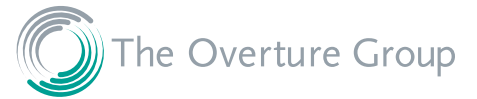
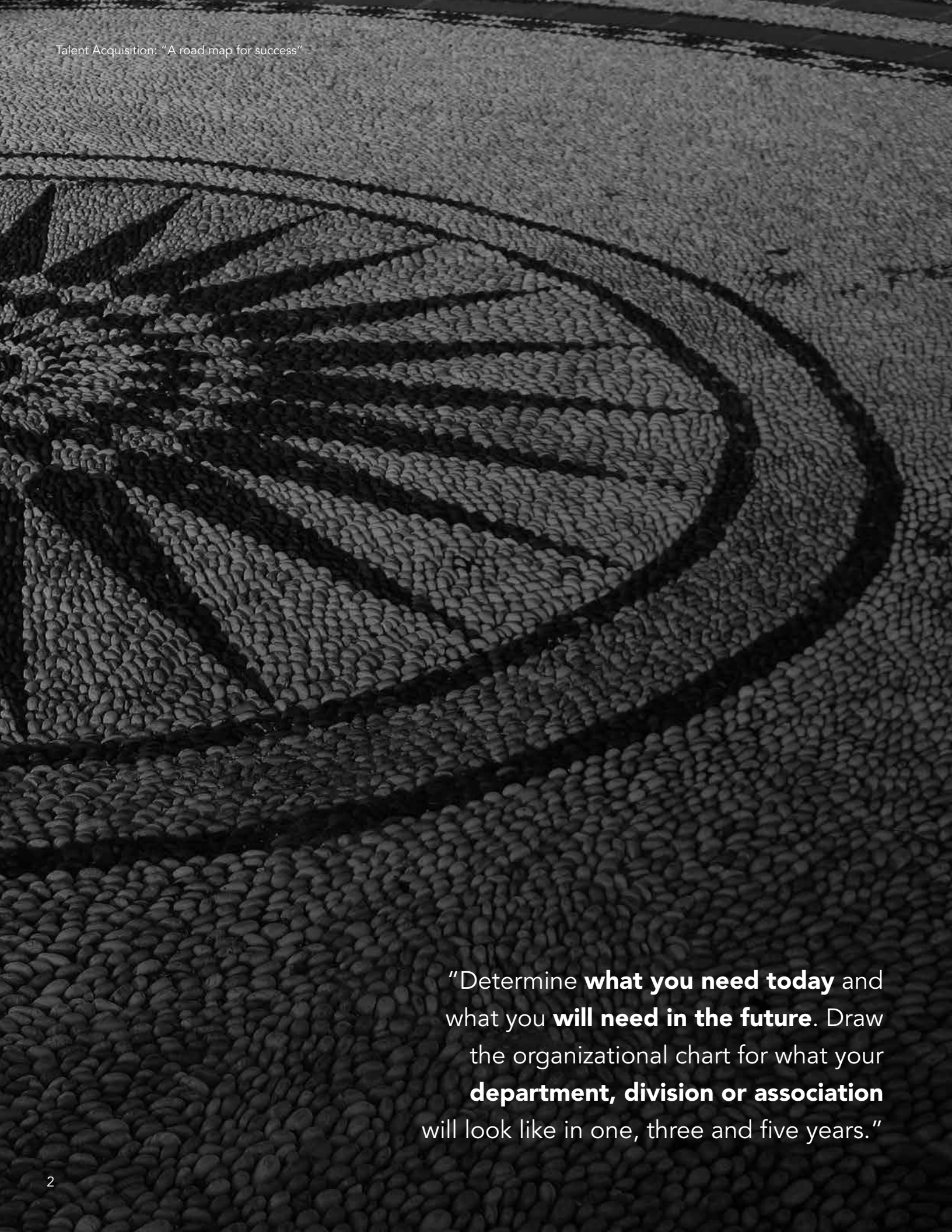


# TALENT ACQUISITION: “A ROAD MAP FOR SUCCESS”

By Brandi Adam Mueller & Bob Lindeman





"Determine **what you need today** and what you **will need in the future**. Draw the organizational chart for what your **department, division or association** will look like in one, three and five years."

If your company wants to attract, recruit and retain key talent, you need to have a well-thought-out approach. With input from our middle market clients, we have developed a road map that outlines the critical steps.

## STEP 1 — UNDERSTAND YOUR NEEDS FOR TODAY AND TOMORROW

Unfortunately, Step 1 is often overlooked. This step goes beyond updating or creating a position description.

**It should include the following:**

1. Determine what you need today and what you will need in the future. Draw the organizational chart for what your department, division or association will look like in one, three and five years. Be sure to factor in how the business or your organization will change and evolve. Some positions will split into two roles or be refined as the organization grows. Think about new locations, products or service lines, retirements, planned mergers or divestures, etc.
2. Define the position specification, which is sometimes referred to as the success profile. These are the skills and competencies required to perform the role successfully today and in the future. This success profile should include management style preferences. These style preferences may take some thoughtful analysis and internal discussions. You should consider assessing the dominant style of your current team and potentially what is lacking. For example, if the dominant style is a driver style, you may want a candidate who is more collaborative in his management style and approach.

## STEP 2 — DEVELOPING YOUR SALES PITCH

A key part of your strategy is to first determine why a candidate will want this position and also why he'll want to work for your company. You need to be able to sell your company and the opportunity. Some companies fall short on this step, not because they do not have a good story to tell, but because they do not develop it. Think it through and consistently tell the story.

**You'll need to be able to answer the following questions:**

1. What is the vision for the company or organization in three, five and ten years? Think in terms of the following: revenues, number of employees, new markets, services or products, profitability. Don't be afraid to talk about the softer matters like cultural change and change management initiatives that the company plans for the future.
2. How does your organization differ from your competitors? What is your competitive advantage? Can you substantiate or quantify this?
3. Is this position newly created or is this revised? If it has been revised, how should the position appeal to the candidate?
4. What is the turnover in your company? Why do people stay? Why do they leave?
5. If this is a privately held company either owned by an individual(s), family or private equity firm, executive and management level candidates will want to know the succession plan or exit strategy. Answers to these questions can convey a big opportunity or raise some questions. (This point will be discussed more in the offer and compensation package.)
6. Do you understand what the market pays for this position? Have you benchmarked the salary, annual incentive and, if appropriate, the long-term incentive and related benefits for this position? If your total compensation package falls below the median you will not be able to attract top talent for this position. If you do attract them, you will run the risk of not retaining them over time.

Understand that to attract key people to interview with your company, as well as get them to accept an offer, the above questions will need to be addressed.

### STEP 3 — DEVELOPING YOUR RECRUITING GAME PLAN FOR SOURCING CANDIDATES

The challenge is finding the right candidates that fit your specifications and success profile. Today there are more sources for candidates than ever due to three factors: **1)** internet resources, **2)** networking events and **3)** groups specializing in professional skills and interests.

**The potential for reaching candidates is unlimited. Sources include:**

- Career and job boards
- Networking groups
- Professional and industry associations
- Alumni associations (business and educational)
- Personal contacts
- Referrals from employees and friends of the company

**"Executive Search Consultants only focus on finding the right talent to fit into your company. They are well trained in determining behavioral traits and seeing what others might not see."**

The use of an Executive Search Consultant is not a negative against your HR department. Reasons companies use outside recruiters can vary between many factors.

**Common factors include:**

1. The criticality of the position or the need for a very thorough sourcing effort from multiple resources. External recruiter networks and resources are often more extensive.
2. The ability for Executive Search Consultants to sell and influence candidates vs. an internal recruiter. Often, candidates ask an Executive Search Consultant questions they would rarely bring up or be afraid to ask an internal recruiter.
3. Executive Search Consultants only focus on finding the right talent to fit into your company. They are well trained in determining behavioral traits and seeing what others might not see.
4. A comprehensive, retained search can take 100-300 hours plus. Executive Search Consultants have significant time available to dedicate to each position.
5. Executive Search Consultant capabilities compliment your HR department. Executive Search Consultants let your HR department focus on their primary duties and responsibilities.
6. Executive Search Consultants are objective and have no bias.

The advantages and disadvantages of using an Executive Search Consultant need to be understood by the organization. The cost of external recruiters can be expensive and needs to be balanced and weighed against the above considerations. Also keep in mind that the turnover cost of a key position is anywhere from 150% to 300% of a person's salary when you factor in the following: lost productivity, internal training and development costs, recruiting costs, employee morale, customers perceptions to the change, etc.

#### STEP 4 — THE INTERNAL INTERVIEWS AND DUE DILIGENCE PROCESS

The HR department or hiring manager/executive should have a well thought process that includes most, if not all, of the following:

- A phased or multiple visit process so that only the most promising candidates are brought back for a 2nd or 3rd round of interviews, testing, etc.
- Internal interviewers trained in asking behavioral event interview questions
- Interviews and meetings with a cross section of people the candidate will be working with
- Psychological and leadership assessment testing to better understand the candidate and their management style
- A thorough background and reference-checking process

**"Asking candidates to develop their thoughts on how they would like to tackle the first three to six months in their role."**

#### THE FOLLOWING STEPS ARE ESSENTIAL FOR EMPLOYERS WHEN HIRING SENIOR LEVEL POSITIONS:

1. A process that allows the more promising candidates to get a better feel for the position, the company, the opportunity and the challenges. This can include, as appropriate, reviewing components of the company's business or strategic plan, reviewing key financial information and other information that may be relevant to the position or decision.
2. Asking candidates to bring past work products. Sometimes this is not necessary, though Executive Search Consultants can request and see this information. (Due to confidentiality reasons, candidates, rightfully so, have a difficult time showing this information to a potential employer.)
3. Asking candidates to develop their thoughts on how they would like to tackle the first three to six months in their role. This can only be done after candidates have been through two rounds of interviews; they need to learn about the organization before developing such a plan.
4. After the hire, provide one-on-one time with the CEO or other C-Level executives to discuss what the new team member has learned, questions he might have, as well as a walkthrough of his thoughts on the first three to six months. Develop a personal on-boarding and business plan.

## STEP 5 — THE OFFER AND EMPLOYMENT AGREEMENT

There are several considerations when it comes to making the offer and the actual offer itself:

1. A candidate's compensation history should have been obtained early in the process, along with desired compensation information. If a candidate works for a competitor you should be aware if he is bound by any employment agreement considerations, such as non-compete, non-solicitation of employees/customers/prospects agreements. This can be done by the internal or external recruiter. You do not want any surprises when it comes to making an offer—and either does a candidate.
2. The hiring executive should have the key provisions of the offer outlined on paper and discussed with the recruiter (internal or external). External recruiters can take the emotion out of the discussion with the candidate by either introducing the offer or assisting with the negotiation. This should be driven by the hiring executive. Roles should be clarified up front with the internal and external recruiter to prevent any misunderstandings. If the search firm is a retained firm, their fee should be independent of the offer in most cases and fixed up front based upon targeted compensation.
3. Certain executives and positions are more prone to loss of jobs if a company sells, especially to a strategic buyer. To reduce this risk the employer should consider one or more of the following strategies: a long-term incentive, a sale incentive, a change of control provision that triggers severance, typically if the executive loses their position within a 12-24 month period following a change of control. All of these can help retain key talent and often help drive shareholder value if properly structured.
4. The Executive Search Consultant or hiring executive should make it clear at this stage, if not sooner, that they do not want their offer to be used as leverage with a candidate's current employer. They should ask up front what the candidate's response will be if his current employer counters with an offer. This makes it clear to the candidate that you do not intend to play games. It also confirms the candidate's real intentions with respect to a potential offer.
5. Offers can be extended, but be sure to specify that it is contingent on a positive background check.

## STEP 6 — ON-BOARDING

Some companies have an excellent on-boarding process and some do not.

**A comprehensive on-boarding process should include the following:**

- Providing a basic, traditional company orientation
- Developing key internal and external relationships
- Learning about organizational practices and systems, especially those germane to the position
- Goal setting and identifying key initiatives to be involved with
- Providing a more in-depth orientation, including history, cultural norms, strategy and planning matters
- Providing feedback for both the employer and the new candidate at the three month and six month marks

## CONCLUSION

Following these 6 Steps will greatly increase your results in attracting, recruiting and retaining the key talent you need to succeed in the competitive market place. In addition, these steps should help insure that your new candidate gets off to a great start and creates value for the organization.

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