



Head of the Class

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At the headquarters of Postcard Mania, a Clearwater, Fla.-based direct mail marketing company, classes are always in session. A few times a week, employees become students for a couple of hours in a conference room turned classroom otherwise known as PCMU (Postcard Mania University). Employees study everything from the basics of marketing and management to nuances of sales and customer service.

"The staff like it because they know this is a company that cares about them and their improvement," founder and CEO Joy Gendusa says. "They're able to take their success in the classroom and apply it to their work environment--and it makes employees more valuable to me because we're all on the same page."

Like most small business owners, Gendusa dedicates a good portion of her budget to hiring and retaining top-notch employees. Creating an ongoing employee training and education program has paid off in high morale and low turnover.

"When we started out, the training was optional, but now it's part of becoming a fully vested staff member," she says. "When new people come on board, they take basic courses on how the organization works and how they fit in." After that, employees can choose to sign up for more courses--and they often do because "the more classes you take, the better your chances of getting raises," Gendusa says.

Not only does Postcard Mania reap the benefits of better-trained, more confident employees, the company is also able to cover half of its in-house training costs with a federal grant. And while Gendusa pays payroll taxes for the outside trainers she brings in and the employees she trains on the clock, she is able to deduct that expense from her taxes, along with the cost of educational materials.

Educational expenses paid on behalf of or reimbursed to an employee can be deducted if the expenses are necessary to maintain or improve the worker's skills for the business. Small businesses can also receive a tax deduction for educational assistance programs (reimbursing employees for tuition to go back to school). However, those deductions are limited to a maximum of \$5,250 per employee per year, since the program may not be directly related to the employee's job duties.

But the advantages of creating an ongoing employee training and/or education program in your business extend well beyond the tax benefits.

"In this economy, small business owners are trying to do more with less," says Rob Wilson, president of Employco, a professional employer organization that provides human

resource help to small businesses. "Cross-training and developing the skills of your employees are vital."

It's a worthy investment, Wilson says, because the more your employees know, the better equipped they will be to solve problems, satisfy customers and help your company grow through the tough times. At her business, Gendusa sees this firsthand. "When they're able to make decisions for the good of the group and the good of the company, it gives them confidence and makes them feel more valuable," she says.

Training on a Dime

Don't have a large budget allotted for employee training and education? You don't have to spend a fortune to help employees develop their skills. Here are a few inexpensive ways to get started:

Use performance evaluations. Before spending a chunk of your budget on bringing in a trainer or sending an employee to an out-of-state conference, take a look at previous evaluations to identify the strengths and weaknesses of your staff and determine the best way to spend your training dollars.

Talk to your staff. Ask employees to share their goals. How would they like to grow their careers and advance in the company? Once you know where they want to grow, you can look for opportunities to give them on-the-job experience.

Go online. Save money on gas and time away from the office by looking for ways to train employees online. Turn to the Internet for a wealth of tutorials, podcasts and Webinars--many of which are free.

Look for partnerships. Link up with professional associations or community groups and encourage employees to take advantage of the seminars, training tools and networking meetings these groups provide. See if your local community college will partner with you to teach some courses for employees in exchange for helping them earn college credit.