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SELECT INTERVIEW

JULIE FARSCHMAN, M3

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Tell us a little about yourself – where are you from, your background, education, and how did you end up in HR?



I went to college at the University of Illinois in Champagne Urbana not as a business major but as a music major. I received my degree in Music Education, and for the first 12 years of my career, I taught band and choir in the St Louis suburban public schools. I also was a flute major in college and after graduating, I made some extra money playing at weddings and private lessons. After 12 years as a music teacher, I relocated to Georgia and had to think about a career transition since there were no band director jobs in my region.

I took a job as a temp where I typed resumes for a company named Onsite Engineering and Management. The company staffed nuclear engineers for nuclear power plants and they were growing like gang busters.

When my assignment was over, Onsite hired me to help in benefits administration, my entry into Human Resources. I learned a great deal about HR on the job and also decided to go back to college to get my HRCI SHRM certifications. Eventually I ended up managing that HR department team of eight people at Onsite Engineering.

I eventually ended up leaving Onsite and worked in HR at Pond & Company, an engineering consulting firm, and another consumer products company where I learned how to perfect my craft. Then, I decided to start my own HR Consulting business. I had been watching a consultant who did a lot of work inside my last company and said to myself, "I love what he was doing, and I need to do that." It took me two years to get my consulting practice set up. I found that my target market was small businesses (25-75 employees) where I could help them as a generalist, trainer, or coach. I enjoyed consulting because of the various project work and the excellent client relationships that I was able to develop.

How long have you worked at M3?

I have been here since 2011. I was hired on as a part-time consultant. My contract grew as the M3 business grew to the point in 2015 when I came on board full-time. I said goodbye to my consulting clients and dedicated myself full-time to helping M3 grow.

What makes you effective in your current role?

I believe what I bring into this firm is a different industry experience. Our Leadership at M3 mostly comes from the hospitality space (we provide software solutions to the hospitality industry).

My experience in consumer products, engineering, IT, and consulting (I did all kinds of things from hair salons to doggie daycare to McKesson) provided me with a lot of unique perspectives that have helped me be successful in my role at M3. My diverse background helps me better challenge the status quo and to arrive at creative solutions that reach outside the standard hospitality conventional thinking.

M3 is going through an exciting transition from a hotel company that happens to make software to a software development company that focuses on hospitality. I would like to believe that I have helped to shift that mindset.

Also, I genuinely feel like I've made a difference when I can positively impact a person's work life. So I think people can tell that I care – they can come to me and I'll see what I can do to help them if nothing more than listening or more concrete action if it's possible. Each employee is essential to me as an individual and as part of a team. As we grow, we don't want to lose our customer-centric focus, and we don't want to lose our family feeling; hotels have a friendly family feel with their staff. There are some aspects that we want to keep and weaving those into an IT company sometimes can be a challenge.

How would you describe the culture at M3?

We are a friendly, family focused organization that tries very hard to maintain a culture where the employees do feel that family feeling and where that translates into our customers feeling like they are a part of our extended family. Our strong culture at M3 Accounting can be seen by the fact that we have a 98% customer satisfaction and 95% employee retention rate.

Additionally, M3 is an employee-owned company, employees have stock they earn it through tenure and position, we have 30 or 40 employee shareholders, and that is also a differentiator. It is all based on your tenure and your level in the company as to how the details of the program play out.



What can HR do to influence the company culture?

When I came to M3, they already had a friendly and family-based culture - that isn't anything I take any credit for at all. M3 has a history of taking good care of their employees.

When we introduced an actual HR function, we were able to broaden that. We began to show that it is not always what you give employees in comp and benefits, but it is also making sure that their work is impressive, they are getting good feedback, and they feel like they are part of something important.

For example, yesterday, we had a donut and coffee truck stop over. While it was a small gesture, it helped make people feel valued and show that we care. I think that HR needs to convey that message (we care) every day and help employees feel it and help managers live it. We want to be sure that all of our managers are perpetuating that idea.

I am not a fan of things like an employee of the month. I don't think that motivates a workforce like this. Instead, we do things that positively reinforce our employees continually. For example, our Tampa office came up with the idea of awarding lightning bolts (in tribute to their local sports team) to employees when they do something cool.

Another example, our employee recognition program is built on awarding points or money to our company store so that people can buy something that they want. I bought a pair of Oakley sunglasses with the points I had gotten. Employees can use the company store or our Lands End Business apparel store to pick out their rewards. This program has been well received.

We are doing small things all the time. Our employee engagement ambassador is continuously on the lookout for ideas; for instance, if someone is having a hard day, she will bring a cupcake. It's just little things like that we do all the time. Several weeks ago, we launched a new product initiative we had a celebration - a cake and everyone who participated in it got a t-shirt.



What are you most proud of in the area of human resources, and what can other companies learn from your experiences?

What I hear from employees is that they have never worked with an HR department like M3. What differentiates us is that we all make time for employees, and when we say open door, it is an open door; anyone can come in and talk with me anytime they need to.

We give excellent customer service to our employees. We are not hung up on policy, admin, or forms. We focus on the solution first and take care of the administration second. I believe people find us to be very responsive and caring. We know we must have compliance, but I see rules as guidelines. That is weird for an HR person since we are generally viewed as the compliance police. I like to focus on the philosophy behind the rule. There is a human being behind the implementation of that rule, so of course we make sure we are complying and being fair, doing all the things we need to do to protect the company, but in the end, we want to help the person.



What are the current areas of strategic HR focus within M3?

In my case, we are getting ready to hire a technical recruiter. We have never had a fulltime dedicated corporate recruiter before. We are planning to wrap our arms around the whole recruiting process to save our managers time by removing the recruiting burden off them so they can focus on what they were hired to do.

Also, it will help us make sure that the candidate experience is excellent – whether they receive a job offer or not. We want candidates to walk away, saying that M3 Accounting treated them with respect and professionalism.

What are some of the more significant trends you see in HR that are impacting M3?

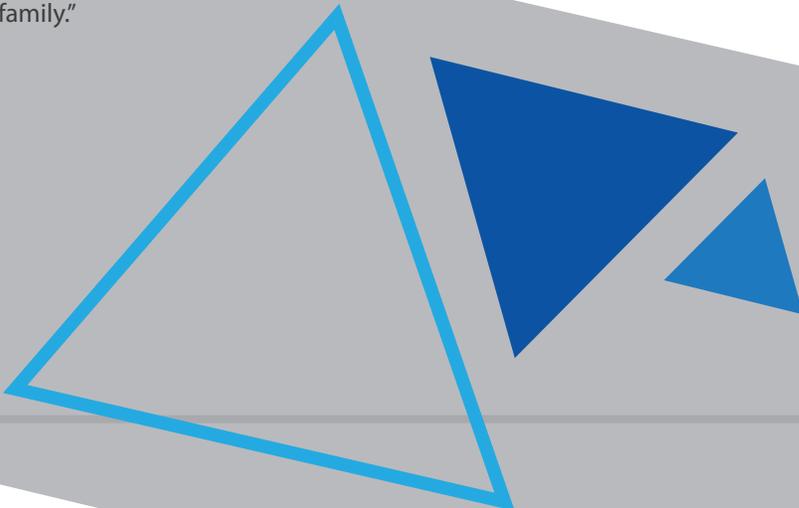
We are going to have to be more intentional with our recruiting process. Finding great candidates can be challenging in a full employment market. That said, we are not going to compromise on hiring standards. We will drive to find the right people.

Employee retention is also something that we are closely watching. I wouldn't say we have a problem now, but I don't want it to turn into a problem. We will continue to focus highly on employee engagement and making sure people have lots of reasons and bonds that make them want to stay here.

Once a year, before our budgeting cycle, we do a complete study on salary market data. We will then make adjustments to any salary ranges that are needed. Anytime we are hiring or have a new position and feel we are being turned down; we will go back and run more reports to see if something has changed.

We also have our fantastic benefits package that not too many can duplicate mainly with a company our size, and we are going to maintain that. It's a philosophy thing – while there are probably some employees who would instead be paid more and have fewer benefits, we want to offer excellent benefits, and most people seem to appreciate it, so we are going to continue doing that. We have been hiring more people who are just starting in their career, but we also have excellent retention, so we have a lot of people who have gone further along in life and dealt with all the things that happen as you age.

I believe that this younger generation craves some stability because of what they have seen in their parents' lives - I think some of them have heard the debates about healthcare. I find that a lot of the younger people like what we have to offer. They still may feel invincible and may not see the full value, but they are seeking stability, and that's part of it. When I changed careers from teaching I didn't know what was next - I couldn't afford COBRA, and there was no exchange so I went to a private broker and bought just a gap policy that would take care of cancer or the car accident and nothing else and that was fine. It does make you stop and think about the "what ifs and how to protect yourself and your family."



What's most interesting about you that's not on your resume?

I was a band director and a choir teacher for 12 years.

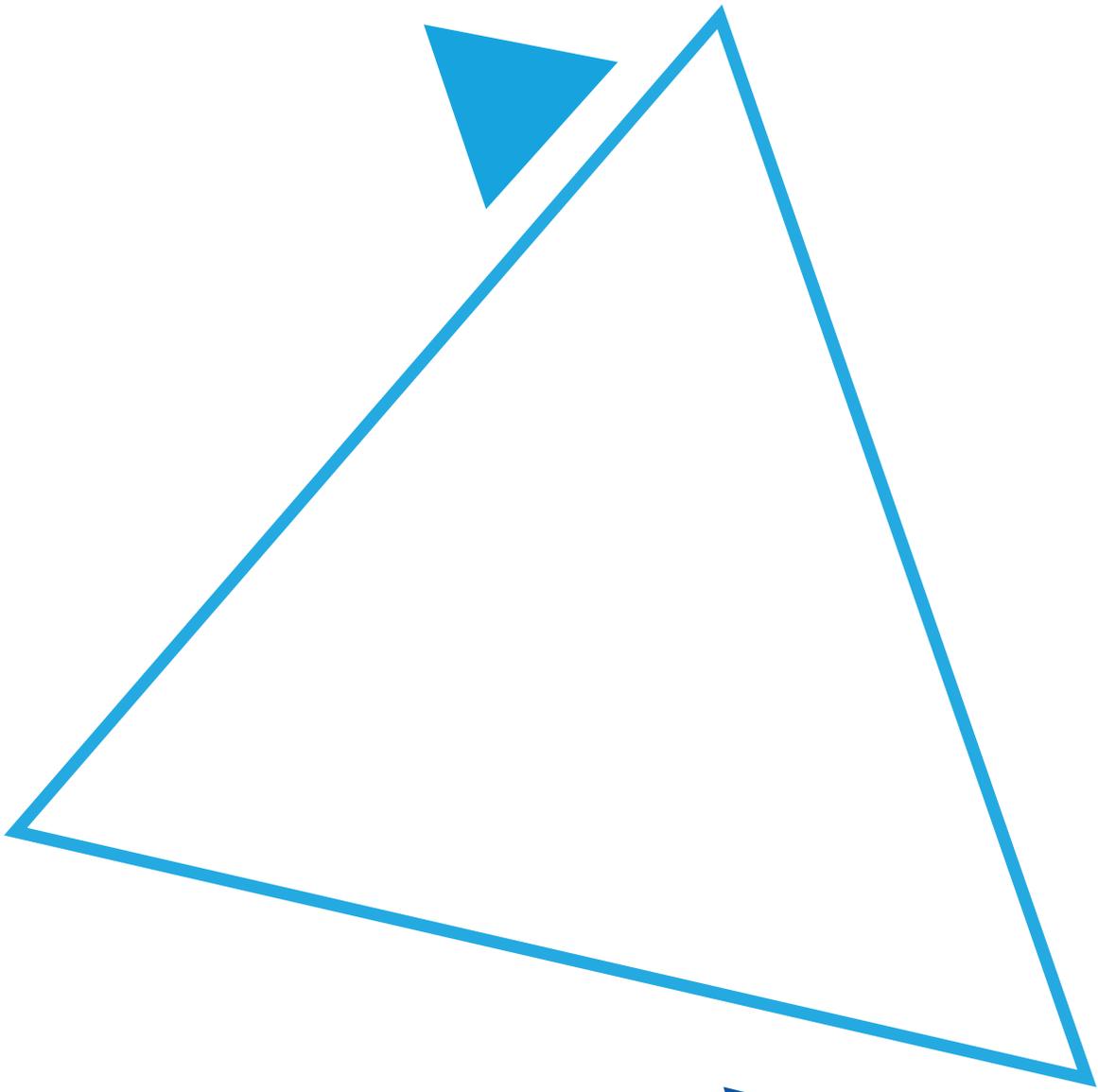
What book would you recommend to other HR professionals? Why?

I read a lot. Every time I read a management or a communication book, I find that I get one little nugget out of it. I don't necessarily want to take the whole book and have that be my new way of managing, "but I think there are a lot of good books. There is one I use for training, it's by Bob Nelson- "Please Don't Just Do What I Tell You! Do What Needs to Be Done: Every Employee's Guide to Making Work More Rewarding." I reference Bob Nelson's book when training my interns or entry-level onboarding employees. I have given Bob Nelson's book as a gift to anyone in my personal life when they graduate from high school or college.

The book challenges you to think and learn differently. I saw this in my kids when they are in school. They were told if you do what is in the rubric then you get an A. This process works because it sets up the expectations.

I am not sure it teaches them how to think beyond the lines of that rubric and go outside the lines and say ok what could make this special. I sometimes feel when I see the kids come in here; they want us to tell them what they need to do to be promoted and what I need to do to get a raise. It's not that simple - it is teaching them to look around and do what needs to be done, not just what they are told.

Going back to the rules, we have to ask ourselves why the rule exists. It may not be about the rule, but rather something else.





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