

8 STEPS TO REDUCE RISK WHEN HIRING CONTRACTORS



A Contractor Compliance Free Resource

www.ContractorCompliance.io

INTRODUCTION

Managing external vendors always brings additional risks for hiring organizations. Using contractors is a vital part of your ecosystem and having third party skills and contributions is invaluable to any project and working environment. However, there are no guarantees that things will always run smoothly.

In this paper, Contractor Compliance aims to guide you through the potential minefield of hiring contractors, outlining problems that may arise and giving tried and tested tips on how you can best prevent negative situations from occurring. When sourced and managed correctly, temporary workers are an asset to your business; whether they're a freelancer joining you in the office, or a construction company working on-site, contractors are an essential resource. They plug any gaps in skill, get building developments off the ground and keep facilities working correctly.

Here's how you do it!

AVOID THE WORSE CASE SCENARIO

If you fail to make adequate preparations for researching, instructing and managing contractors correctly, here are some of the things that can very quickly go wrong with your project.



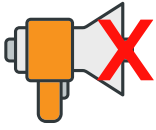
Time Delays

Whether you're hiring contractors for a construction brief or a marketing campaign, it's likely that everyone involved is working to a deadline. If you select a company or a candidate that isn't up to the task, or an accident or dispute occurs, you could face unexpected delays and set-backs that could also impact other departments and projects.



Going Over Budget

If you and your contractors aren't on the same page, you may find your costs rising above the figure that you expected to spend, due to lost time, delayed or halted projects, unexpected disputes and poor working practices. Time is money, and when you're being charged for a set period, you need to understand the value you'll ultimately receive from your contractor.



Miscommunication

We know you'd never set out to be on bad terms with your contractor, but sometimes they may not be delivering the results that you expected, or may not be adapting well to their new surroundings. If working remotely is involved, things are not going according to plan or wires have simply become crossed along the way, miscommunication can lead to unsatisfactory working relationships and poor project outcomes.



Accidents or Errors

Poor sourcing or mismanagement of contractors might not lead solely to inconvenience, disruption and irritation. Serious accidents, injuries and major errors can occur when temporary staff are not properly inducted or supervised.



Difficulty Collecting Compliance Documents

If you hire a less than diligent contractor, you may find yourself chasing for compliance evidence such as licenses, qualifications and official documentation. You won't know where you stand in terms of liability, and won't have an understanding of the individuals on-site and whether they are capable of working safely and producing work of the right standard.



Security Breaches

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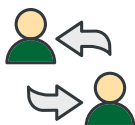
WITH RISK, COMES REWARD

Enough of the scare factors. We're sure you've had plenty of positive experiences with contractors; it's likely that they've brought you fresh perspectives and new creative visions, helped ease staff workloads and installed, built and fixed their way to a successful result. Here are some of the incentives for getting your contractor relationship right:



Reduce Training Time & Cost

Because your contractors are being brought in to complete a specific task or solve a certain problem, they'll already have the necessary know-how to launch straight into the role. Drafting a company or an individual in for their expertise can bring an instant injection of specialized knowledge and a high quality of work, without the ongoing training associated with permanent fixed employees.



Temporary Means Temporary

Sometimes, having workers that you know won't be with you for the long haul can actually be beneficial to a business. If you have fluctuating finances or unpredictable workloads, having the flexibility to hire on demand (and do without when things are lean) can help everyone to know where they stand.



Eager to Please

Because they're only with you for an agreed amount of time, third party companies and independent workers will often arrive with the view of impressing you. Out of the loop of company politics, and dependant on generating good recommendations from their customers and achieving results, contractors are likely to be productive and focused. If for any reason you haven't been impressed with their ways of doing things, you're under no obligation to hire them again.

8 STEPS TO REDUCE RISK

In order to achieve this harmonious balance, there are a number of ways in which you can select the right contractors for your business, prepare for their arrival and help them to feel happy and safe in their short term role. Let's take a look at the 8 ways to reduce the risks involved in hiring contractors.



Define Your Criteria

Prevention is better than cure, and by putting as much effort as you can into finding the right person or company for the job in the earliest stages, you'll minimize the risks that can occur later on. Your contractor needs to be well suited to the task in question, and to ensure you know what you're looking for when you begin the hiring process, you'll need to define the criteria up front.

Ask yourself what specific skill sets are needed for the task, list any qualifications or official regulations that need to be met, and the levels of experience that you require. You'll soon reach an understanding of the type of contractor that will, or won't be right for your project, and you can use this information to focus your search.



Do Your Research

Finding out as much as you can about a potential contractor before you hire them will put you in the best possible position for obtaining the right fit for your business. Research the company or candidate and their trading background, and assess their website and online presence to gather the details you need to make an informed decision.

You'll also want to meet with the individual or company representative concerned for an interview or discussion about the project brief. Prepare a list of questions, requirements and conversation points beforehand to ensure that everything is covered and all your predefined criteria are met.


3

Get a Second Opinion

Independent contractors are usually keen to gather positive reviews and recommendations from previous clients, and there should be a range of testimonials or case studies that you can view to aid you in making your decision. Ask for references, and ask your potential freelancers to tell you about projects they have worked on that have been similar to your own, or that have called for the same approach.


4

Put It In Writing

Safeguard your hiring organization by putting the terms of both parties into a signed and dated written contract. Officially documenting and storing this agreement will allow everyone to understand their respective rights, responsibilities and liabilities, and will serve as evidence should a claim be made or terms are broken.

Consider whether you need to add additional terms and clauses, such as a non-disclosure agreement or penalties for delays or poor standards of work.


5

Check Their Insurance

Establishing that the correct insurance is in place is a vital part of hiring contractors. These temporary workers aren't covered by Employer's Liability Insurance, and you may need Public Liability Insurance. Discussing which insurance plans the contractor has in place and requesting evidence of this will stand you in good stead for lessening the likelihood of a liability case arising at a later date. Notify your insurer that you are using contractors, and if in doubt, consult a professional insurance advisor.


6

Check Their Compliance Levels

Even before workers arrive on site, you can be requesting or listing the relevant documentation you need to review and store in order to meet standards of compliance. Refer to the criteria you initially outlined and the research you've undertaken to establish the qualifications, licenses and evidence you need to receive, and agree how you'll receive the information and when.


7

Know Who Is Working On Site

Don't rely on your contracting company or agency to perform background checks on the individuals you will be hosting on site. Being familiar with the compliance levels and abilities of team members will help you to understand your own liability, and where any additional training needs to be given or provisions need to be met.


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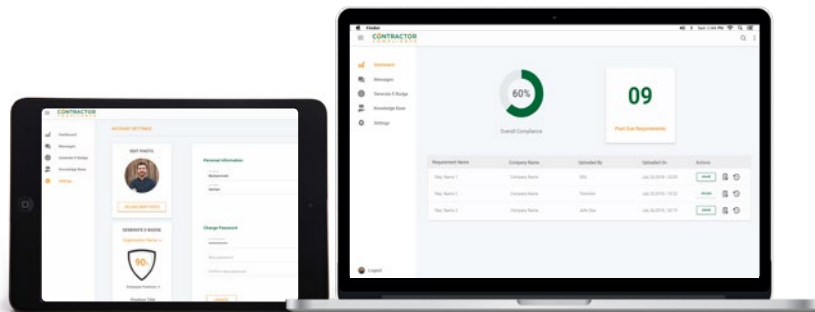
Promote Safety Awareness

Nobody wants their contractors to get hurt on-site, but with busy schedules and targets to be met, it's easy to overlook the importance of inductions and to trust contractors to be left to their own devices. You may automatically assume that best practices are being followed, and that safety is their priority; in fact, contractor safety should be a priority for any hiring organization.

Temporary workers will be unfamiliar with your facilities and procedures. Place an emphasis on bringing everyone up to speed with health and safety regulations, performing risk assessments and preventing accidents. Ensure your contractors know exactly what you expect of them in terms of their own safety management and communicate frequently to avoid lapses.

USE CONTRACTOR COMPLIANCE TO REDUCE RISK

With these 8 points taken into consideration, you should be well on your way to lessening any risks that may occur while hiring and working with contractors. To support the managing of your contractor relationships, Contractor Compliance software can help you in the following ways:



Research Contractors In-App

As an additional outlet to your hiring research, Contractor Compliance allows you to search and browse potential contractors, and match your project with the skill sets on offer.

Check Their Credentials

Contractors use Contractor Compliance to showcase their experience, previous clients, projects they've been involved in and testimonials. You'll be able to see their suitability at a glance.

Communicate In-App

Once you've hired your ideal contractor, you'll be able to avoid misunderstandings and communication blind spots with our in-app messaging feature. Send notifications and updates so that all parties are kept in the loop.

Mutually Beneficial Compliance

Contractor Compliance is the simple way to request, receive and store evidence of compliance. You'll no longer need to chase contractors or waste time on excessive admin, as you'll have access to everything you need, digitally.

SUMMARY

Finding the right contractors for your business will save you time, money and difficulties, allowing you to reap the benefits of accessing specialized skills and knowledge during a specified time-frame. While miscommunications and unexpected issues can arise, investing effort into the correct levels of planning and management can reduce the risks involved in hiring external third parties. By properly researching companies and individuals, enforcing the right legal and regulatory guidelines and promoting the safety of your new workers, you can minimize the potential for error and poor performance.

There's a Better Way to Manage Contractors!

Contractor Compliance software helps you at every stage of your contractor management, from research and hiring, to checking compliance and communicating during a project. To begin reducing your contractor related risks, **book your free demo** of Contractor Compliance today.



BOOK A DEMO

