

Know the person behind the CV and the partner pitch

Businesses can't afford bad hires or dubious business partners, so why are they still happening?

A key new hire or business partner can have a significant impact on a company – for better or worse. Knowing the facts behind the polished CV or perfect partner pitch should be a non-negotiable, says Sameer Kumandan, Managing Director of [SearchWorks](#), an innovative data platform that allows users to conduct live, accurate searches on individuals and companies and in-depth KYC checks online.

It's an all too common but avoidable scenario: A company decides to recruit for a crucial management position, or an entrepreneur seeks out a business partner, hoping new skills will foster much-needed growth. The process involves advertising the role, networking, sifting through dozens of CVs, identifying suitable candidates, carrying out interviews, and finally, signing on the dotted line. However, it soon becomes clear there is a problem. Some consistent patterns emerge: Poor financial decisions, missed deadlines, clashes with staff, complaints from customers, or worse, signs of unethical behaviour or illegal activities.

“In such cases, hiring managers and CEOs might ask themselves what red flags might've been missed or ignored. Often though, due diligence processes were either rushed or not followed closely enough. Much like interviewing a job candidate, a potential business partner's background should be thoroughly vetted for long-term compatibility. In the same way a good hire can support and elevate a business, a bad business partner can stymie growth, create internal chaos, and sink a new venture from the start,” explains Kumandan.

Finding and managing talent for an organisation is time and resource-intensive. “Making a poor decision can become an extremely costly mistake. Everything from the revenue a company may lose when an unsuitable individual interacts with customers to the financial and reputational losses from theft and fraud. The costs of a bad decision don't end there though. There's the expense and hassle a company faces when an organisation has no choice but to sever ties with the wrong partner or hire.” says Kumandan.

The risks of not carrying out due diligence can have massive consequences for organisations, irrespective of size. In 2017, KPMG South Africa was [implicated](#) in a scandal involving its audits of Gupta family businesses and work for the South African Revenue Service (SARS). The firm was accused of facilitating tax evasion and corruption by the Gupta family. KPMG's admission that it failed to apply sufficient professional scepticism in

its dealings with the Gupta family-owned businesses resulted in the loss of several major clients, senior executive resignations, and severe reputational damage.

But how does an organisation screen the integrity and reliability of potential partners, clients, and employees? And how in-depth should this kind of screening be? Kumandan says failing to properly vet potential hires and business partners is simply a risk not worth taking. "The more senior the position of a potential candidate, and the more finances are involved in a partnership, the higher the stakes become," he says. According to a Harvard Business Review [study](#), 80% of employee turnover results from bad hiring decisions, which not only carry costs for recruitment and training but also disrupt operational efficiency and team morale.

Tools for due diligence

Social media searches

An individual's social media activity can provide valuable insights into their overall character and behaviour. "While it's crucial to check for obvious red flags such as hate speech, unprofessional conduct, or controversial opinions that could harm your business's reputation, a cursory glance at an individual's public profiles might not be enough," notes Kumandan.

PEP (Politically Exposed Persons) and sanctions checks

Identifying a Politically Exposed Person (PEP) helps mitigate the risk of inadvertently engaging in corruption, money laundering, or other fraudulent activities. Sanctions screening can safeguard a business by preventing any association with entities or individuals under sanctions, reducing legal and reputational risks, as well as the possibility of substantial fines.

Judgments and legal history

"While it's important for employers to consider the context and relevance of an individual's legal history to the job role, certain kinds of legal trouble, especially those involving fraud, theft, or dishonesty, should raise concerns about a candidate's trustworthiness," says Kumandan.

Qualification checks

According to a survey from [CareerBuilder, 75% of HR managers](#) confirmed that they've caught wind of a CV lie. Verifying educational and professional qualifications is a must to ensure candidates have the expertise, skills, and knowledge required for the job. A notable

example of the consequences of an organisation is the case of Hlaudi Motsoeneng, a former executive at the South African Broadcasting Corporation (SABC) who faced significant public scrutiny due to falsified qualifications, leading to operational disruptions and legal challenges for the SABC.

“Fortunately, thorough background checks have become much easier, and it’s no longer necessary to manually conduct searches and verify every fact. All it takes to run a reliable background check on any individual while complying with relevant laws and regulations is a few clicks,” says Kumandan.

As South Africa’s leading data aggregation platform, SearchWorks assists businesses in conducting comprehensive and accurate searches on individuals, businesses, trusts, and properties. SearchWorks also provides access to Judgement Data, PEP and sanctions lists, social media analysis, and more, ensuring transparency and informed decision-making. “The beauty of SearchWorks is that it provides hiring and risk and compliance professionals with all the information they require, in one system without the need to sign up with multiple data suppliers,” adds Kumandan.

Due diligence best practice

“The cost and time expended in finding a replacement for a poor hiring decision or business partner can be huge and in a worst-case scenario, damaging to the company. Ultimately, a candidate’s past is your company’s future. Implementing due diligence processes is an investment in making sure that the individuals and partners engaging in your business are exactly who and what they purport to be. At a minimum, they should include ID verification, qualification checks, a credit check and social media screening,” says Kumandan

“The people you hire, partner with, and do business with are a reflection of your organisation. Background checks are simpler than ever and worth the peace of mind that comes with ensuring the people you do business with uphold your values and expectations.”

Ends.