The Talent Search in
Business Performance Management

Cleve Rowley
Senior Partner, Matteson Partners

Business Performance Management (BPM) is poised to grow exponentially and can be a force multiplier to improve your company's performance. But as the demand for BPM professionals [1] grows, how will you compete for top talent?   Your first priority is to select a BPM enterprise infrastructure that is proven and has staying power. Why is this important? I had a client who was frustrated searching for people to support his company's technology infrastructure. Specifically, he was using an ERP package from a vendor he thought was a category leader. However, the vendor had made very little effort to attract talent to support the client's long-term needs. It's not enough to have a killer application; there must be a customer support plan that ensures an adequate supply of experienced professionals. Be sure the vendor you select clearly understands the relationship between product delivery and product sustainability.

How do you avoid buying technology that may not attract the best talent to support your technology needs? There are two ways to assess the probability of having a robust support pool of professionals.   First, and before buying, call the prospective vendor's support center. Presenting the scenario that you anticipate that you will need support services for the application of their product, find out specifically where you would find such support people. Be clear that you are looking for employees, not contractors.   If they have no idea or provide only a vague response, then consider going elsewhere. Secondly, check to see if they have training programs to develop the talent to support their products. If they do, find out where and how often they are taught?   Then call the training facilities and find out how well your prospective vendor's technology courses are attended. Based on the response to these questions, you can decide how to proceed. Keep in mind, if vendors are not helping feed the pipeline to support their technology, then the talent will be scarce and support will be difficult to find.

Finally, your vendor must have financial stability and staying power. Sometimes companies make large investments in vendors who either fail to grow or are acquired by competitors who strip out the best functions for their own products, or completely "shelf" the acquired company's products. Either way, when this occurs, support for your company's systems dissipates quickly. For example -- and I am not picking on PeopleSoft, but they have been in the news recently concerning a takeover by Oracle -- PeopleSoft was quoted in Reuter, July 07, 2004, "A hostile takeover bid by Oracle Corp. against the company [PeopleSoft] has significantly impacted its business."   Prospective clients' uncertainty concerning the PeopleSoft's future support for its products is probably a factor.   When an application provider merges with another company, then your application may be phased out or you may be offered an "upgrade" from another product line to your existing system.   Even though the upgrade may provide more functionality than your present system, the cost of training and transition will probably be a headache you would like to avoid.

In an article, "Resellers Differ on Impact of Oracle-PeopleSoft Outcome" by Karen D. Schwartz, July 14, 2004, she refers to a quote by Michael James, a vice president at S&P Solutions Inc.: *"The combined company [Oracle-PeopleSoft] might initially create more work for resellers, he said, as the products are merged and customers must shift from one product to another. But he*

_____

[1] BPM professionals includes both those who are consultants involved in analysis, design and implementation of the BPM system, as well as, enterprise managers such as CIO's, CFO's, department managers, etc. who have experience leveraging BPM technology and processes.

said that work would unfold <u>over several years as the products are slowly merged</u>." More work for resellers may mean more cost to your company. The bottom line is that you must understand the long-term support implications at the beginning of the selection process. Fixing on the backend is always more costly.

Let's assume you have selected or are presently using a technology solution that is highly supportable and cost efficient and you need a high quality support staff. Look for BPM professionals who have a *documented track record* of how to operate and maintain business intelligence tools to improve performance and profitability. Seek out candidates who have experience leveraging corporate data and know how to use it for effective management decision-making across organizations. Find talent to not only meet existing requirements, but who also have the capacity to grow with the business. Many consultants and enterprise BPM professionals understand BPM principles and have experience with data integration and front-end extraction tools. The problem is that when this finite talent is spread across multiple industries, the numbers of candidates who are the "right fit" begin to diminish. This increases the difficulty of matching experience with the appropriate industry, and this mismatch manifests itself as a personnel shortage.

You may be scratching your head and saying you don't see the shortage because BPM professionals appear to be plentiful. "Plentiful" is not the issue; it is the uncovering of the right talent and experience that is problematic. Is BPM the same as supply chain management or EPM or CRM or ABC or many other programs that help businesses better manage their resources and operations? To a BPM professional, they are distinctly different. However, companies are often confused by multiple acronyms that purport to improve performance. How do you know a BPM-centric professional from one of the many other business improvement professionals? How can you be certain they will have a high level of business acumen coupled with hands-on experience? Do they have the experience to help your company develop metrics, scorecards, and dashboards to not only avoid unanticipated surprises in their operations, but to also bring the depth of experience to advise you on "best practice" experiences from similar types of companies. The person you hire should have experience in and clearly understand the following advantages of BPM:

- BPM must take advantage of existing resources within a company and optimize them through real time integration and functionality quicker and cheaper than bringing in replacement technology.
- BPM must improve efficiency through metrics that optimize existing infrastructure.
- BPM must be implemented in a way that will substantially reduce the disruption of retooling and bringing on completely new systems.
- BPM must help the company focus on reporting that leverages data from installed systems to increase the return on previous investments.

As companies focus on these core competencies, the competition for the most qualified BPM professionals will become more intense. As an example, during the early stages of Sarbanes Oxley, I conducted a search for a public company; not only did they need more CPA's, but they would only consider candidates who were presently working in a Big 4 firm. The trickle down effect put the squeeze on consulting firms to deal with increased demand for their audit services. They responded by paying higher salaries to attract the best candidates and, at the same time, paid retention bonuses to keep the ones they presently had on staff. The shortage has not abated over the past year.

Recently, I spoke with a Senior Partner of a large consulting firm who told me they are being forced to pull auditors from smaller accounts to meet the demands of larger clients. He said they are losing these smaller clients due to a shortage of qualified auditors and "this (loss of clients) was unheard of in the past in our firm." Competition for a limited pool of talent, whether they are CPA's or BPM professionals, will almost always drive up personnel cost and impair operations. Due to the additional accounting requirements for more corporate oversight, many enterprise companies began to heavily recruit in-house auditors. This increased need occurred at the same time that consulting companies were ramping up for their increased demand. With increased demands for in-house CPA's, audit firms were competing with their clients for CPA's from the same talent pool. This scenario could be analogous to what we are experiencing with BPM talent.

So how do we deal with BPM personnel shortages? Often, recruiting for new talent is our first call to action. This may be the best and most cost-effective option to satisfy a short-term need or to meet high growth needs. However, companies that are into BPM for the long haul must leverage their recruiting efforts with training and retention initiatives to make their companies a compelling place to work. While attractive compensation and promotion opportunities will attract talent, companies must also focus on training, mentoring, and coaching. Trevor Naidoo, Director, BPM Solutions with IDS Scheer, states, "Most people who say they have BPM experience don't really have it. We find that the confusion comes from the definition of BPM. It seems to mean different things to different people; this includes the analysts and press. We find that *we have to find people with good aptitude and attitude and groom them to provide BPM services.*"

Companies that grow must place a premium on upgrading the quality of their workforce through training and coaching. This not only makes good sense for the company, but also will play a vital role in raising-the-bar industry wide. "We have enough history to know that training within firms is highly cyclical," says Thomas A. Kochan, Professor of Work and Employment Relations at the Massachusetts Institute of Technology's Sloan School of Management in Cambridge, MA. "Firms invest when there's a shortage, and the first time that the business cycle starts to go downward, training is the first thing to be cut."   With the BPM's role expanding and its practices being coveted by more and more businesses, companies must not only recruit and retain BPM professionals, but continually provide training to stay ahead of competitors and industry demands.

Today's organizations must link performance measurement of these key business drivers to strategy in order to measure performance in ways that both promote positive future results and reflect past performance. The use of Scorecards and Key Performance Indicators (KPIs) is essential to implement strategy and continuously monitor strategic performance. Is the challenge to find BPM talent "too hard" or will it just take time to mature the talent needed? The answer lies somewhere between, but the search to find these gems in the rough will be intense from both large and small companies.

Cleve Rowley is the Senior Partner of the Executive Search Firm Matteson Partners. Mr. Rowley works with consulting firms to find Business Performance Managers.   He can be contacted at Rowley@mattesonpartners.com