

Leadership for a Changing World. Articles in our *Leadership & Talent* series address key issues companies face in creating effective talent management strategies—to identify, develop and retain successful leaders and leadership teams.

Attracting the Best Partners to Professional Services Firms

For professional services firms, attracting partners from the outside is an appealing strategy for accelerated growth. However, this approach is fraught with challenges that can seriously damage a firm's reputation if overlooked. Russell Reynolds Associates' global Business and Professional Services practice specializes in enticing top-tier partners every day. Below, we highlight the common mistakes to avoid when hiring partner-level talent and how leading organizations successfully overcome them.

The Challenge

Increasingly, professional services organizations such as consulting, law and accountancy firms seek to attract external partners in order to accelerate growth in target markets. While potential talent often exists in-house in the form of rising stars, waiting possibly five years to groom high-potential professionals to adequate levels of ability and gravitas simply takes too long. However, drawing top-tier partners from outside has proven to be far from easy for three reasons.

First is **loyalty**. Non-competition and relationship clauses, attractive retirement schemes, and long-standing friendships often make it very hard to extract a partner from his or her current firm. In addition, leaving a top-tier firm can suggest failure at that organization, a perception target candidates naturally wish to avoid at all costs.

Second is **consensus**. Professional services firms often make decisions



based on broad buy-in across multiple stakeholders, each of whom will have his or her own view on what it takes to succeed. Gaining agreement on the myriad steps required for successful

hiring of partner-level candidates can be exceedingly lengthy.

Third is **limited experience** with the hiring process. Given the challenges

Figure 1: Partner searches—best practices



with sourcing senior talent from the outside, hiring needs at the partner level are generally satisfied by promotion from within. As an unintended consequence, few professional services companies develop the requisite experience in attracting outside talent. A typical managing partner has only conducted one or two searches in the past. On the flip side, relevant candidates may not have applied for an external position in one or two decades.

Getting Senior Partner Hiring Right

The consequences of a botched hire at the senior-partner level can be significant in terms of how both clients and potential employees perceive the firm, so getting it right is critical. To overcome the challenges mentioned above and to ensure a successful senior-partner hire, leading organizations focus on the

following four phases: defining the job requirements, developing a targeted search strategy, selecting the best candidate, and ensuring a swift and effective onboarding (see Figure 1).

Requirements

The first step in optimizing external-partner hiring is defining a clear set of requirements that are realistic and aligned to the firm’s strategy. At the outset it should be clear which requirements are “must have” and which are “nice to have.”

- **Clarity and Focus.** As most partner-level hiring decisions are made by

consensus, having a clear set of requirements is critical to focusing the decision-making process and reducing the variability in candidates selected and evaluator feedback. Leading firms identify the experience and competencies, including expertise in a precise field, proven business generation, innovative thought leadership, strong people development and the right cultural fit.

- **“T-shape.”** Leading organizations also look for candidates with a minimum level of expertise across many areas, coupled with the desired specialization the firm currently lacks. This is

Global Reach. For a Big 4 advisory firm, we identified a Dutch consultant with specific post-merger integration expertise who was based in Australia. Subsequent steps included a series of client interviews and a business plan presentation. He returned to the Netherlands and is doing very well. Key success factor: truly global reach.

often referred to as the “T-shaped” professional—i.e., the ability for an individual to “go wide” in many topics and “go deep” in at least one.

- **Consensus Upfront.** It is essential to have broad buy-in once the requirements have been established before turning to the external market. Failure to do so can lead to confusion and multiple iterations of the search process, which is exceedingly detrimental to the firm’s reputation.

Search Strategy

A carefully designed and creative search strategy for targeting specific organizations is critical to focusing on the best pools of talent from day one, while maintaining confidentiality and preserving competitor relations as much as possible. The following criteria are critical to designing an optimal search strategy.

- **Market Leaders or Boutiques.** Is the firm looking for candidates from established global players and/or more entrepreneurial boutique firms?
- **Alumni.** Alumni of rival firms who have moved to the client side are often an attractive talent pool because competition clauses and personal loyalty are no longer an issue. How many years could potential hires have been out of the relevant business but still be credible?
- **Candidates Abroad.** To what extent is it beneficial to widen the talent pool by approaching

Systematic Search Strategy. For a global strategy consulting firm, we recruited a former partner of another major strategy consulting firm who had gone to a line management role for several years. Utilizing criteria that were predetermined with the client, we thoroughly screened every relevant alumnus from their organization. Key success factor: systematic search strategy.

candidates from other geographies? What is the minimum skill set, language capability and network to take on such a challenging career opportunity?

- **Value Proposition.** Persuading a senior partner who is flourishing in his or her current firm to switch organizations requires a carefully designed value proposition where the benefits of departure clearly outweigh the risks. All too often we see firms failing to put the required effort into this critical component of the search. A more attractive compensation package is of course a key element but additional enticements are typically even more important, such as management of an office or a practice, better knowledge management or a position with greater geographic scope.

Selection

The next critical step in optimizing senior partner hires is selection—i.e., how candidates are to be assessed.

- **Carefully Designed Interviews.** A well-defined interview process begins with an initial general

introduction, which is intended to share information and informally assess cultural fit. Subsequently, another three or four interviews should be conducted with senior partners within the relevant geography or practice. Each of these interviews should focus on a specific requirement so that, collectively, detailed information on the candidate is gathered and repetition is avoided.

- **Panel Discussions,** conducted as early as possible, are an effective means to thoroughly test the individual’s expertise in the desired practice area.
- **Business Plan.** A critical part of the selection interviews is a business plan discussion to test if a solid business case truly exists for the new partner hire. Key assumptions for a realistic, quantitative business case include: the likely ramp-up period, applicable relationship clauses, and the time and resources it takes to build the right team.
- **Consistent Process.** It is important that all external candidates follow exactly the same process in terms

of interview format, to ensure “apples-to-apples” comparisons and consistency. Ideally, interviews of multiple candidates take place in the same week to ensure the impressions on the first candidate have not faded by the time the last candidate has been seen.

- **Upfront Communication.** Partner-level candidates expect a thorough, professional, and systematic process similar to the one they went through to become a partner at their current firm. The interview process should be communicated upfront to avoid the impression that new criteria are being added along the way or that doubts about the candidate have arisen. It should also occur within an agreed time frame in order to keep the momentum high and the risk of confidentiality issues low.
- **Assessment/Psychometrics.** Many clients prefer to include an external assessment or psychometric test, which adds valuable and objective insights into leadership style,

motivation, cognitive abilities and cultural fit.

- **360° Referencing.** A powerful selection instrument for conducting due diligence before moving to the offer stage is 360° referencing. The timing of the references must be chosen very carefully, balancing the benefit of additional candidate insight early on with the risk of exposing a candidate’s desire to move.
- **Confidentiality.** It may seem obvious but even well-known firms make mistakes around confidentiality. In one instance, a candidate unexpectedly ran into a former colleague while interviewing with a firm on its premises. Handwritten registration books at the reception desk are another culprit. Complete confidentiality throughout the process must be guaranteed. This can be done, for example, by using code names for candidates and by interviewing at a neutral location to avoid undesired encounters with mutual

acquaintances. The offices of executive search firms are frequently used for this purpose.

Onboarding

When the ink of the candidate’s signature has dried, the hardest part begins. Proper onboarding is critical to the new hire’s short and long-term success, as well as to the firm maximizing its return on the time and resources it has invested in the hiring process.

- **Senior Leader Support.** Senior leadership should send clear signals that it wants the new partner to thrive. This should include frequent investment in social events such as lunches and dinners.
- **Multiple Introductory Meetings.** Success in a professional services firm is dependent upon collaboration and teamwork. The faster a new hire is introduced to those with whom he or she will interact throughout the course of business—across all functions, practices and geographies—the sooner he or she will likely begin delivering results. Nevertheless, it may well take one or two years before the partner is fully up and running.
- **Proper Training.** Many firms make the mistake of assuming that, because of a new partner’s seniority and experience, he or she does not

Candid Assessment. For a large *audit firm*, we selected a promising candidate in the financial services sector. Our assessment indicated there might be risk in hiring this person as a direct partner so we recommended that he start at a level just below. This avoided unnecessary pressure, which could well have been a roadblock from day one. The candidate made partner in less than two years. Key success factors: competency-based interviewing and candor with the client.

Clear Value Proposition. We helped a niche *strategy consulting firm* attract a practice leader from a global IT consulting firm. The key element that enticed the candidate was the highly strategic nature of the typical assignments with the new employer. Key success factor: well-articulated value proposition.

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need formal training. However, every organization is different. Therefore, extensive education around the firm’s values, culture and systems should be provided as quickly as possible, especially given the expectation of new, experienced partners to generate billings as quickly as possible.

- **Top-Tier Support Resources In Place.** Never underestimate the importance of the (seemingly) little things. Be sure to provide top-tier support resources to new hires—such as an assistant, office, car, and electronic equipment—and ensure all are in place and operational on the start date.

Our Business and Professional Services practice

Russell Reynolds Associates is a global executive search and assessment firm with a dedicated practice focusing on the business

and professional services market. Most consultants in this practice worked in the professional services arena before joining Russell Reynolds Associates, so professional services is in our DNA. Our “one-firm” concept with a truly integrated culture, incentives and information systems allows our team to reach out to the best candidates globally. By teaming up with our experts in specific industries, such as financial services, consumer goods, healthcare, etc., we have immediate access to highly senior sources and references, allowing us to focus on the best candidates right from the start. Finally, our internal assessment practice, which includes Ph.D. psychologists, can provide profound insights into a candidate’s cultural fit, leadership style and motivation. If you would like to find out what our global Business and Professional Services Practice can do for you, please do not hesitate to contact us.

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Leadership for a Changing World. In today's global business environment, success is driven by the talent, vision and leadership capabilities of senior executives. Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 40 offices worldwide. Our consultants work closely with public and private organisations to assess and recruit senior executives and board members to drive long-term growth and success. Our in-depth knowledge of major industries and of our clients' specific business challenges, combined with our understanding of who and what make an effective leader, ensures that our clients secure the best leadership teams for the ongoing success of their businesses. www.russellreynolds.com

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