

CASH

September, 2003

THE BRIGHTON GROUP

oiPartners^{Inc.}

The Brighton Group/OI Partners, Inc. is a locally owned and managed consulting firm specializing in career and organizational transition services. In-depth one-on-one consulting is the core of our distinctive approach.

When structuring separation packages for terminated employees, there are three primary components: severance, benefits, and outplacement services. Severance addresses the anticipated financial needs of the individual. Benefits recognizes the need to primarily bridge medical coverage. Outplacement acknowledges the need to provide professional assistance to assure a timely and successful outcome.

The current economic belt-tightening is causing many companies to rethink and often reduce the separation packages being offered. A related consequence is an increase in the tendency to give the individual a choice of an outplacement program or taking “cash in lieu of” instead.

On the surface, this looks like a well-intentioned move to give the individual more choice and control over his/her destiny. However, there are inherent risks in choosing that alternative, and organizations may need to rethink the corporate benefit and protection they are giving up when they turn control of that investment over to the individual. Advantages to the organization of treating outplacement as a corporate benefit are significant and include the following:

- *Protecting the company's interest in supporting a timely and successful transition for the individual, thus reducing unemployment costs and enhancing the morale of the remaining workforce.*
- *Immediately directing the individual's focus toward moving forward, often thwarting the impulse for litigation. Rarely does an individual in outplacement litigate.*
- *Demonstrating a corporate recognition that job transitions and career decision-making are both challenging and best not done in isolation but require professional assistance, perspective and coaching.*
- *Maintaining the integrity of outplacement as a valuable corporate benefit not a personal discretionary “cash-out” option.*
- *Creating protection against the claim down the road that outplacement support was not offered in good faith since the individuals would have had to give up something to receive it, in effect being forced to pay for the service on their own.*

When structuring and presenting transition packages, we strongly recommend the organization not give up the corporate benefits of the outplacement investment by giving control of that decision to the individual. A prudent combination of severance, benefits and outplacement will, in the end, serve the individual and the organization better than offering a “cash in lieu of” option in place of outplacement.

Given the choice, an individual rarely chooses to invest the cash available in an outplacement program. However, more cash in hand does not engender better decision-making or a more effective job search. The goal is a successful and timely transition, and all three components of a support program have a role to play. An outplacement provider can assist in looking at creative and cost-effective solutions without giving up the control the organization wants to maintain.

“A Better Human Experience...For A Better Business Outcome”