

# Get Your Arms Around Your Talent



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One of the biggest challenges business owners face is managing talent. Attracting the best talent and retaining top talent are integral to success – but they're also a major struggle. According to a recent study by the National Center for the Middle Market at The Ohio State University Fisher School of Business, the critical concerns business owners face today are the cost of doing business, the unpredictable regulatory environment, and managing talent. Most business owners feel ill-equipped to manage the onslaught of talent demands, whether getting in front of the war on talent or avoiding the cost of under-performing employees. Managing talent puts a huge squeeze on middle market companies in particular because they are running lean and have no room for talent setbacks.

Managing talent is a dynamic and ongoing process. It is not something leaders do well once and never think about again. The good news is that if business owners have high employee engagement and productivity, it is to their credit. And if the company is just plodding along or suffering from poor talent management, business owners are absolutely capable of fixing it. The costs of poor talent processes are staggering: a bad hire can cost up to 10 times salary, ready performers lacking clear goals and objectives perform to only 60 percent of their potential, and failing to have a succession plan can cost someone their company. The string of disappointments that business owners experience for not being able to get employees moving toward a shared vision, eventually starts to feel like a failure, a personal failure.

Let's look at ValueCo, who desperately needed to hire a head of operations. Actually, the need for a VP of Operations had been necessary years earlier when the company had doubled in size. But since taking the company over as President from his father 20 years back, Greg had always had the heads of all the departments reporting to him and had never considered delegating differently.

Several major issues resulted from this situation: 1) Greg had a loyal, hard-working and capable management team but they had become dependent on getting Greg's approval for every decision. Because of this, the progress was bottle necked, ambitious employees were frustrated and others had become complacent. 2) As the company grew, dedicated employees randomly took on new responsibilities just to keep up with increasing demands causing a great deal of confusion as to who was responsible for what. Tensions among employees were created and managers thought it was almost impossible to evaluate employee performance. 3) Finally, Greg had the proverbial problem of being

“stuck working in the business” rather than “strategically working on the business.” Everyone was burnt out. The company’s growth had come to a sudden halt because talent management processes had not evolved at the pace of business demands.

As soon as leaders recognize this story as their own, an urgency takes over to press the reset button. In order to turn this dilemma around, business owners must adopt a new mindset. First, owners must expect to know their people as well as they know their numbers. Second, owners must recognize that in order to get employees to peak perform, the owner must peak perform too. With this new mindset, business owners are ready to fully engage in the effort to hire, develop, and promote talent across their organizations. Taking talent issues head on is the difference between growing the business or losing value in an uncompromising economy.

The specific goal of strategic talent management is to build a strong bench that bridges strategy with culture. Rather than being mired down in personnel struggles and mishaps, business owners can plan ahead, fill talent gaps, and refine and perfect the capabilities in talent management processes to win. Strategic Talent Management builds bench strength in middle-market businesses and positions that talent to deliver on strategic goals. Forward-thinking leaders reflect on prior performance and then take the necessary steps to execute a talent strategy to achieve businesses objectives. Strategic Talent Management is a single solution that reduces costs, increases productivity, and gains a competitive advantage.