**Issue and Situation**

1) How can the Kingston Rocket further improve and develop its Human Resources department, to improve its overall competitiveness, ongoing expansion, and quality of services?

HR is an issue both Darren and Bill are genuinely concerned about, because of its necessity in the sustainability and enduring growth of a startup. The Rocket Network, as it continues to expand, will need qualified, diligent and enthusiastic people – who also believe in the company’s mission and vision – to upkeep the increasing workload and overarching requirements to constantly expand and improve. Currently, the Rocket Network has hired two managers in London’s Western University and uses the assistance of several first year students for marketing purposes (e.g. marketing ticket sales through posters, brochures and flyers all across campus, social media management, etc.). The issue is that the founders currently do not have the time, experience, or expertise to conduct a full recruiting process, and they are also facing a deficit in human capital to upkeep with the Rocket’s desired growth trajectory. If this issue is solved, and an effective HR policy is implemented, the Rocket could very well be on its way to a successful, sustainable, and fast-growth future, resulting in increased profitability.

**Analysis**

There are many issues that need to be analyzed quite closely before continuing to advise Darren and Bill on what actions should be taken regarding this HR problem. Both of the founders have mentioned in our multiple conversations with them, that their desire is to start operating the Kingston Rocket almost every weekend in the 2013-2014 academic year. In order to do this, of course, it is certain that they will need a full-time staff (keeping in mind that Darren and Bill are full-time university students). One of the key barriers that is stopping both of them from making these hires is the lack of financial backing they have for their business. Further, the company only has a 10% profit margin, making it even more difficult for them to pay a full-time staff member (the profits mostly get used up in marketing and other miscellaneous activities required to operate a startup).

To promote ticket sales on campus, the founders have been utilizing the services of first year students and fellow peers (some of them volunteering their time to help Darren and Bill out of friendly kindness). Again, the founders need to resort to their personal network of help due to the lack of financial capital available, but in order to conduct an effective and measurable marketing campaign, a different methodology must be pursued. Furthermore, considering that both the founders are still in their early stages of learning about business operations, the lacking professional expertise and advice is a huge obstacle that most likely keeps them from implementing an effective HR strategy. An option would be to hire one marketing professional, or add an advisory board to the governance of the company. The Kingston Rocket, for example, can hire someone with experience, especially considering that it’s a start-up company. You want someone who knows what he or she is doing to market the business and make it noticeable to potential customers and clients. Hiring someone with experience means they have been around the block a few times and probably knows what works and what doesn't with regards to marketing. In addition, someone who has worked with several companies may be able to bring fresh ideas to the Rocket.

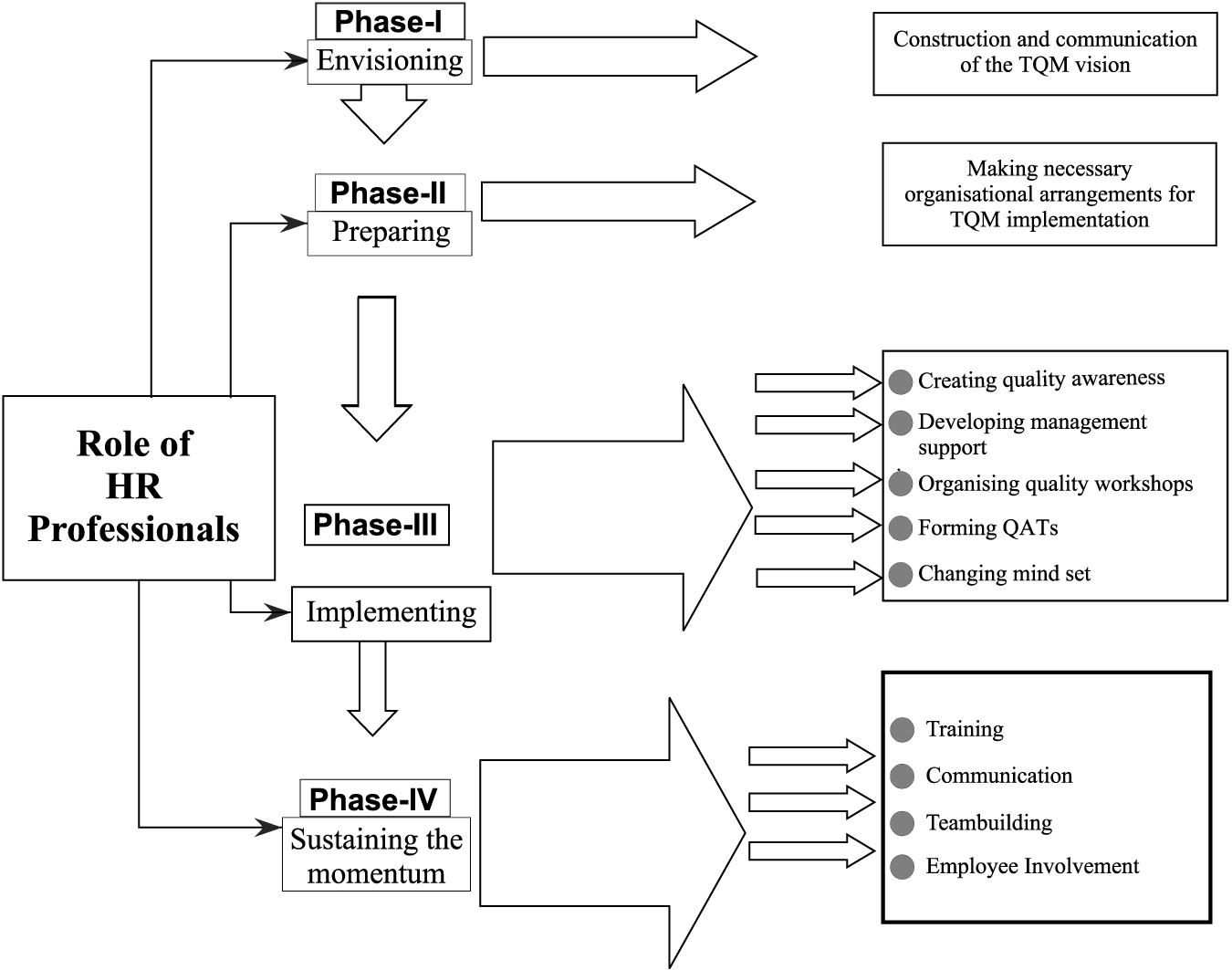
Furthermore, considering that the Rocket is expanding to different universities, there needs to be some sort of uniformity (i.e. Total Quality Management), a task that is difficult for the founders to do at the moment. If the company fails to execute an effective HR policy, it may suffer quality control across its operations in different locations due to the lack of personnel overseeing those operations. Both founders, for example, should personally meet the currently hired managers at the different locations. Darren, however, has not met either of the two managers at Western University because of various time constraints and school-related academic and extra-curricular activities. But these kinds of things can serve as a barrier to TQM. So just what is Total Quality Management (TQM)? TQM is an approach that seeks to improve quality and performance, which will meet or exceed customer expectations. This can be achieved by integrating all quality-related functions and processes throughout the company. TQM looks at the overall quality measures used by a company including managing quality design and development, quality control and maintenance, quality improvement, and quality assurance. TQM takes into account all quality measures taken at all levels and involving all company employees. An effective HR policy helps make TQM possible, and prevents differing quality of services across varying locations.

**Recommendation and Implementation**

For new ventures, like the Kingston Rocket, a little preparation can mean the difference between creating a culture of success, or becoming completely bogged down by people problems at a time when you can least afford to make mistakes.

In order to improve and develop its Human Resources Department to advance its overall competitiveness, ongoing expansion, and quality of services, one of the first things the Kingston Rocket needs to do is approach investors for funding. Funding is the oxygen for most startup companies[[1]](#footnote-1). And in the case of the Kingston Rocket, it will certainly help them to expand in more geographical locations, and afford decently qualified HR and marketing managers who can help with these important aspects of the business. A marketing professional, as explained above will be critical to make the business known to potential customers and clients.

Hiring an HR manager will be especially critical. In many ways, the HR manager will be the most trusted advisor in the company. He or she will have to build strong relationships throughout the organization, so it's critical that they have demonstrated this in their past roles. The potential hire must also have strong ethics and integrity, while maintaining excellent knowledge of employment legislation. These competencies are fundamental requirements of the role, and can be tested by reviewing social networking websites, conducting case interviews and enlisting the help of external recruitment services. Furthermore, a HR manager will play a critical role in TQM since this manager’s responsibility includes assuring the construction and communication of the TQM vision across all locational operations. The different phases[[2]](#footnote-2) (seen in the diagram below) are pertinent to the future development and growth of the Kingston Rocket.



Recruiting and assembling an Advisory Board is also critical, especially considering that the Kingston Rocket is at a stage where it needs help to expand, while trying to improve its competitiveness, increase the quality of its services, and improve its profit margin. This can all take some serious advice from experienced individuals. Advisory board members can include professors, past professional mentors with experience, mutual connections, and experienced peers. Considering that advisors devote interest and time to the wellbeing of the business, their incentives and compensations methods should also be overviewed.

**Intrinsic benefits** for the Advisory Board members might include:

* Extending their circle of contacts and perhaps developing new business
* Getting new perspectives and ideas
* Contributing to the development of a particular profession or industry
* Discovering new potential customers or allies
* Personal satisfaction of helping to steer a company to success Prestige or resume building

**Compensation** for the advisors might take the form of:

* Providing food and drink during and before or after an advisory board meeting (lunch or dinner)
* Covering expenses
* Cash – an honorarium or a fee paid per meeting
* Stock options

1. http://www.paulgraham.com/startupfunding.html [↑](#footnote-ref-1)
2. http://www.emeraldinsight.com/journals.htm?articleid=1515089&show=html [↑](#footnote-ref-2)