

Springboard: Focus on Tech Talent

Low Risk, High Reward: It's Time to Get Serious About Talent Acquisition

A success rate of one in ten is nothing to celebrate in business, especially when the challenge is finding and hiring technical talent. It is surprising, then, that so many companies today accept this mediocre performance level and allow teams to invest precious time that could be better invested in getting IT projects done and developing innovative, revenue-generating solutions.

Shouldn't companies (and their boards and shareholders) demand a higher return on the time teams invest? When it comes to finding, hiring and on-boarding technical talent, there must be a better way.

Day Job, Night Job: Growing IT Teams are Burning the Candle from Both Ends

Technology teams thrive on linear processes — on the process of designing, building and testing innovative solutions — yet many approach talent acquisition in a chaotic and haphazard way. Busy teams invest hours meeting with and evaluating potential candidates. They stop their days — and lose focus on critical tasks — to meet with candidates, then work odd hours to complete what needs to be done. This scenario taxes both the team and the company's performance.

Thorough when addressing technical issues, many IT teams fall short bringing that same discipline to finding candidates who offer the optimal technical and cultural fit. Many simply rely on a quick scan

of the candidates' resume or the recommendation of one of the many IT agencies to assess the possibility of a fit. 95% of the individuals making these recommendations are non-technical. If there is some potential, they move forward and invest valuable team time to meet and screen applicants that are completely non-qualified.

Discipline Pays

Companies are allocating funds to expand their IT teams, yet technical talent remains difficult to find and hire, particularly for companies not based in major metro markets. In a global survey of 200 senior executives and managers by the Net Future Institute, 64% see today's available talent pool today as weak, and nearly a quarter indicated it is significantly so.

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With talent supply tight and pressure to expedite mission critical IT projects mounting, teams need a new approach. Using their proprietary four-phase PREP™ methodology, Solomon Page and client teams are forging a new type of partnership aimed at boosting talent acquisition efforts while containing costs. The outcome: a talent recruitment and on-boarding process that is rigorous and consistent, reducing the risk of “bad hires” and accelerating the pace of hiring well beyond current baseline rates.

The PREP methodology ensures only the most qualified candidates are interviewed — a move that saves significant client time investment. Candidates are screened based on agreed upon technical and cultural/organization fit requirements, and a unique on-boarding approach offers client companies an opportunity to work with the candidate prior to making a full-time offer. Here’s a look at how the methodology differs from traditional talent acquisition efforts:

Preparation If you were going to purchase a company, you would conduct due diligence before making the offer. Talent acquisition demands the same rigor. With detailed technical job profiles and screening templates, as well as in-depth soft skill assessments for filtering candidates, PREP delivers only candidates that truly meet your hiring threshold and fit your organization’s culture. Your team’s investment is on the front-end, providing insights to help develop the detailed technical requirements and identify key cultural fit issues. SPTP invests significant capital in our in-house technology team and infrastructure.

Research Every company’s IT infrastructure or development approach is unique, as is the culture or

personality of the organization. Your recruiting partners need to understand this at a detailed technical level — or you run the risk of investing time talking with candidates who are outside your hiring criteria. Having thoroughly profiled the ideal candidate during discovery sessions, researching the market for the best available resources is the next step.

Evaluation Eliminate your team’s involvement in the mundane (but important) initial screening process. Multiple rounds, including initial phone interviews, technical screening, technical code review and more are conducted upfront to identify the top candidates for presentation. Only those who score at or above client standards are invited to the final evaluation round, which includes in-person two-hour interviews with your technical team. Interviews are booked for the same time on the same day of the week, thereby eliminating the typical chaotic and time consuming interview cycle. All candidates undergo the same screening process, which ensures consistency of approach for all involved.

Placement Interviews with your technical team members represent the final step before the hiring. Salary levels and conversion offers are agreed upon in advance, eliminating time-consuming and sometimes awkward negotiations. Offers are extended within 48 hours of the interview. Candidates are then on-boarded by Solomon Page and placed on your site in real time, allowing you to get work accomplished while evaluating the performance and fit of the resources in your organization. This approach gives you the ultimate flexibility to convert the resources permanently at any given point during the evaluation period.

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The Cost of Chaos

Time away from time-sensitive (and revenue generating) IT projects represents a significant opportunity cost that companies should consider as they evaluate they way they approach talent acquisition.

You can start by using your company’s revenue per employee to determine your revenue per employee per hour.

Do this by dividing your annual revenue per employee figure by 2,000, the approximate billable hours in a year.

Now you have a baseline for determining the value of the time invested in your talent acquisition efforts.

HIRING GOAL	25		50		100	
	TRADITIONAL	PREP	TRADITIONAL	PREP	TRADITIONAL	PREP
Number of candidates interviewed to reach hiring goal <i>Assumes 1 in 10 hired with traditional approach; 1 in 2 hired with PREP.</i>	250	50	500	100	1,000	200
In-house team hours dedicated to interviews <i>Assumes 10 hours total / person with traditional approach; 2 hours total / person with PREP.</i>	2,500	100	5,000	200	10,000	400
Time to Fill Vacancies (weeks) *	24 wks	10 wks	48 wks	18 wks	96 wks	36 wks
Opportunity Cost ** <i>Accounts for lost productivity of team members' time spent on interviewing talent.</i>	\$850,000	\$34,000	\$1.7 M	\$68,000	\$3.4 M	\$136,000
“Empty Seat” Cost / Employee*** <i>Accounts for unrealized revenue due to time needed to hire talent.</i>	\$8.1 M	\$3.4 M	\$24.48 M	\$9.12 M	\$87.28 M	\$32.79 M
TOTAL COST	\$9.01 M	\$3.43 M	\$26.16 M	\$9.18 M	\$90.87 M	\$32.92 M

* Information Technology Association of America (ITAA) estimates an average of 3.8 months to fill an entry level IT position with a \$60,000 annual salary range, and 6.2 months for IT professionals with 3+ years experience and a \$120,000 annual salary range.

** Assumes average revenue / employee / hour of \$340, or an annual revenue / employee rate of \$700,000 / employee (5x value return on an employee with a salary of \$140,000 / year)

*** The indirect cost to the company of unrealized revenue that accrues when IT positions are not filled — and revenue-generating projects are delayed / put on hold due to lack of talent. Unrealized revenue is estimated at \$13,600 / employee / week. Assumes each group of new hires joins at the end of the 1/3 and 2/3 point of the total time require to hire.

The cost of a “bad hire” is tremendous — and often times, companies are complacent about letting hires who prove to be the wrong fit go.

Ready for a Better Way

As demand for IT talent continues, executives are looking for innovative solutions that will help reduce the time talent acquisition efforts have required in the past. The key PREP metrics that are attracting interest as companies advocate for a new way — a better way — to find and hire the right technical talent:

Save Time When you bring in only the talent that truly fits your requirements, your team will invest less time on interviewing and hiring — and more on productive, revenue-generating work. The Solomon Page PREP approach cuts your team’s time investment by more than half.

Set and Meet High Thresholds Don’t settle — the talent you bring on contractually or permanently should add to your team, not dilute their excellence. Be vigilant about meeting only the best, most qualified candidates who match your specific requirements, including technical skills and a fit with your corporate culture. The cost of a “bad hire” is tremendous — and often times, companies are complacent about letting hires who prove to be the wrong fit go.

Improve Your Returns Hiring is not a numbers game — the more candidates you interview does not necessarily translate to the more you will hire. The key metric: The quality of the candidate is based on your team’s specific needs. In fact, because Solomon Page only puts forth the most qualified candidates, the total number you meet

will likely be smaller than if you screened on your own. But the hire and on-boarding rates will shift in your favor. With PREP, we’ve achieved up to a 50% hire / on-boarding rate, with clients selecting one of every two candidates presented. This compares to the 10% (and lower) interview-to-hire rates clients experienced on their own.

Lower Your Talent Acquisition Costs Time is money. If teams are pulled to interview candidates, and only one in 20 of those candidates is worthy of an offer, you are making a bad investment. Would you tolerate those same metrics in terms of successful IT project outcomes?

TIME IS MONEY

There is more to the ROI of adopting the right, robust methodology for talent acquisition. While having your team invest time to interview the wrong candidates is bad for business, so are delays in not building out your team with the right personnel. The traditional approach, on average, is a four month find/interview/hire cycle. What is that sluggish performance costing your company?

Assuming: \$140,000 employee annual salary generates 5 times salary or \$700,000 in value per year

Then: You are losing \$230,000 for four months of lost productivity

Source: Information Technology Association of America

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About Solomon Page Group LLC

Solomon Page Group LLC is committed to being the perfect fit for organizations seeking to grow through the contributions of talented people. From interim staffing to permanent placement, Solomon Page provides a total staffing solution under one roof. Through our specialty practices, we provide all of the benefits of specialized executive recruitment and consulting businesses, with the support of a strong corporate foundation.

Solomon Page Technology Partners, the Information Technology Services division of SPG, represents over a decade of experience in full time executive search, staff augmentation, outsourcing and project based solutions. Our customized service offerings in defined areas (applications, business process, infrastructure, packages) including ECM and ERP solutions, are organized to provide our clients with services specifically responsive to both their most specialized and fundamental needs. We have a longstanding track record of excellence, satisfying a broad range of client staffing requirements including: Consulting, Search, Outsourcing, and Right to Hire. We live in the markets we serve and are immersed in the businesses, people, history, competitors, trends, and standards of compensation most valuable to you.

Get Started Today *If your current approach to talent acquisition is requiring too much of your team's time and is not delivering a successful interview to hire ratio (we typically achieve greater than 50% results with our Fortune 500 Clients), then Solomon Page's Technology Group may be the right partner for you.*

Call us today to explore the possibilities of what a talent partnership with our team can deliver.



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