

NEW closing doors



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NEW Corp. announced it will close its Hays facility March 31.

Company has nearly 280 employees

By GAYLE WEBER
gweber@dailynews.net

NEW Corp. will close its Hays facility March 31, citing a lack of available workers in the area.

The decision was announced Tuesday afternoon to the call center's approximately 280 employees, many of whom are expected to be eligible for the company's work-from-home program.

NEW Corp. is the fifth-largest employer in Ellis County and received a significant incentive package from the city of Hays, Ellis County and private investors when it opened its doors in 2004.

"This was a tough decision since we have been a part of this community for seven years," Terri Feely, senior vice president of human resources for NEW, said in a press release. "Our goal was to staff and maintain 450 customer care representatives within this center, but due to challenges in the local market related to competition for available talent and below average unemployment rates, we have found it increasingly more difficult to keep the center operating at capacity."

The Hays facility is the only one of NEW's 10 facilities scheduled to close. NEW does customer service work for several companies,

"It was an extremely difficult, thoughtful decision. We certainly considered our employees first. We considered our clients. We considered everything."

Terri Feely
senior vice president of human resources at NEW

including DirecTV and Sam's Club in the past.

Ellis County's unemployment rate was 2.9 percent in December. The threshold for full employment is 4 percent, according to the Kansas Department of Commerce. Unemployment also was low when NEW decided to open the Hays facility. At its announcement in July 2004, unemployment was at 2.4 percent in the county.

The decision to close was not a long process, Feely said. The center never topped its goal of having 450 employees, and the company decided it no longer could sustain centers below full capacity.

"It was an extremely difficult, thoughtful decision," Feely said. "We certainly considered our employees first. We considered our clients. We considered everything."

Aaron White, executive director of the Ellis County Coalition for Economic Development, said call centers typically have a higher stress

level among employees than other types of work. Turnover rates also tend to be higher industry-wide.

Though he was unsure Tuesday afternoon about all of the details associated with the closure, he was surprised by the announcement, receiving no advanced warning.

"It's unfortunate that they didn't reach out to the coalition or KansasWorks ... in assisting them with finding employees," White said.

NEW opened in 2004 in the Commerce Parkway facility formerly occupied by Sykes Enterprises, also a call center. Sykes pulled out of Hays in 2004, citing changing market conditions and client needs.

The news of the closure was a little surprising to Kyle Zerr, a Fort Hays State University sophomore from Stockton who worked at NEW full-time in the summer and part-time during the school year.

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NEW, FROM A1

"There has been a little conversation about some of the changes that have been made recently to the program I work in — trying to cut costs," Zerr said. "It was a little surprising, but something that wasn't out of the picture."

Severance packages, the opportunity to work from home or relocation to another call center will be made available to employees who qualify. It is estimated about two-thirds of the workforce will qualify to work from home. NEW already has more than 1,000 customer care representatives working from home in 40 states, ac-

ording to a statement from the company.

"It's kind of nice that they gave us two months notice about this, so we at least have some time to know what we're going to do after this," Zerr said.

Feely said NEW exhausted its recruiting methods, including partnering with FHSU, conducting job fairs and advertising online, in newspapers and on TV.

"I feel like we've reached out as far as we possibly could and we still struggled for the talent," Feely said.

Mayor Barb Wasinger said from a business perspective, she can't blame NEW for the

decision to close the Hays facility.

"It just doesn't make financial sense to continue to lose money," Wasinger said.

She said she's glad the company made the decision now, instead of waiting a year and possibly not being able to provide the severance package and opportunity to work at home to employees.

"I'm glad they're able to do what's right, go about it in a good neighbor fashion because they have been good neighbors and active in our community," Wasinger said.

Hays City Manager Toby Dougherty said he has heard other local companies ex-

press concerns about the low unemployment rate in Ellis County and lack of available manpower.

"High unemployment is a problem, but low unemployment is a problem on its own," Dougherty said.

Dougherty and Wasinger agreed the low unemployment rate is something the city, in cooperation with the county and the economic development coalition will have to address in the future.

NEW leases its 42,700-square-foot building from Heart of America Development Corp., a local nonprofit group that purchased the building after

Sykes left Hays. The lease runs through 2014, and NEW is willing to sub-lease the space. Incentives from the city of Hays, Ellis County and private investors helped lure NEW to Hays. The city provided \$100,000 to Heart of America, viewed at the time as a job-creation incentive, and granted a real estate and personal property tax exemption to Heart of America. Private investors put up another \$100,000, while Ellis County contributed \$50,000. The state of Kansas provided \$150,000 from the Kansas Economic Opportunity Initiatives Fund, as well as a low-interest loan.

THE HAYS DAILY NEWS

VOICE OF THE HIGH PLAINS

THURSDAY, FEB. 2, 2012

NEW working to help employees

By GAYLE WEBER
gweber@dailynews.net

Nearly 280 individuals will be without a job at the end of March following NEW Customer Service Companies' announcement Tuesday it will shutter its Hays facility.

However, the company is giving employees options — take a severance package, relocate to another NEW facility or work from home.

Terri Feely, senior vice president of human resources for NEW, said the severance package is generous and opportunities are available at NEW's nine other locations for those still hoping to work in the brick-and-mortar business. However,

NEW employees can work from home if they meet certain performance standards.

"In addition to that, the employee has to have the capacity to maintain what we call a distraction-free environment," said Dave Marks, senior manager of human resource communication.

A workspace with a computer, phone and Internet connection is the physical requirement. Employees would be afforded the opportunity to work the same shift they do at the facility.

Deb Scheibler, operations manager for Kansas Workforce One, which oversees all workforce centers in western Kansas, said she has been in contact

with NEW since the announcement Tuesday.

"They reassured me that most, if not all, will be offered opportunities to work at home," Scheibler said.

The state assisted with the closing of a sister contact center, Assurion, in July in Salina. Scheibler said 95 percent of the employees there chose the work-at-home option that was provided.

"She's assured me that when they do the work to determine who's going to accept those opportunities, they'll call us out to offer a response," Scheibler said of NEW management.

SEE NEW, A6

STEWARD: MONEY MOVE RIGHT AT TIME

By GAYLE WEBER
gweber@dailynews.net

The city of Hays and Ellis County doled out a combined \$150,000 when NEW Customer Service Companies expressed interest in Hays in 2004.

City commissioner Kent Steward, who was on the commission then and now, said he's not a big fan of using taxpayer money to lure businesses to the community, but it seemed right at the time.

"It was healthy for our community when we had just lost a business to be able to get a new one in so quickly," he said.



Steward

Now, more than seven years later, NEW has announced it will close its facility March 31, putting approximately 280 individuals out of work unless they choose to work from home for the company.

Steward said the city's investment likely has paid dividends for the community.

SEE MONEY, A6

MONEY, FROM A1

"When you figure how many hundreds of people have collected paychecks for eight years, I would suspect that that alone would make it worth it," Steward said.

However, it's more than just about the dollars in assessing NEW's worth to the community, Steward said.

Sykes Enterprises, an outbound call center, closed in June 2004. NEW, an inbound call center, opened in the same facility just four months later.

NEW cited a lack of

available workforce and an economy that never gained steam as reasons for shutting the doors.

Steward said the closing announcement by NEW immediately made him think of the Wichita Boeing plant's closing announcement just after the first of the year.

But this one is starkly different.

"In the case of NEW, I hate to see them leave, but I think they've been a great part of our community ... provided a lot employment,

"When you figure how many hundreds of people have collected paychecks for eight years, I would suspect that that alone would make it worth it."

Kent Steward
Hays city commissioner

provided a lot of jobs for our students at Fort Hays State," said Steward, who also serves as director of University Relations at FHSU.

NEW has been supportive of community events throughout its time in Hays,

including as a sponsor of tonight's Hays Area Chamber of Commerce annual banquet.

Though the city provided \$100,000 to Heart of America Development Corp. to help create the jobs as-

sociated with NEW, Steward said the city has determined it has no obligation, although NEW has not fulfilled the 10-year lease it signed with Heart of America for the building.

Heart of America, a local nonprofit group, owns the building but had not spoken with NEW officials as of Wednesday afternoon. Mark McCullick, acting president of the group, said Heart of America's board of directors would meet soon to talk about the situation.

NEW, FROM A1

Scheibler said she's hopeful the closing won't affect a large number of employees.

Resources are available for employees through Kansas-Works workforce centers. One

is located at 332 E. Eighth in Hays. Training, education and other job opportunity resources are available at the centers.

Aaron White, executive

director of the Ellis County Coalition for Economic Development, said his office already was planning a job fair for April 18 that could assist NEW employees if they

are looking for a job in the area at that point.

Feely said employees were the first consideration in the decision process.

"We have great employees

in our center. Of the employees that we have, I think we have the most talented people out there," Feely said. "I think there's just not enough of them."

THE HAYS DAILY NEWS

VOICE OF THE HIGH PLAINS

SUNDAY, FEB. 5, 2012

NEW closure shows weaknesses

By GAYLE WEBER
gweber@dailynews.net

Hays needs a new approach to business recruitment and development, according to Hays City Commissioner Henry Schwaller IV.

Disappointed about the way NEW Customer Service Companies announced its departure from the city this week and the way it handled the last few months leading up to its decision, Schwaller said NEW never was meant to stay.

A call center can be outsourced at any time, he said, but a company making high-tech devices can't. And that's going to be his push for the future of Hays and Ellis County.

"As a community, we need to be more serious and more thoughtful about where we want our economy to go," Schwaller said.

Using resources such as graduating students from Fort Hays

State University in business and technology fields to grow a business could be one place to look.

"Recruiting another call center or light manufacturing firm do not play for us," Schwaller said. "We don't have the resources to provide the economic incentives, more tax abatements. ... That's not what we're here for."

Schwaller said the community has a unique opportunity to

use the skill sets students develop in various areas of study at FHSU, where Schwaller teaches classes in the Department of Management and Marketing. And he believes the city's focus is more advanced than it was when the city offered incentives to bring NEW to town in 2004.

"I'm very glad that NEW came here. They did employ people and were part of the community," Schwaller said.

SEE CLOSURE, A2



Schwaller

CLOSURE, FROM A1

However, Schwaller said he was disappointed in the way the company handled its final few months, not reaching out to local and state employment and economic development groups to help meet its need for employees.

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Steps to alleviate Ellis County's employment woes already were under way at the Ellis County Coalition for Economic Development before NEW Customer Service Companies announced it was closing this week.

Citing a small labor pool, NEW announced it would close its Hays facility March 31, putting approximately 280 people out of work, though options have been made available for employees to stay with the company.

Aaron White, executive director of the coalition, said the Docking Institute at FHSU is conducting a labor basin study for a nine-county area surrounding Ellis County. The study will assess the available labor pool, identifying the underemployed and individuals who have left the workforce but are looking to return to work.

The study will help the county identify individuals who can move up to higher paying or more skilled positions or re-enter the workforce at an appropriate level.

"We can help a company formulate some recruitment strategies to reach out to those demographics," White said.

Ellis County's unemployment rate was 2.9 percent in December, with 555 people identified as actively look-

ing for work, according to the Kansas Department of Labor.

White said he will be working with companies interested in locating in Hays to address needs and concerns within the local economy.

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White also hopes to take advantage of neighboring counties' designations as rural opportunity zones, an incentive program offered by the state to encourage people to move to rural areas. Income tax waivers and student loan repayments are available through the program. Although Ellis County does not qualify as a ROZ, all other counties in northwest Kansas do qualify, with only Sheridan and Osborne counties not participating in the student loan repayment aspect of the program.

"The counties surrounding Ellis County are certainly within our commuting demographics," White said.

He said the ROZ program could help boost Ellis County's available labor pool.

"We're looking at regional opportunities to promote western Kansas as a great place to live," White said.

Housing also is an issue that coincides with employment in Ellis County, and the coalition is working with local real estate agents to address gaps in the housing market, identified by companies as a lack of wage-appropriate housing.

"If we can alleviate any housing issue, it assists in the ability to recruit new folks into this area," White said.