Ontario College of Pharmacists
Putting patients first since 1871

New Hire/Staffing Business Case Template

To complete the business case template below, replace all instructional text in dark grey with custom responses that apply to your situation.

New Hire Business Case

Executive Summary

Based on your responses below, provide a snapshot of your recommendations. The details will be flushed out below.

Reason for Hiring

Skill Set Gaps

Use this section to list all skill-set gaps that must be filled with new hires.

Insufficient Staff for Current or Increasing Workload

Use this section to list indicators that staff is exceeding capacity.

New Hire Requirements: Number of Staff and Skill Sets

This section justifies the need for new hire(s). Quantify the exact number of resources required and the expected skill-set for each to fill the gaps laid out in the previous section. This step will influence the job description as well as estimations of total cost and benefits.

Estimated Expenditure

Please consult with Human Resources on ascertain the approximate cost range of hiring new employee(s). Given the new employee requirements, it is possible to estimate the salary range by looking at existing pay bands within the organization or using a salary benchmarking survey. Include a hiring timeline for the position.

The following costs of a new hire should be considered:

- Salary
- Benefits
- Supplies/computer equipment
- Training
- Restructuring
- Estimated start date

Evaluation of Alternative Options

Due to the high cost of new hires, alternative options should be evaluated. In the case of new hires, the most common alternatives are, hiring contractors, increasing workload for existing employees and/or additional training to fill skill-set gaps. By illustrating the pros and cons of these alternatives, an informed

decision can be made as to whether any of these are viable alternatives to hiring new staff. A five-year costing is suggested to demonstrate long-term costs.

Options	Five-Year Salary Costs	Pros	Cons
Full-time hire	number of positions * average cost of hiring + number of positions * average compensation * 5 years	Keep knowledge and control within company…	Expensive, may only require short-term solution…
Contractor	Number of positions * average contractor cost * 5 years	Short-term obligation, lower overhead costs…	Knowledge and control not maintained within company
Training existing employees to fill skill set gaps	Number of positions * training and development cost per position + average monthly compensation * ramp-up period in months	Improved workforce, increased employee satisfaction…	Diverting employees' attention from existing responsibilities…
Increased workload for existing employees	Overtime pay	Potentially least expensive option.	Decreased employee satisfaction may increase turnover

Recommendation

Based on your responses in the chart above, elaborate on your recommended approach and why it is preferred over the alternatives.

ROI: Short- and Long-Term Benefits/Financial Impacts

Provide a short-term and long-term cost/benefit analysis (estimated) to support creation of the new position. Consider all soft and hard benefits resulting from the new hire(s) which can be included in the benefits section. One usually justifies hiring a new employee to get work done that otherwise could not be done, but wherever possible attempt to quantify savings or increases in revenue. Some roles will be made up entirely of soft benefits. In those cases, the soft benefits should be detailed and linked to more measurable outcomes. For example, a member of help desk support may not directly generate revenue but their assistance could be frequently solicited to enable revenue generating or cost reducing activities.

Hiring Plan Checklist

☐ Complete business case template above.

☐ Gain funding/hiring approval.

☐ Create job description in consultation with HR. This includes a tentative job level rating until finalized the Job Evaluation Committee.

☐ Start the recruitment or staffing process with HR.

Signoff

This business case must be approved by the Director of your Division along with the Director, Corporate Services. For supervisory positions and above, it will also require the approval of the CEO/Registrar.

_____   _____   _____

Hiring Manager - Name   Signature   Date

_____   _____   _____

Division Director - Name   Signature   Date

_____   _____   _____

Director, Corporate Services   Signature   Date

_____   _____   _____

CEO-Registrar   Signature   Date