



# THE INDEPENDENT CONSULTANT



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## Talent Acquisition Is More Important and Complex in Recession

by Douglas Reiter

Even when times are bad, it's still hard to find good talent. That is what many consultants are learning as they attempt to replace talent they let go earlier in the past year's recession, whether for subcontracting help or collaborative efforts.

As I write this article, I'm engaged in many searches for key executives for client companies. While the number of average-to-good candidates who are eager for a new assignment has increased, there remains but a small number of great candidates—individuals who really stand out. A year ago, I was able to identify one or two stand-out candidates for each of my executive searches, but today I'm finding two or three. This may be a 50 percent increase, but it does not dramatically change the equation.

So why isn't the talent pool bigger and easier to navigate? Why are the typical tasks of talent selection— candidate identification, assessment and acquisition (closing the deal) actually taking longer these days? The answer to the first question is simple. In good times or bad, companies are always recruiting from the same talent pool, with the same distribution of average, good and great candidates. Just because a candidate is unemployed does not necessarily place that individual, in terms of talent, in a different part of the bell curve. We are always dealing with the bell curve of talent—the rating system that places people on a particular scale as a standard distribution. There's always a small number of super-talented individuals at one end of the spectrum, and a small number of poor performers at the other end, with the lion's share of mediocre-to-good individuals in the middle of the curve. Any company that is looking to acquire talent always wants to select from the top 10 to 20 percent of the talent pool. This is true now as well as in a booming economy.

[The Birth of an Independent Actuarial Consultant](#)

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OK, now the second question: why is the talent selection actually harder? There is great uncertainty in the current business cycle—so much uncertainty, in fact, that the top 10 percent of the talent pool is more in demand than ever. What's more, that talent at the top is actually more reluctant to move than ever! These top individuals understand the inherent risk of this environment and often do not want to assume that risk. Given these realities, consultants and companies must take several key steps to assure they maximize their talent search as the economy pulls out of this recession.

#### [Take Advantage of This Recession by Overhiring](#)

There are many talented professionals currently available who are old enough to understand the gravity of this economic period, wise enough to adjust their sights, and mature enough to consider taking a lesser position than previously held. Many of these candidates are more than 50 years old with many highly productive years ahead. If you were in the market for a car, for example, would you buy a new Chrysler or a used Lexus for the same money? I would buy the Lexus. Similarly, within this worthy group of executives, there is great talent at bargain rates. This is an opportunity; take advantage of it, as it won't last long. Hire great people to help you now while you can lock them in.

#### [Resist the Urge to Take Shortcuts to Save Money](#)

Shortcuts may include, but are not limited to, the following actions:

- Not using search consultants.
- Not conducting assessments and other tests on final candidates.
- Not conducting thorough interviews and reference checks.
- Not negotiating realistic (based on the market) compensation packages.

Here is another typical shortsighted mistake: you assume you are in the driver's seat and, therefore, don't need to negotiate or conduct interviews respectfully. But don't forget that the behavior displayed by both sides during a negotiation sets the stage for the relationship going forward.

#### [Look Inside Your Own Network for Talent](#)

It's been oft-repeated, "When written in Chinese, the word crisis is composed of two characters—one represents danger, and the other represents opportunity."

Crisis is catalytic. Great leaders are forged in times of crisis. Take a look around you and seek out those who seem to always be coming up with great ideas, innovation, creativity and grit.

[Hire Real Leaders ... and Fire Those Who Can't Lead Or](#)

## Don't

A friend, and well respected, now retired chief financial officer, once told me of an old Spanish proverb, "The fish stinks from the head."

Take, for example, a company I worked with recently that had been around for more than 180 years, but that filed for bankruptcy (and was liquidated) in 2008. I interviewed some senior managers from this company and learned that, during the last year of the company's operation, there were no urgent meetings called to deal with the crisis, no strategies developed to turn the company around and no plan of action. This is a stunning failure of leadership that ruined countless lives. Leadership matters.

So look for people who have displayed true leadership, not for leaders in name only. If you don't in the end, it will cost you money because every day that problems remain unsolved, cash gets sucked from the bottom line.

Secondly, and perhaps more importantly, it sends a message to your other collaborators and even to your client that you tolerate (or even support) poor performance. This will drag the morale and performance of your entire team in one direction ... down! My CFO friend was right; the fish does stink from the head.

In this unprecedented, unpredictable economy, it is survival of the fittest. For consultants to prevail now and prosper in the future demands genuine leadership. If you are not already hiring or partnering with the very best talent you can find, you must begin now to find and acquire it. To do otherwise is to saddle your practice with too many risks.

Doug Reiter is founder and president of Douglas Reiter Company, Inc., an executive search firm that recruits C-level talent for companies seeking high-performing executives to lead teams to new levels of profitability while preserving the organization's cultural integrity. Using his own unique blend of quantitative and qualitative analyses, Reiter has achieved an unprecedented 95-percent or better success rate for his clients. His firm also offers interim executives and consultants. He can be reached at [doug@reiterco.com](mailto:doug@reiterco.com) or [Reiterco.com](http://Reiterco.com).