

## Can Better Talent Management Drive Superior Results in a PE-backed Portfolio Company?

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PE backed CEOs **Matt Murphy of Griswold Home Care** and **Tim Kardish of Sussex Wire**, joined **Kristen Chang of LLR Partners** to host a discussion and best practice exchange on Talent Management and Assessment. Here are some of the biggest takeaways.

### 1. The Changing Private Equity Landscape – Why Talent Matters

- In the wake of increasing allocations of institutional capital to private equity, competition for deals is heated and valuations are high.
- To meet return expectations, today's private equity mandate is laser focused on value creation at every level.
- Private equity firms have focused on industry specialization and addition of operating partners with deep subject matter expertise to win and grow more deals. The next area of innovation in private equity is the drive toward better, more precise talent management.
- Today, the commitment and production of every individual person in your company matters.
- Six years ago, less than a dozen middle-market private equity firms had a partner focused on talent management. Fast forward to 2018 and that number is nearly tripled where firms have dedicated resources laser focused on talent.

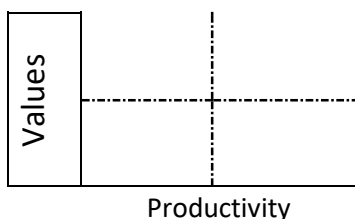
### 2. Predicting Outcomes in Workforce Planning (Critical Roles & Succession Planning)

- Firms must focus on hiring the right people who fit their company's culture and have the skills needed to succeed in the role, but what is equally, if not more important, is to understand the characteristics and personalities of people who will be well suited and successful in a position thereby reducing turnover and bad hires.
- Test most successful workers to gain a snap shot of the personality best suited to the job. Then use this as a predictive index to understand if new candidates will fit the role and succeed.

#### Tool for evaluating critical roles:

- Top right is preferred – people who are productive and live the values
- Top left should be newer hires who will move to the right.
- Anyone below the line for 2 quarters should be fired
- 1 quarter to move from bottom to top and/or left to right

Tools to Evaluate Staff - Have your management team review the whole company on where they stand on Values vs Productivity. You'll be surprised about the speed, accuracy and insights you get! This is an alternative to the can/can't – will/won't model.



#### Deepen Your Bench - Tool for succession planning:

- List roles for all employees in group (Critical or not critical)
- Define primary responsibility/critical or not critical
- If there is not a secondary resource trained on the critical tasks, define resource and begin cross-training

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Task	Primary Responsible	Secondary Responsible

Tools used by some of the PEER group members include:

- Predictive Index (<https://www.predictiveindex.com>)
- Caliper (<https://www.calipercorp.com/>)
- 360
- Skill Survey (<http://www.skillsurvey.com>)
- Use LinkedIn to find someone you may know that knows the person

### **3. On Boarding aka Employee Experience**

- Employee Experience speaks to the brand image you are sending about your company from the minute a prospective employee considers applying for a job. Strongly consider what message you are sending about your firm to prospective and existing employees.
- This is an up and coming hot topic. Beginning at the recruitment step of the process continuing through the moment your interviewee walks in the door for an interview through the hiring and ultimately onboarding properly.

#### ***Motivation***

- Consider holding a town hall meeting for all staff at a regular interval and be transparent, sharing important KPIs with the full team. It's better to make the KPIs relative rather than absolute.
- Encourage people to understand how their contribution, or lack thereof, impacts the whole staff, the company's performance and their families. Make it personal.
- If you share KPIs have them focus on efficiency and incremental improvement or comparison to goal.

The bottom line is that improved, more deliberate talent management and disciplined assessment of success in existing roles can yield a significantly more efficient, productive (happy) team and create value through your exit.