



7 Things To Look Out For When Hiring a Labor Relations Consultant

If your company has recently been petitioned for a union election you have a lot on your mind. Most company leaders in this situation are at various points upset, confused, scared, and searching for answers. You are inundated with calls from consultants and attorneys. **You feel under siege.**

At the same time you also know you need help. You have to find someone you can trust to help you navigate these uncharted waters. Since it is an area you don't know much about everyone sounds like they have a plan. But the plans seem to contradict. **How do you know whose advice you can trust?**

Answering that question is the purpose of this white paper. You need a quick but effective way to evaluate all the different pitches and advice that is flying around. You need to quickly decide who you should consider and who you can safely ignore. This paper helps you do just that.

There are 7 key questions you should be asking of any consulting or law firm you are considering to help. While there are certainly other considerations besides these 7 (like personality fit, cultural fit, etc.) the following 7 factors are a great way to weed out the pretenders from the contenders. Any great firm in our industry can sail past these factors. Any firm that can't should not make your short list.

Here are the 7 key factors you need to look out for when you are hiring a labor relations consultant:

1. Background Checks? Your union election comes down to one thing: trust. Are your employees going to trust the promises of a union organizer or are they going to trust you? Every single decision you make about how to communicate during this election comes back to that issue – does it increase or decrease trust? That is why it is so critical to check the backgrounds of your consultants. Are they who they say they are? Do they actually have the experience they claim (and can they prove it)? Do they have criminal histories that damage their credibility (and your employee's trust)? Are they going to embarrass your company or create an issue in your campaign? You need to know the answers to these questions BEFORE you hire a consultant.

How Do You Know? Google the principals of any firm you are considering. Google every consultant they plan to put in front of your employees or supervisors. Ask for proof of background checks. Ask them to show proof that they held the positions they claim they held. Unfortunately some consultants will “puff up” their backgrounds in order to get cases – but unions investigate all anti-union consultants and will attack these credibility points in campaigns. **This is why all LRI consultants are thoroughly background checked.** We are the only consulting firm who does this – and many

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consultants who would like to work with LRI simply cannot, because they don't meet this important qualification. Those consultants often then go to work for our competitors.

2. Are They an Established Business? There are a number of long-established labor consulting firms around the country. However, there are also lots of small, "flash in the pan" consulting firms that come and go. Some of these are just one or two consultants who cobble together a group of "stringers" to handle consulting cases that come up. Again, you need to make sure you are doing business with a credible firm, one that has a history of strong performance and that you know will be around long after your case is over. You want to make sure that your firm can support your campaign and handle any of the legal obligations that come with these union campaigns.

How Do You Know? Ask how long the firm has been in business. This is public record – and as you will see below you can even search for the number of cases they've done on the Department of Labor's website. Ask to see proof of insurance coverage. If they've only been around a short time find out where they worked before.

3. Do They File With the Department of Labor? Labor relations consultants, attorneys, and the companies who hire them are required to file reports with the Department of Labor disclosing the cases they've done and fees that were paid. Some consulting firms ignore these requirements, even though it can create **criminal liability for their clients!** If you research a consulting firm and do not find a record of them on the Department of Labor website below, you need to know why they don't show up. They may say that they do not perform what is called "persuader work" (talking directly to your employees). And it is true that in some cases non-persuader "advice" activity does not have to be reported to the government. However, if the firm you are considering does not show up and has mentioned talking to your employees during the sales process that should be a red flag. Remember, this is an obligation of your company too (punishable by fine or imprisonment if not done correctly). **If any consulting firm you are considering has not discussed this reporting requirement with you, run away.**

How Do You Know? The Department of Labor has a website where you can quickly search their database for prior reports. This site is updated regularly – usually within a month or so after the reports are filed. You can search these reports at <http://union-reports.dol.gov> - you are looking for the *LM-20 Consultants Reports*.

4. How Many Cases In the Last 3 Years? You should look up every consulting firm you are considering at the website listed above. How many cases show up? How do they compare with other firms you are considering? What kind of clients show up? This is the true test of whether a consulting firm is an established firm with the ability to handle the variety of complex issues that come up in these campaigns. This is also a good way to verify claims about winning percentages (by the way, to

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learn why you should never hire a firm who claims they “win them all” check out our white paper *5 Keys to Winning Your Union Election*).

How Do You Know? You can do the same search listed above (<http://union-reports.dol.gov>) and search on the name of the consultants you are considering. If you prefer you can simply ask us to pull the reports for you by calling us at 800-888-9115. We file more of these reports than all of our top competitors combined, so we know our way around the site.

5. Did They Formerly Work for One of the “Big Guys”? Some consultants will tell you that they used to work for one of the big firms to prove their credibility. You should be cautious about these consultants. The labor relations consulting community is pretty small so many consultants do work for multiple firms over their career. But sometimes these consultants are no longer with the big firm for some other reason – a legal problem on a case or some problem with their background that comes up as a campaign issue.

How Do You Know? This one is hard to figure out. Start by asking them why they are no longer with the firm that they mention. Listen carefully to the answers – do they make sense? Does it seem like they are hiding something? Does it jive with what you found out about them in step 1? You can also ask the old firm to see if the stories match up.

6. Do They Offer References for Cases You Found In Steps 3 and 4? When you ask for references (and you are asking for references, right?) you should compare the references you receive to the list of companies you found in steps 3 and 4. This way you can verify that the firm you are considering is providing **high quality consulting to recent clients** and not just stacking the deck with “old friends” on cases that may have happened years ago.

How Do You Know? Check to see that at least one or two references come from cases that show up on steps 3 and 4. Are there companies listed there that don’t show up on the Department of Labor website? Ask them why. Also ask them if you can check with someone at a company listed at Department of Labor but not on their reference list. If they say no that is a concern.

7. Bargain Basement Rates? Is one of the firms you are considering offering bargain-basement rates (half the price or less than the others)? Price does not always guarantee quality. However, in the labor relations consulting business the very best consultants are busy, tend to charge higher fees, and are less likely to discount. Lesser consulting firms tend to compete on price. They point to the money you’ll “save” if you hire them. But this can be quite misleading.

Firms that quote low-ball rates tend to overstaff cases or bill you for 18-hour days in order to make up in volume what they lose on price. In addition you get what you pay for. The best consultants won’t work for half price, so you end up with lower quality talent. The best consultants are also more

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efficient. For example, our effective rate on cases often ends up lower than firms who charge half our rates, because we work cases smart and efficiently.

Your election can be a life or death matter for your company. You wouldn't choose your heart surgeon based on price. You shouldn't choose your labor consultant that way either.

How Do You Know? If someone is quoting low fees, ask them how they plan to staff the case. Ask them for the leanest staffing they think they need to win. Don't settle for the, "let's get on the ground and then we can tell you how many consultants you need." They should have specifics and if they have solid campaign experience they will know how lean you can run your case. Most cases do not require more than one or two consultants, unless you are dealing with a very large, 3-shift bargaining unit. We once won a 2,000-person unit case with 4 consultants.

Also ask consultants for capped rates. Our preferred business terms are a project fee based on an agreed upon budget of consulting. This way you know exactly what you'll get with no surprises on fees. Paying hourly for consulting is dangerous and a great way to overpay.

Conclusion

We hope this list of key "watch-out" points is helpful. We are passionate about protecting workplace freedom and direct relationships between management and their employees. We want to make sure that companies who suffer a union election are getting the best possible advice and help – and avoid making a big mistake that could cost them an election.

While we would be honored to call you a client, please don't hesitate to reach out even if you have no intention to hire a consultant for your case. Again, we are passionate about protecting your workplace freedom in any way we can. You can rest assured that you will get objective, actionable advice from us. We do more cases each year than anyone. We know the industry better than anyone. We can help you navigate this successfully. If there is anything we can do to help please do not hesitate to call us at 800-888-9115.

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