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## How to swing the hatchet

Entrepreneurs share termination techniques

By Mark Henricks

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Everybody talks about the importance of hiring the right people. Firing the wrong people is just as important, but hardly anybody talks about that. Probably because it's one of the most unpleasant things an entrepreneur has to do.

We asked a handful Chicago small business owners to tell us how they go about terminating undesirable employees.

### How long between the time you decide to fire someone and pulling the trigger?

"We try to (first) address (an underperforming employee) within a two- to three-week time frame," says **Mark J. Bollman**, 34, president of Tinley Park cleaning service franchiser Creative Colors International Inc., which generates \$2 million in annual sales and employs 22 people in the Chicago area.

Mr. Bollman first gives the employee notice that he or she isn't performing well enough, followed by a 90-day probation period to correct the shortcomings.

**Greg Ponte**, owner of Batavia-based Armco LLC, which employs 200 at 20 Aaron's Furniture rental outlets in the Chicago area, also gives employees time to remedy their failings. An employee gets a rigorous action plan, which must be executed in 60 days. "Then, if we don't match the action plan, we ask them to leave," says Mr. Ponte, 48.

How do you start the termination conversation?

"I'll ask them a question: How do you think it's going?"

Carol Rehtmeyer, president and CEO, Rehtmeyer Inc.



### Where do you do it?

"Mostly I have them come into my office," says **Carol Rehtmeyer**, 42, president and CEO of Aurora toy developer and manufacturer Rehtmeyer Inc., which has 14 employees and \$4 million in revenue. "I find that going into people's offices, while it's more comfortable for

them, can be uncomfortable for me. Going into their office gives them a sense of power that may not be well-suited to what we're trying to do."

**Mike Domek**, president of Woodstock-based online ticket seller TicketsNow.com, with 115 employees and \$54 million in 2004 revenues, prefers a neutral location such as a conference room — with the door closed. "You want to give them the ability to leave with as much dignity and respect as possible," says Mr. Domek, 35.

#### **What time of day do you prefer? At what point in the work week?**

"The beginning of the day, beginning of the week, always," says Mr. Domek.

Taking action Monday morning instead of Friday afternoon gives him a chance to announce and, if necessary, explain the firing before a recently terminated employee can voice his or her complaints to remaining workers.

Mr. Ponte also endorses the morning approach. "Normally, at the end of the action plan, it's the following morning because we have to get the numbers to make sure that's what we have to do," he says. "And we always have one last legal check."

#### **How do you start the conversation?**

"I'll ask them a question: How do you think it's going?" says Ms. Rehtmeyer. In addition to gently introducing the topic, the question provides a gut check for Ms. Rehtmeyer. "Sometimes I don't have enough information," she says.

Mr. Ponte employs little or no preamble. "It's always, 'Thank you, here's your information for your Cobra (health coverage continuation) and thanks for your efforts,'" he says. The prior review and probation period mean the employee usually knows what's coming.

#### **What happens in the immediate aftermath? Do you escort them to the door?**

"We help them clean out their cubicle or station and then the manager will escort them to the door," Mr. Ponte says. Sometimes, to reduce tension, an employee other than the manager will accompany the worker out.

Mr. Bollman says his terminations usually are mutual agreements between him and the employee and don't call for any support, but the situation is complicated by the fact that the vans and equipment the service technicians use belong to the company.

"They have to drop (them) off in good condition," he says. "We do an inspection beforehand." So far, he hasn't had a case where someone didn't voluntarily relinquish company-owned tools.

What time and day do you prefer?

**"The beginning of the day, beginning of the week, always."**

Mike Domek, president, TicketsNow.com



#### **How do you break it to other employees?**

"I try to make it casual, not formal, so it doesn't seem like a big deal," Ms. Rehtmeyer says. "I just say, 'This employee is no longer with us,

I'm sure that's not a big surprise, but not to worry, I'm sure we'll find someone who is the right fit."

Mr. Domek normally announces terminations only to the employee's department. But after he recently fired one of his senior executives, he called a companywide meeting. "With someone of his level, I did bring the group together to ease their minds that this was not the beginning of a string of cuts," he says.

*Photos by John R. Boehm*

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