

Contractor Nightmares (and How to Avoid Them)

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The contractor flakes. She wants more money. He fills the water cooler with vodka and sets fire to the copy machine. Okay, that last one is pretty unlikely. But believe us, plenty of serious headaches do occur when a company brings in contractors. So listen to David Bowman, CEO of human resources consulting firm TTG Consultants, when he says: “Do your homework!”

Here are five common contractor nightmares and ways to pre-empt them:

The Disappearing Contractor

Barring, say, kidnapping or homicide, there's no good reason for a contractor to go MIA. But unfortunately, offsite contractors sometimes become uncommunicative, especially when they become overwhelmed by your project. Avoidance is just how some people react to stress. And you don't want to discover the problem on deadline day.

Here's where the homework (i.e., background check) comes in handy. Make sure this hasn't happened with past clients. Don't settle for one or two references. Bowman suggests you speak to five or six former clients. Ask how this person behaved under pressure, and find out what kind of pressure that was. Someone else's high-pressure environment might not be enough for you.

The Greedy Contractor

You hire Joe Contractor to build a software platform for your HR department. Joe completes the project but then says he won't train the staff in how to use the program unless you pay him double the originally agreed-upon sum. In short, he puts the squeeze on you. This sort of behavior would be foolish for any contractor looking to work again, but who knows? Joe might feel slighted by something that happened along the way, or by someone on your staff; or he might feel he got cheated in the first place.

As for you, what can you do? You don't want useless software, so you might begrudgingly pay Joe the extra money, or try to strike a deal. If you're in a real bind, Bowman says, you've got little choice. “You've got to be willing to negotiate,” he says.

That's why the only really intelligent option is to create a protocol for dealing with unforeseen unpleasant situations in the original contract. (As we said earlier, it's worth paying a lawyer to

handle the paperwork.) Yes, yes, you hate envisioning worst-case scenarios in the early stages of a relationship with a contractor who seems like the ideal person to save your bacon. But it sure beats finding yourself with no choice but to give in to a shakedown.

The Culture Vulture Contractor

This isn't the contractor who is obsessed with Puccini. No, this is the individual who poisons your culture, often by unprofessionally interacting with full-time employees or behaving in a way that's disruptive.

"Any time you bring in new people, the culture is going to morph a bit," Bowman says. "Hopefully it reverses itself, but if it doesn't, you've got to address that negativity before it turns into an even bigger problem."

The strategy, he says, is to immediately talk to the contractor and discuss what changes can be made before the atmosphere worsens. If you discover that the problems stem from one particular person, the solution is simple: Fire that person, and move on.

The Blabbermouth

Most employment contracts have nondisclosure agreements, or NDAs. In theory, they contain unambiguous language that outlines what an individual is and is not allowed to share with competitors, the media, or, for that matter, anyone. But often NDAs can be subject to interpretation and, more important, can be difficult to enforce. Even if they're not, few companies would take legal action against a contractor unless that person leaked information that seriously damages the company.

When problems arise, Bowman says, it's usually not because of the moral turpitude of the contractor. Instead, it tends to happen because management isn't clear enough about what information is sensitive and how it should be handled. Here, too, the key is to very clearly spell out the responsibilities regarding company information so that there's no question about what's inappropriate. Consult a lawyer about the NDA's language, but also discuss the issue carefully with your prospective contractor.

The Laggard

Everyone fears this type: the contractor who repeatedly asks for deadline extensions even though the project's requirements haven't changed. Bowman's solution: Create benchmarks so you can evaluate progress along the way, avoiding any shock when the due date comes around. "You want to be able to sit down with the contractor at various points and ask, 'How are we doing in comparison to our plan?'" Bowman says. If a contractor is creating a 200-page report on the competitive landscape, for example, you could require an executive summary the first week, the first 50 pages two weeks into the project and so on. If the contractor fails to meet early deadlines, address the problem then: If your expectations were unreasonable, renegotiate the timeline. If not, hire someone else.
