

## **Finding the Edge**

### **The Traits of In-Demand Executives and Search Firms**

By Ken Plasz and Steven LaKind

The past few years have truly tested the leadership abilities of company executives. The unprecedented growth and innovation of the 1990s gave way to the demise of the dot-com and telecommunication sectors, September 11th, widespread lay-offs, dramatically falling stock prices, and ongoing corporate scandals. Despite today's continuing uncertainty, the economy is slowly recovering. And during this transition, the face of executive leadership is changing. No longer synonymous with individual self-interest, greed, and lack of conscience, tomorrow's leaders will have the experience, ethics, integrity, and intestinal fortitude required to tackle the challenges and scrutiny of a bottom-line economy, focusing on the company and its shareholders rather than on themselves.

Unfortunately, many organizations lack the executive leadership capable of bridging the gap between today's transition and tomorrow's come back. Hiring in times of economic uncertainty is often reactive and focused primarily on filling in the immediate gaps. This takes on the form of quick-fix hires from limited networks of contacts in the false belief that it is more cost effective, ignoring the larger issue of the individual's ability to add shareholder value. Moreover, core competencies are often based on yesterday's standards of measurement.

Prized executive leaders are not threatened by economic uncertainty nor do they use economic conditions as a crutch as they have learned from, and have managed through, the rigors of change. Committed to long-term success and growth of the companies they represent, this breed of leader possess an unflinching drive to maintain growth and profitability and hold everyone, including themselves, accountable for the numbers.

The qualities shared by these executives include:

- Their conduct is ethical and transparent at all times.
- They are entrepreneurial and self-made.
- They are accountable and customer-centric. They are accustomed to being measured by bottom line performance, focusing energies on the organization's core business - on sales versus business development.
- They are strategic. Successful executives set and evaluate realistic and reasonable, yet challenging, metrics necessary for protracted growth and success. They predict and convey the light at the end of a dark economic tunnel and focus strategy and objectives to that end.
- They have proven superior operating skills, particularly in a challenging internal/external environment. They are team players, leading by example.
- They are brilliant communicators and motivators - both energetic and passionate. They clearly and consistently communicate key organizational goals, objectives, and direction up and down the organization and to the external shareholders.
- They are adaptive and innovative, thriving on organizational change.
- In the case of CEOs, they are savvy board managers, integrating a board and executive team that is focused on the ethical long-term development of the company and its bottom line.

Without question, this pool of sought-after leaders has become more cautious, selective and savvy in deciding to make a job change. They do not post resumes on the Internet or respond to in-house or contingency recruiters because they don't have to. They are highly networked and keep a relatively low profile.

This makes a strong case for companies to closely evaluate and measure the performance of their corporate hiring process and the search firms that support it. Search firms need to be scrutinized and evaluated as stringently as the executives they are hired to recruit.

Here are a few of the characteristics to seek out in a search firm:

- Make sure the firm's interest is in recruiting for "you." Each search should be tailor-made, every time. Principals or managers that claim to know "everyone" largely recycle the same pool of candidates and thus stones are left unturned and exceptional people the firm has not taken the time to uncover are never introduced.
- Look out for nonrestrictive hands-off limitations that do not limit access into the competition or other fertile companies.
- Examine whether a firm has a flat fee arrangement versus a straight percentage of the selected candidate's actual cash compensation. There should be no conflict of interest and no surprises. The entire fee should not be paid prior to the completion of the search. Administrative expenses, such as postage, express mail and research fees, should be part and parcel of the fee and not billed as separate "fluff".
- The firm should have a highly focused and responsive principal or manager and search team. Individual workload should be limited to ensure delivery.
- The firm should conduct a thorough and unambiguous reference checking procedure early in the search process.
- The firm should have stated and aggressive accountability measurements and benchmarks surrounding the process, execution and results. Search assignments of more than 90 days are generally unacceptable.

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