and re-purpose to focus them more effectively on your top customers.