

EXECUTIVE RESOURCES

Bohan &
Bradstreet, Inc.

NEWSLETTER FOR
BUSINESS
PROFESSIONALS

WIN, PLACE & SHOW IN WORKFORCE MANAGEMENT

There is a new strategy when valuing management. Traditionally, companies have ranked management with an A, B and C grading and the philosophy that the more "A" management, the better the companies' potential. It is impractical that companies can afford "A" players in all management positions. The challenge is to attract and retain "A" talent in key management positions. The difficulty is that not all management positions are valued equally and same positions in two different business models will have dramatically different significance to the success of the organization.

First, there are many business models, however, the two most prominent are the customized solutions that are targeted to a specific audience and the other is the standardized product or service that is sold to the mass markets. If one was to rank management positions by "A" (strategic), "B" (support), or "C" (surplus) in these two business models, would sales or supply chain management be graded equally? Obviously not.

In the customized solutions model, successful sales management needs to identify the unique customer need, understand the solutions development expertise of their business, and strategically (A) orchestrate the customiza-

tion and delivery of the solution. In the standardized model the sales manager is more of a support (B) relationship or account manager who responds to the needs of the customer through on-time deliveries, service, and pricing. Although both roles are important, there is a higher probability that the sales management role would be ranked higher in the customized solution model.

On the other hand, the supply chain manager in the customized solution model tends to support (B) the delivery of the solution. In this case, timing and delivery is important but not as critical as in the standardized product. When servicing mass markets, the supply chain manager must be very strategic (A) and ensure on-time delivery of often large and complex finished goods to customers. The differentiator for the customized solution model is unique design, solution development and quality of product or implementation while in the standardized business model it is availability, service, and price.

The important message is to first place a value on all management roles within your business model. For those positions that have a strategic impact on the success of the company should be ranked "A" because the role can either increase revenue opportunities or reduce operating costs and expenses. "A" management roles are critical to the performance of the company and usually have autonomous decision-making authority. Calibrate compensation for strategic roles at a different level than support positions because the value to the corporation is greater.

"B" positions support value-adding "A" roles and minimize any downside risk. These are important roles that follow specific processes and practices to ensure predictable results. "C" positions have little economic impact on the company, however, may be a necessity for the company to function. In most companies, "B" and "C" positions are the most common role in the organization. Aligning "A" quality talent in "A" designated roles is the key.

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WISER THAN THE BOSS

Regardless of size, companies that continue to achieve tactical and strategic goals employ “A” quality talent. These exceptional employees should be in leadership or development roles that yield an impressive ROI to their employer. Typically most “A” players are exceedingly ambitious, extremely capable, quite creative, and highly intelligent. The challenge for selecting, managing, nurturing, and retaining is as much an art form as a skill.

Most “A” talent are overachievers who have won prizes for their educational accomplishments and are competitive due to the upbringing to secure success. They are often polished, possess a nurtured IQ, are highly competitive, and often a bit insecure around people viewed as equal or more intelligent. Recruiting “A” quality is one challenge but maximizing the management of “A” talent is critical. Most “A” players are better at strategy than tactical; therefore lack the appreciation of the real world and the challenges of accomplishing tasks that support stated strategies is undervalued. **Managing people who are more talented and clever than their superior takes smarts.** Sound ridiculous . . . not really. Clever people do not like to be led. Attracting intelligent and creative talent is difficult enough, effectively managing and mentoring them takes planning and talent. Here are some facts and suggestions on managing talent that is wiser than the boss.

- Intelligent and creative people want recognition that their ideas are important and valued. They like and utilize technology. Thinking of better ways to do things and coming up with new ideas is the norm.
- They know their worth and are aware of compensation that is attached to their role and are not traditionally stimulated by fancy titles but rather by status.
- Most are politically savvy and have an indifference to bureaucracy.
- “A” talent is well connected with a “knowledge” network that can increase their value to the corporation. This is the same network that will constantly introduce new opportunities that will tease their interests.
- They are restless and easily bored. Clever people need a peer group of talented and intelligent teammates to stimulate them to be their best.
- “A” players want instant access to their boss or above, otherwise they feel that their work and contributions are not taken seriously.
- These highly intelligent contributors rarely say “Thank You” to their leaders because they don’t want to be led and prefer that you let them coach and stay away from their playing field.

Managing “A” quality talent isn’t easy; however, the alternative could be a company void of strategy and losing value in a competitive economy.

Tidbits

- 28% of employees 55 and older “live to work” as opposed to 16% of employees aged 25-34.
- In the near future China will be the #1 English speaking country in the world.
- 1 out of every 4 workers today is employed by a company that they started working for in 2007.
- If given the choice, more than 50% of employees would prefer time off over cash. Executives are starting to listen and offering two alternative programs: (1) time off as an award for exceptional effort and (2) buying extra time through pay deductions often from money-saving pretax dollars.
- Americans spend 2-1/2 times or more per person on health care compared to any other country in the world.
- The top 10 projected in-demand jobs by 2010 did not exist in 2004.
- It costs an average of 2.5 times an individual’s salary to replace an employee due to recruitment costs, training, lost productivity, and severance cost.

CASE STUDY

Challenge: Venture capital infused business had absorbed acquisitions, centralized core functions, but was not being innovative and responsive to customer needs. The VP of Engineering & Product Development wanted to bring in a new leader to manage and stimulate a group of talented engineers and product designers. Four months after initiating the search, there had been two turn downs and no new candidates on the horizon. The COO called Bohan & Bradstreet (B&B).

Solution: B&B visited the company, met with senior leadership team, and learned about the history, organization structure, culture, and strategy. In addition, B&B was provided a detailed description of opportunity and reviewed the frustrations of not securing the right talent. It became obvious to B&B that the level of the search was too low and that something was broken in the interviewing and evaluation process. B&B made recommendations to alter the title, compensation, and reporting structure of the role. B&B interviewed individually all executives included in the candidate evaluation process and identified the differences in the vision and expectancies of the role. Corrections were made, B&B defined the search process, within three weeks had three candidates competing on final interview, and the selected applicant started 46 days after B&B was originally contacted.

INTERVIEW MISCUES

There is a distinct advantage to networking into a company. The best reason is not the most obvious. Being known increases the probability of an offer and shortcuts a lot of pitfalls that swallow the unknown candidate. Identifying a better company and/or role is both a science and an art form. It requires time, strategy, research, and practice. Too often the best candidate that is available and aware of a specific vacancy does not get hired or even personally interviewed. Here are two of the more common miscues that job applicants make:

Underperforming Resume: Here is the logic. A company is looking externally because the solution is not available internally. The opening occurs because there are needs, pain, and/or changes impacting the company. It could be leadership, external customers, productivity, acquisitions, profitability, or a host of other challenges that need to be conquered. So what happens 85+% of the time is the unknown candidate submits a traditional chronological resume that explains their employment history, lists some skills and possibly some results, describes education and training, and often throws in addendums like interests, activities, and stale events. Boring!

There are two types of readers: decision makers and as the book *Selling to VITO* suggests, “Seymours” because “Seymours” always want to “see more”. When **decision makers** are looking at a candidate’s paperwork, they want to find the “aspirin” for their pain. They want **headlines, solutions, and successes**. Decision makers do not want Boring. **Most resumes are written for the writer rather than the reader.** Think **marketing proposal** rather than resume. If you want to impress the reader and you have the appropriate expertise and know-how, then lead the reader’s eye and provide clear-cut illustrations that demonstrate your ability to lead, implement change, improve productivity, and so on. Your presentation should be electronically scannable and include strengths and contributions that are appropriate to your audience. Decision makers don’t like resume templates, tables or graphs. 95+% of all resumes lack personality so start with a professional summary that includes adjectives to describe your personality and major strengths that a reader can preview. Use action verbs in your resume and describe accomplishments in a STAR format (Situation-Task-Action-Result).

Bad Phone Techniques: Increasingly, clients are phone interviewing a candidate as the first step in the process. This is usually accomplished by a human resources professional and on occasion by the hiring authority. If asked to participate in a phone interview, then assume you are on target and have met north of 80% of the hard skills and core requirements. Practice makes perfect and there are a lot of books written that provide examples of questions and illustrations of good and bad answers. Choose a private setting and a hard line for the phone interview. Often

the company caller is on a cell phone and cell to cell is not reliable enough. Make sure that you will not be interrupted and there isn’t external noise that can override the conversation.

The emphasis will be more on soft skills. This is an opportunity for the company representative to assess the “personality fit.” Every search and company is unique; however, the soft skills that all concentrate on are energy and enthusiasm, reasoning, listening abilities, initiative and drive, temperament, and willingness to invest in your future. In addition, research and knowledge of the company history, products/services, organizations, operating results, customers, culture, and so on are all of value.

Here are the common mistakes: (1) Cell phone disconnects. (2) Candidate is driving and does not fully concentrate on the interview. (3) Applicant turns interview into a confessional and admits flaws in personality. (4) Candidate openly offers negative comments about current or former employer. (5) Applicant has not anticipated questions and therefore answers in abbreviated fashion or undersells abilities and knowledge. (6) Candidate undervalues the phone interview and is not considered a serious contender. (7) Applicant goes off on a tangent.

Companies do not have the luxury to interview all applicants. A well-run search will limit the “in person” interview to seven or less candidates (in the last year, there was only one candidate presented for 14% of Bohan & Bradstreet’s placements). Typically searches may generate 30 to 400+ candidates and although many applicants lack the proper requirements, the vast majority of those that are on target are screened out for **UNDERPERFORMING RESUMES** and **BAD PHONE TECHNIQUES**.

Talent Tsunami

Three waves of change are converging worldwide to create a talent tsunami and they are (1) **Demographic Changes** (global trends in population and education stimulated by baby boomer retirements and lower birth rates); (2) **Candidate Empowerment** (recent surveys suggest 73% of employed are willing to evaluate a better opportunity); and (3) **Increasing Value of Talent** (talent leads innovation and change). Here are the reasons why:

- **Worldwide trends are increasing retirements and a shortage of well-educated talent** in many disciplines (i.e. engineering, accounting, science, nursing). Since 2004, retiring workers have not been fully replaced and the shortage anticipated in the USA over the next decade is 3 million workers. Couple this with lower birth rates and that education is not preparing enough candidates to fill the higher demand jobs is creating current and future shortages. Blue collar support roles are

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Talent Tsunami (continued from page 3)

suffering as well. There is an increasing shortage of mechanics, technicians, and manufacturing personnel. Supply chain operations are starting to become compromised by a shortage of qualified drivers. Due to language differences and global variances in the quality of education, low wage countries have less than 15% of college graduates prepared to be employed by multinational businesses.

- **Candidates are savvier regarding new opportunities, business trends, compensation, and culture.** The Internet has provided various sources of information from job boards (i.e. Monster, CareerBuilder) to communication and networking resources (i.e. LinkedIn, My Space). Employment is like a two way street. Loyalty is a vanishing value that has been tarnished by lack of communications, complacency, and difficult decisions that have reduced or eliminated positions without appropriate warning. Today's candidate feels more empowered and is willing to shift allegiance to an employer that better serves the candidate's interests.

- **Value of talent is increasing.** To be competitive and move forward, companies need to be innovative, resourceful, and adaptable. Talent that can research and develop better products and services, open new markets and customers, improve processes, and lead change are worth more to their employer.

Whether your business is local or global, emerging or large, private or publicly traded, you are in a competition for talent. Neither rising productivity nor off-shoring is compensating for deficiencies in the workforce. Talent translates to revenue, profit, market share, and valuation growth. Talent is the differentiator of business success. Between 75-85% of a company's value is created by talent in the form of new ideas and patents, improved processes, knowledge, and relationships. Attracting, harnessing, motivating, and retaining talent is a daily challenge and those that ignore it will be swept up by the Talent Tsunami that has unfolded.

OUTSIDE-IN ADVISORY BOARD

Bohan & Bradstreet has been a co-creator of the Advisory Council which is an excellent forum to present challenges that are impacting your business and confidentially gain outside-insight from executives with hundreds of years of experience. Each Advisory Board is a select group of decision makers from area businesses that meet every six weeks to gain meaningful insight, share wisdom, and provide alternative solutions from successful outside-in peers. The purposes are to create greater business clarity, have more fun, learn, share and attain our goals. The format is straightforward and productive. The issues and topics are open due to a signed oath of confidentiality. Examples of recent topics are: strategies on sharing rising commodity costs with your customers; weaving technology into the sales process; retaining and building talent; recharging a lethargic pay-for-productivity program; balancing sustaining price with maximizing margins; recommendations when your #1 customer is no longer yielding you a profit; and pros & cons of taking on an external partner or investor. Members include business services, distributors, management consultants, manufacturers, and professional services. If interested in joining an Advisory Group, please contact Ed Bradstreet at 203-453-5535.

Elm City Executive Forum

The Elm City Executive Forum was formed by Bohan & Bradstreet in 1990 as a vehicle to learn about the successes, tribulations, vision, and leadership style of thriving and expanding businesses in Connecticut. C level executives from Connecticut entrepreneurial start-ups to NYSE-listed corporations meet at The Quinnipiack Club to make presentations on their company's history, present operations, business strategies, and future goals. Members of the group include architects, attorneys, bankers, business consultants, CPAs, insurance brokers, investment advisors, past speakers, real estate leaders, security consultants, and venture capitalists. Recent presenters include Alexion Pharmaceutical, Assa Abloy, CT Homes, Fermont, Higher One, Hubbell, Inline Plastics, M Cubed Technology, New England Linen Supply, Perimeter Internetworking, Pez Candy, Proliance International, Rib-X Pharmaceutical, Rockwood Services Corporation, Slocum & Sons, Spine Wave, Tangoe, TOMRA of North America, and Transact Technologies. If interested in speaking or attending, please contact Ed Bradstreet at 203-453-5535.

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