Q: HOW MANY SUPPORT STAFF DO I NEED?

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ILLUSTRATION: ISTOCK INTERNATIONAL INC.

A: I'm continually surprised and amazed by the lack of continuity in the amount of support staff per dollars of revenue among landscape business owners. It ranges from two people per $5 million to one person per $1 million. Notwithstanding the differences between design/build and maintenance, it seems there should be a standard correlation between support staff and revenue. So what's the right number, and why is it no matter how many people are in the office, they still can't seem to finish all the work?

First, let's define support staff. Anyone who's not on the sales and production staff is in a support role. The role can be broken down into a couple of key areas: accounting/HR/finance (office administration) and sales and production (production administration). While both are support roles, they have different focuses.

In many small businesses, the responsibilities of these support areas are hazy. After all, these two roles are generally performed by one person early on so it's easy to brand anyone and everyone who works in the office in a support role as administrative, even as the business grows and evolves. This melding of support roles eventually can lead to an enormous amount of blurred accountability and disconnected tasks that become almost impossible to manage efficiently.

Owners and managers spend a lot of time developing sales and production staff so these teams can be effective and efficient. But we don't spend as much time focusing on our office or support staff. Like any other hiring decisions, the hiring of office and support staff should be related to company size and number of tasks. On the finance support side, staff size is related closely to the number of transactions and employees. On the production/sales support side, it's tied to the volume of calls and jobs or number of customers.

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REVIEW AND ANALYZE

At some point in a company's growth, it's imperative for leadership to separate financial functions and production/sales support functions. One approach for unraveling this puzzle is to review the role of your support staff and to do a task/time analysis of all work being completed. This exercise will reveal exactly what each staffer is doing and how much time they're spending on each task. Task/time analysis comprises listing each task and estimating the time required to complete it. For example, payroll may take four hours each week. If there are 30 people involved, payroll processing takes about eight minutes per person per week. Knowing this will help us understand what it will take if there are 40 people and what other responsibilities the payroll person has time for. Doing this analysis may require timing certain activities; it will typically reveal a combination of inefficiencies and opportunities.

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Once these have been identified, list exactly what all the key functions are: invoicing, payables, payroll, new job setup, etc. Next, map the way you're processing these key functions. Mapping means drawing a chart of how the process takes place, who does what and how. Mapping existing process flow is an effective way to identify points of waste and opportunities for improvement. Begin eliminating waste and creating efficiencies by remapping the functions. Eliminate as many connection points and tasks as possible. Often, the current owners of the processes struggle to see the redundant or inefficient steps in it. A nonbiased but knowledgeable third party may be needed to facilitate the process and encourage people to let go of certain tasks because it's always been done that way or because they feel a threat or loss of power when responsibilities are reorganized. The key is to seek the most efficient flow for every process and identify a way to make processes measurable.

Planning pointer

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DOCUMENT, TRAIN AND MONITOR

Once processes have been remapped, they need to be documented, trained and monitored. The benefits of efficient well-documented processes are increased efficiency and capacity, increased accuracy and ease of onboarding and training of new employees. Once you've redesigned and documented your key processes, it's easier to manage, hold accountable and right-size the support team. You also can assess the abilities of your people more easily to determine if you have the right person in the right seat. Once you have a baseline for how long each task should take, you can set staffing levels more realistically.

At certain growth points, it becomes important to increase financial oversight and recognize and separate the administrative responsibilities. This is accomplished by establishing the accounting controller position and the contract administrator position.

The controller is a higher-level accounting and finance executive who can manage all accounting and finance responsibilities and staff, as well as perform higher-level financial analysis, budgeting, forecasting and cash-flow management.

The contract administrator position is key to breaking off many of the administrative tasks associated with production away from the accounting and finance area. The contract administrator typically reports to the operations manager (not the controller) and acts a bridge between operations and finance. His role is to support operations and facilitate information flow to and from accounting. If there are multiple divisions (e.g., maintenance and construction) there may be a need for a contract administrator in each division, based on the size of each division.

Establishing these key positions along with the development of clear processes will help structure and simplify your office, making it more manageable, measurable and accountable, which will allow you to do more with less.

So how many support staff are required? While this varies by business type, size and market area, as a company reaches maturity, a reasonable average is one staffer for every $1.7 million to $2.3 million. LM

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