

RETRENCHED – NOW WHAT?

By Rob Ridout

Whether an executive, blue collar worker, black or white - retrenchment seems to know no boundaries. No company or industry sector remains immune to this intervention. With trade unions putting pressure on government to impose a moratorium it seems that 2009 has already been brandished a year to remember.

Psychologists say that people who go through a retrenchment exercise have mixed feels of depression followed by anger, but then eventually learn to accept their predicament. The use of outplacement consultancies especially overseas has long been an important and necessary part of large companies going through retrenchment exercises. In matter of fact the amount of people receiving outplacement in Europe increased by 50% over a period of two years. Here in Sunny South Africa the outplacement industry is very much in still in its infancy and with retrenchments increasing pressure on companies to start utilise this service will certainly peak.

Everybody has a different way of dealing with a retrenchment. Some struggle with low confidence that prevents them from immediately going out and finding work. Whilst others see retrenchment as an opportunity to spend some valuable time refocusing on their careers. The fact is that whatever level you may find yourself in the corporate ladder looking for work is always a time consuming and difficult affair and the more senior you are the more time it will take you to find that exact fit.

Retrenchment can however also present a bored employee an opportunity to rethink an entire career path and relook at long term objectives with a fresh set of priorities. One of the options of course, as chosen by a large percentage of seasoned business people is to start some sort of consulting or contracting business of their own. This is of course high risk if you are entering a field that you do not know. If however your are starting a business that you have experience in and the backing of a nice retrenchment package the risk can be considerably less. Large scale downsizing by companies does not necessarily mean no opportunity in the market place. In matter of fact difficult market conditions often encourage companies to start looking around for better deals on service and price. Many large niche players have come under renewed pressure by smaller competitors that now offer more competitive prices due to their more lean cost structure.

Another very appealing option for a newly retrenched individual is to join a small business as a contractor or commission only sole trader rather than starting a business. Many people seem to completely overlook this option as they focus on getting a like for like remuneration package rather than start a business by themselves. An established SMME will have the infrastructure and experts to point you in the right direction, which is half the battle won when considering starting your own business. Even if you work on a commission basis only you may be better off in the long run financially as you will earn a much higher annual remuneration and be more tax efficient.

More and more companies will start using this type of initiative in 2009, to retain and attract staff especially when focusing on keeping their costs down.

If you do decide that you would like to get back into the corporate environment a clear strategy is crucial. Most people seem to think a reactive strategy is acceptable and most readers of my articles and book, "CV for Life" will know that I advocate an aggressive and proactive approach without question. You should make sure that you have at least six months worth of parked funds as this is the amount of time that it could take to find a suitable role even for the most junior of staff. Having an easy to follow basic plan of action is important, nothing too complicated. Possibly the most important aspect of finding a new home is deciding which industry sector to target. You should do your research very carefully here as this will save you valuable time and energy in the long run. Thinking outside the box but be realistic. My recommendations are simple, companies that are pushing their businesses into Africa continue to do very well and especially companies that focus exclusively on Africa remain fairly shielded from the economic downturn.

Your plan always starts with your CV. By creating a sellable document that can be used for local and international use with no less than two versions, a resume and a full detailed version, you are off to a good start. Then start marketing yourself by dividing your attention between recruitment companies head hunters and career websites, as well as the trusted personal networking sites such as facebook and LinkedIn. And then of course never forget your own personal network of friends and family. Keeping your network alive when finding work in this economy is key you should not get frustrated with recruiters or HR managers, you need everybody on your side in this fight.

One important aspect of looking for work in the current marketplace is negotiability on package. Your goal is obviously to get working again and in doing so you may find a company that offers you better prospects than you had before. Keep your mind open to this, a remuneration package is important but not as important as joining a company that can offer you better career prospects than you had before. Many of us get stuck in roles and companies that restrict our growth; the environment just simply does not provide us with the challenge to grow any further. I maintain it is only through moving into a state of unease that you really start to grow as an individual. You should not be limited by your pride either. Today every person working a nine to five job has the word "retrenched" in their CV somewhere so learn to turn this hurdle into a success.