

RISK MITIGATION



EXPERTS: John Tucker - CEO, Dave's Killer Bread

Patrice Stankavich - HR, Harry's Fine Foods

Adam Harris - Vice President, LaPorte Insurance

JOHN TUCKER:

I think with hiring Second Chance candidates, there's always gonna be that element of concern for risk, as there always are for people's well-being. Is there a risk? What's the risk? Are these employees going to steal from my company, are they going to hurt somebody, are they going to commit violent acts? Those are I think very typical reactions, typical concerns. But again if you approach it with an open mind, an open heart and really understand how to approach each heart as a whole, I think those issues are diminished. In fact I would say to you that individuals that are our second chance employees are no more a risk than anyone that you would hire that doesn't have a criminal background.

PATRICE STANKAVICH:

I just don't differentiate, I find no purpose in it, because I am not that curious about the past. Again somebody needs to have some of the basic components to get their foot in the door, certainly. But after that, it's so much more about what you can do for me now and frankly I am so certain that I have hired people in the past that have done maybe not the best or smartest things, but we don't know about it, they never got caught. I've also hired people that we thought are fantastic who in the future did pretty terrible things. There's just no way to differentiate around that personality, but what you differentiate around is - are they capable and able and interested in doing the job, and as long as I stay focused on that, the rest of it doesn't matter.

ADAM HARRIS:

An open and honest dialogue between the employer and the insurance brokerage is critical in all phases especially when it comes to second chance employment as a concept. Intuitively, the insurance community can be very conservative, and you want to make sure you're assuaging those concerns with the underwriters. You do that by articulating as a broker what the culture of the organization is, and convey that people are making mindful hiring decisions and they are aligning peoples' skill sets with responsibilities that makes sense. I definitely wouldn't say that extra insurance coverages are always called for when you're a second chance employer. The assessment that the employer has to make is what responsibilities am I putting my second chance people in, and what exposure does that present for me as a company. Meaning that if I've got customer-facing employees with backgrounds - that might be something that I want to address, with insurance products. Or if there are financial instruments that my employees come into contact with, that might be a concern of mine, and there are insurance products out there to

address that concern. But more times than not, it's just not something that has be dealt with with insurance at that point.

The consistency of your onboarding process means when you bring on new employees, how are you going about identifying those people? How are you going about educating those people about what your culture is as an organization? How do you make it understood as a business owner what your expectations are of your employees? The insurance brokers' community, it really relies on that information to properly articulate who you are as a company, what your values are at the company. And that when you bring new employees on, that there's a certain standard by which they are going to be measured. You need to be delivering that consistently, and if the insurance broker understands what that process is, what that culture is, then they can articulate to the underwriting community, and make sure the best products and services are procured for the business owner.

The types of processes and cultures that really impress brokers are transparency - you know, your really having understood what the expectations are throughout the entire organization. It doesn't matter what you do for the company, as long as you understand exactly what's expected of you, and how you're going to be measured. Also, what does success mean in the organization? That's all I can ask for as a broker. I want to make sure that everyone that works there knows exactly what the expectations are and how they're going to be graded, how they'll be assessed and if that consistency is there, I could then take that to the market place as the broker and make sure that my underwriters understand the exact same thing. Then they can assign products and services, they're in keeping with those guidelines and give credit and credence to a properly run organization where everyone knows where they stand.

We've worked with several employers that have second chance employment as a concept, and we have had no issues in placing insurance products or establishing equal pricing for those employers. So long as they have repeatable consistent structures, and that they understand how to properly manage people. Again, if you take second chances out of it, it's about people management and that's about making sure you know who you're hiring, what their backgrounds are, and that you're aligning their skill sets with responsibilities that are congruent. As long as you're doing that, the insurance community has no problem embracing second chance employers in providing quality services and quality products at reasonable pricing structures.