

# ***Talent Mindset***

The Business Owner's Guide to  
Building Bench Strength

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## ***Getting Into the Talent Mindset***

**K**nowing your talent is as important as knowing your numbers.

The people you surround yourself with in your organization make or break your success. No one succeeds alone. The individuals you hire, promote and entrust with critical information—the professionals you expect to execute your company mission—are your greatest competitive advantage, or the biggest drag. They're the champions for your company or a substantial drain on time, money, resources and potential.

When engaged, leveraged and optimized, your talent will drive your organization to be agile, innovative, profitable, smart—successful. Your success or failure depends upon the people you allow into your company.

So many times, business owners recruit and develop leaders without realizing that their hiring and development choices are random, impulsive, disjointed and disconnected to their objectives and strategies. Their choices are not adding value. Their people are, more or less, hastily drafted into the organization through a borrowed hiring process,

never truly onboarded, and then neglected in terms of performance management and development. It's no wonder so many employees and leaders feel disengaged, uninspired and checked out.

Stop for a moment and consider the people in your organization. Do you remember why you hired that vice president of sales or of operations? What made you think that controller was the best person for the job? Was it convenience—his application hit your desk when you had a hole to fill? How did your senior team get to where they are today? Were they promoted? Hired from the outside? Why this and not that person? What skills does each individual bring to the organization that makes him or her a valuable player? What characteristics make each a cultural fit for your company?

If you feel stumped, you're not alone. We surround ourselves with people. But why do we feel, in so many instances, like we are stuck with what we have, that we are carrying dead weight or that we do not have the right "fit" for an important leadership position? As an owner, you might be thinking, "How did I let this happen? Can I turn this around?"

Yes. What you need is a working knowledge of your talent inventory across your enterprise. A working knowledge of your talent allows you to align it to the greater strategy. Businesses need good people. And as an owner, you must have a working knowledge of your talent bench.

This book is your field guide to Strategic Talent Management, a platform with nine Centers of Excellence that will help you analyze, understand and implement organizational improvements surrounding your people. Strategic Talent Management puts you in the ready position

to enhance value, optimize talent, prepare for growth, posture for sale, or transition to the next generation.

Strategic Talent Management gives you the know-how, intelligence and control to leverage your people. You can recruit top talent, train and develop the best players, and ready your talent for new challenges. It gives you agility to deploy top talent. By working this system, you can lead your company toward peak performance.

With the right mindset and people on your team, and the right equipment (talent management) to steer them toward a win, the only variables should be external conditions. Strategic Talent Management prepares you for those X-factors because you'll have the team in place to compete in any environment.

When an organization prioritizes Strategic Talent Management, builds bench strength and goes to market with a high-performing team, it will:

- Increase profitability
- Attract top talent
- Create an environment for people to do their best work
- Bring value to the community
- Broaden transition options: keep the wealth engine in the family or owned by the employees
- Realize that its leadership philosophy is powerful and execute it successfully

## **How Strategic Talent Management Works**

With Strategic Talent Management, you start where you are and address your greatest "people pain." Many owners begin this journey by identifying a single problem (such as recruiting), then a trend is spotted: Perhaps the

business repeatedly recruits and hires people who fail the organization after six months.

Working through the nine Centers of Excellence, you'll prioritize what competencies require the greatest attention immediately. Then, you'll work through the Strategic Talent Management continuum. The framework is fundamental, while the processes are designed to suit your company's human capital needs; and you'll draw from the framework provided in this book to support a new way of thinking about Strategic Talent Management in your company.

There might be pieces-parts of the talent management continuum already in place at your organization you can rely on. But there will be holes. Those gaps are where errors in hiring and the way we deal with people altogether can occur.

Here is how the Strategic Talent Management framework is organized:

***Strategy and culture:*** These bookend Strategic Talent Management so that your people are intrinsically connected to your drivers for success.

***Corridors:*** These are the three key components for creating a talent infrastructure for your company. You can think of the Corridors as "levels" of the process, and they align with the lifecycle of your talent. The Strategic Talent Management Corridors are: Talent Acquisition, Talent Development and Talent Deployment.

***Centers of Excellence:*** The nine centers are steps that connect the Corridors. To successfully establish each Corridor, you will work through three Centers of Excellence that help you fully develop an aspect of your talent management. The Nine Centers of Excellence are: Recruiting, Selection, Onboarding, Training, Performance Management,

Leadership Development, Talent Inventory, Succession and Employee Engagement.



Figure 1: Strategic Talent Management provides the infrastructure that bridges your strategy to your culture. The system builds bench strength, giving your business the agility to face transitions and achieve goals. Ultimately, Strategic Talent Management is the intersection of culture, leadership, talent and succession.

**The Corridors and Centers of Excellence**

The three Strategic Talent Management Corridors form a basis for who you hire (Acquisition), how you develop them (Development), and why you advance them (Deployment). This book is divided by Corridors: Talent Acquisition, Talent Development and Talent Deployment. Each chapter within those Corridors covers the Centers of Excellence. As you operationalize each Center of Excellence that falls within these Corridors, you will build a more aligned organization where your people and business objectives work as one.

### **Talent Acquisition:**

- **Recruiting:** Filling your company's pipeline with talented, qualified candidates
- **Selection:** Putting in place a rigorous, progressive, sequenced process of teasing out top talent to place in your organization
- **Onboarding:** Setting the tone for new hires and assimilating them into the culture providing direction and resources; reviving the team's commitment to success

### **Talent Development:**

- **Training:** Creating a culture of continuous learning, curiosity, innovation and discovery
- **Performance management:** Designing a system of accountability for career conversations that help managers and employees understand what it takes to succeed, and how success is measured and rewarded
- **Leadership development:** Developing high performers and improving productivity to fund the future of your company

### **Talent Deployment:**

- **Talent inventory:** Evaluating talent across the enterprise, creating a talent slate, and engineering a plan to align, stretch and deploy talent
- **Succession:** Building bench strength across the organization, preparing for transitions and transferring institutional knowledge
- **Employee engagement:** Getting to the crux of a company's culture

## Working The System

Strategic Talent Management is different than other systems because you can “hop on” at any Corridor, and begin with any Center of Excellence. You determine where on the wheel to start your journey based on your greatest people pains.

You can read this book from beginning to end, or skip to the chapter that best applies to your business’s human-capital concerns right now. Eventually, you’ll work your way through the continuum because the quality of the data that comes from each Corridor fuels and propels the next Corridor. Over time, the Strategic Talent Management becomes embedded into your culture. It changes the way you think, manage and plan for the future. It changes the way you lead.

Along with providing a framework and philosophy, we’ll share stories from the front lines of implementing Strategic Talent Management, and Talent Insight notes so you can begin your journey today.

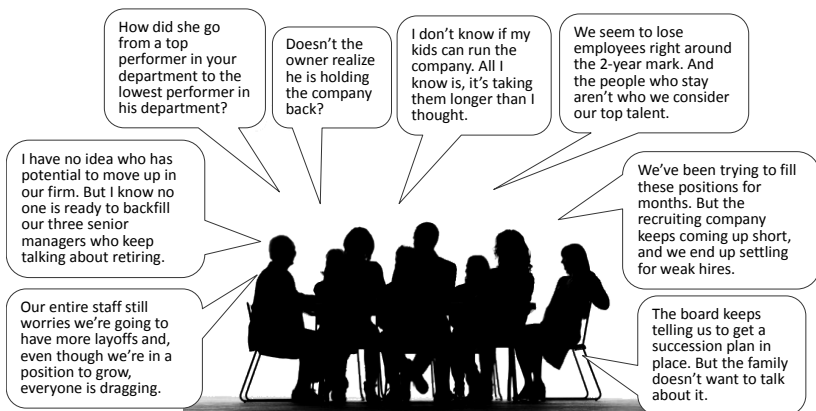


Figure 2: Are you ahead of the conversation?



## Start With the People Pain

In my Strategic Talent Management practice, most clients come to me because they want to confront a specific problem related to the way they hire, train, develop, promote or otherwise manage their people. There’s usually one thing, a sore spot that drives the owner to seek coaching for improvement. That’s the seed, where we start to address Strategic Talent Management. From there, the process unfolds.

Here are three business scenarios that present common people pains, and which Corridor to start your journey on the Strategic Talent Management continuum based on each challenge.

**Scenario 1—Talent Acquisition:** A new person you enthusiastically hired with high expectations for performance has failed, again. Your recruiting process can’t seem to weed out the winners from the losers. And worse yet, when you can’t find the qualified candidates to fill your need, you hang on to dead weight and are forced to keep swimming against the tide.

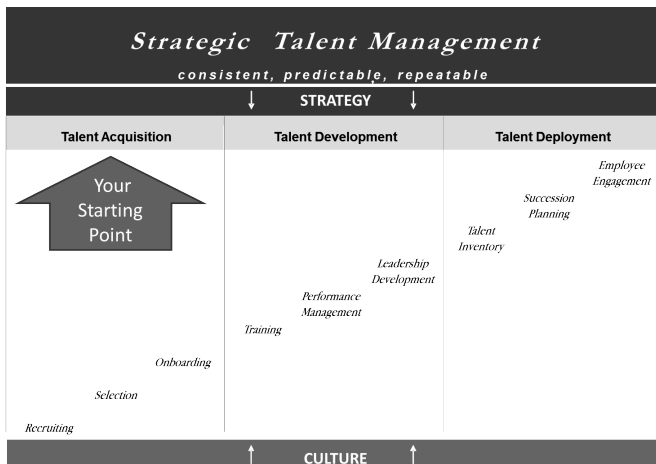


Figure 3: Talent Acquisition starting point

**Scenario 2—Talent Development:** You don't see any glaring problems with the way your company is operating, but you worry it is stagnant, in a rut. Your company was humming along, but now it feels like it's plodding. Your team is running on autopilot. Everyone is status quo. Employee turnover is rare—the leadership team has tenure. The business is not suffering in the sense that you're constantly putting out fires but things aren't right. You can't really put a finger on a specific problem, and you fall into an, "If it ain't broke, don't fix it," mentality. You find yourself playing not to lose. Everyone is focused on today. Nothing is wrong with the people and you can't claim failure. But you are not reaching long-term objectives and the organization feels stagnant.

You want to peak perform and you are looking for something more: growth, revenue, new products, expansion, ambitious managers, engaged workers, innovation, energy, accountability, the list goes on.

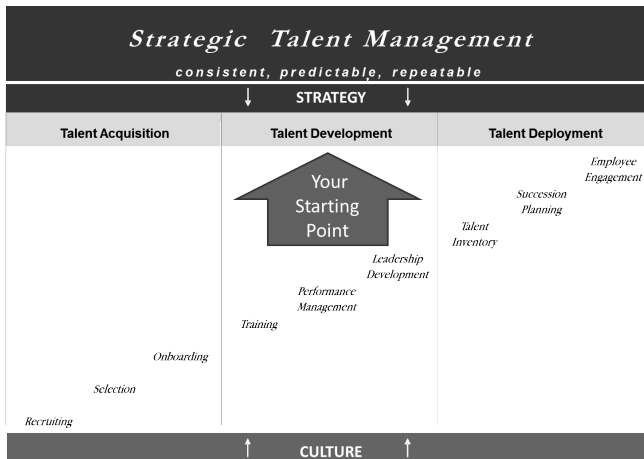


Figure 4: Talent Development starting point

**Scenario 3—Talent Deployment:** You feel stuck between a rock and a hard place: you can't find the talent inside the

company that'll get you to the next level, but trying to hire from the outside seems useless too. You wonder if your top managers are holding back the next tier of leaders because they've become over reliant on them. There is no pipeline of talent—no bench of future leaders in the waiting.

The company is at great risk because of its lack of talent reserves. Meanwhile, when your managers do come together to evaluate their people, they are all over the map. Some managers overrate their people to make themselves look good, and others underrate their people as a way to keep everyone on their toes. Your leaders are not using a shared set of criteria to discuss their people. These inconsistencies inhibit honest discussions of talent and create barriers in the boardroom. Because there is no set of shared criteria, making accurate performance evaluations is difficult—and even more complicated is making decisions about promotions and succession.

You want to build a bench of strong, talented individuals to take the company into the future, but there is no enterprise-wide system in place for doing so.

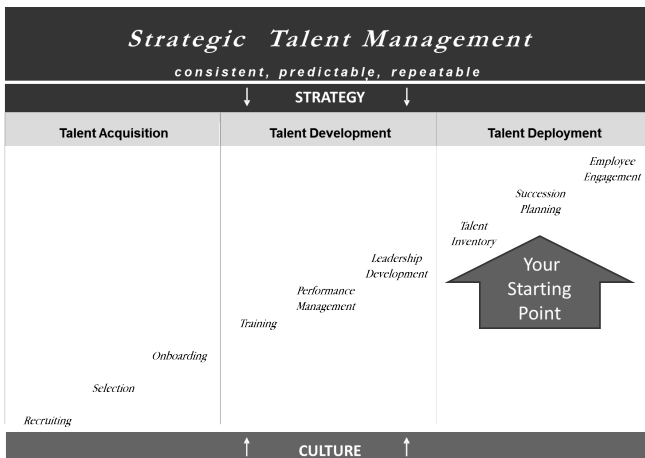


Figure 5: Talent Deployment starting point

## **Implementing Strategic Talent Management**

Strategic Talent Management gives you a working knowledge of your people so you can move, retool, reassign and deploy. You can flex because your people can. What would your life be like if you had an agile organization that allowed you to rapidly execute business decisions? Strategic Talent Management increases your awareness of the people who work in your company, and the people you hire. This inevitably deepens your understanding of the capabilities of your business.

But how long does it take to implement this process, exactly? Effective talent management is a long-term commitment that generally involves a minimum of 18 months to design and up to three years to embed into the culture. Then, it requires ongoing refinement. Strategic Talent Management is the difference between what you want now, and what you want the most.

No business can afford to put this talent imperative on the back burner. When a business operates with a talent turnstile, the cost is staggering—a painful drain of resources and an unrecoverable loss of time. No operation can afford to hire the wrong people and absorb inadequate performance, despite the fact that business owners pay out the nose anyway.

Consider this: If you hire an employee whose salary is \$40,000, and they turn out to be an underperformer, your recruiting cost is an estimated \$400,000. That includes filling the pipeline, screening the pool and hiring the candidate to training, development, morale and lost opportunity endeavor. That's ten times the person's salary in the first year.

You may realize as soon as 90 days that the individual is not a fit—that he or she slipped through the cracks—or as late as 18 months. By then it's too late to recover your investment. You're in the red with this hire, and continued employment of an individual who is not serving your company's strategic goals affects productivity, profitability and morale.

Strategic Talent Management seals these cracks.

Now, do the math and consider the number of people you have recruited and hired in the past three to five years only to discover a staggering number of misfires.

In contrast, a high-functioning business where Strategic Talent Management is at work operates with an ideal 70 to 30 ratio: internal candidates fill 70 percent of open positions and 30 percent go to new-hires from outside the organization. How does your organization compare to this benchmark?