



EXECUTIVE WHITE PAPER

## **Top 5 Things to Consider When Hiring Consultant Experts**

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Tom Smith, the Vice President of Strategic Planning for the BioSynth Company, had arranged a meeting in the company's main conference room to discuss choosing the right person to head up their exciting new expansion project. Because the project showed great potential, a group of venture capitalists had been approached and were ready to sign on – provided the right person or team could be found to complete the business plan.

Seated at the table was Susan Reynolds, the VP of HR, who knew well all the management personnel in the company. After reviewing her long list, she selected three influential people that she thought could be candidates for the new project. On the other side was Larry Brown, the head of VC Partners out of Boston. Seated next to him were two other potential investors that Larry brought from his network who wanted to learn more.

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After everyone had been introduced, Tom started the meeting by saying "Thanks for taking your time to meet with us today. As you know, we want to present some names, along with their qualifications, as possible candidates to act as consultants to head up our new business planning project. The individual we want needs to be a proven researcher and capable of handling a wide range of issues. Basically, because we are planning on putting the ball into his or her hands, we need someone who can pull it all together for us and present us solid facts we can count on - not opinions or conjecture. I believe we need a highly confident, very well connected industry expert."

Tom glanced over at Susan, and said, "I've asked Susan to screen and consider the best we've got and present them here today.

We should look carefully at each internal candidate and see who we agree could be the best one for the position. Of course, we all may have a favorite we'd like to see in the role, but we need to keep as impartial as we can to ensure the level of success we want for this project. Susan, the floor is yours."



Susan picked up the top paper from her packet and started talking, "I found three people that I believe could be good candidates for the project leader. The first name I want to mention is one of our Department heads, Mark Goforth, who has been our Director of R&D for the past four years. He's been with us now a total of 12 years. His track record and abilities to see and develop profitable and in-demand projects are excellent. He understands the technology well, those under him seem to really like him, and he always gets the job done for us."

Tom, asked, "Susan, do you know if Mark has any actual experience in managing a business, or in starting one? What kind of a track record or education does he have that might make him look even better for this project? Do you know if he has ever worked outside of R&D?"

Susan quickly started flipping through Mark's file, and said, "I think I saw something in his resume that said he was self-employed for a while with his own business... Yes, here it is. Let's see... He started his own consulting business in 1995, and he had three employees."

"Hmmm – OK," said Tom, who then glanced over at Larry.  
"Which do you prefer, Larry? Should we ask more questions about Mark, or would you prefer that we go ahead and present each of the candidates first?"

Larry, taking a sip of coffee, put it down slowly and answered,  
"I think it would be better if we hear about all of them and then we can focus on where we should go from there."

Gesturing toward Susan, Tom said, "Susan, go ahead and give us a rundown on the rest of them."

Susan took a quick sip of her water and then started talking.  
"The next one I've got is Mike Schwartz. He's our Chief Operating Officer and has been with us for six years. We picked him up from a competitor and are glad we did. He has been an excellent manager and really helped beef up our supply chain operations."

Larry had been listening intently and then spoke, "Susan, does Mike know anything about R&D or marketing?"

She glanced at Tom to see if he knew anything about it, and then starting flipping through Mike's file for an answer. She looked up at Larry, saying, "I don't see anything here that indicates that he does."

"Who else is there?" asked Larry.

"The third and final candidate I have is Richard Savoy," said Susan. "He's been with us for 15 years, started in sales and now heads up our Marketing Department. He keeps up with trends and products and knows the industry well. He is our external communications point man, and has done well in keeping our company focused on creating new products and expanding into new markets."

"What kind of people leadership experience does he have?" asked Tom. "I know we had him in Production management for a while. How did he do there? This Project will require this person to lead others through a matrix approach"

Susan glanced at her papers and then pulled out Richard's personnel file. After about a minute of silence, she said, "It seems he did not do real well managing people. That's why we moved him over to where he is now – he's more of a lone ranger 'entrepreneurial type' and is working with a small matrix support staff now. He had no previous marketing experience but was willing to try it out."

Tom could read Larry's face and saw that he was not too happy with the last recommendation. He then asked, "Do you want to ask any questions about any of these candidates?"

"At this time," Larry answered, "I think we need to look around a little more and find other possibilities before we come back to these candidates. While they certainly do have some good points, we'd like to see what other available external consultants are out in the field that we could compare them to."

Tom looked over at Susan and at Joe Malone (the CFO who was also sitting in on the meeting) and asked both of them, "Who do we have in our own network that might be able to give us some more names of potential candidates? We need some recommendations fast – I want to keep this project moving forward."

Joe said, "Tom, I have someone in my network that might be able to give us a couple of good names. He stays in contact with a large number of people and I'm sure he could give us a couple of good names."

Larry spoke up, "From what I'm seeing, I think I might want to add a couple of qualifications about any new candidates that we talk about from here on out, if you don't mind." Larry glanced around the room to make sure everyone was listening, and then spoke. "What I seem to be seeing here is that the people mentioned so far only have about half the qualifications we really need to run this critical project successfully."

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The air in the room suddenly got very thick, and you could hear a pin drop. All eyes were on Larry, and each person present knew the final decision would rest on whether the venture capitalists and investors approved of the key person or not. Larry continued, "I'd like to find someone who can hit on each of six main areas, like cylinders in an engine. What we've got so far are people who seem to be only running on two or three cylinders. Also, I'm concerned that these internal candidates are going to be wearing two hats while working on this demanding

project. Tom, can you really afford to risk your current business momentum while an internal person is working on this new due diligence effort? What we really need is someone who is highly dynamic, fully available and not afraid to tell us it like it really is. In other words – they're not afraid for their current job. I'm just not sure an internal person is the way to go here. We've started quite a number of successful new businesses before, and that is what we all want this one to be!"

"I have been giving considerable thought to this project and I believe there are six essential qualifications that should be most important to all of us," Larry continued, pulling out a sheet of paper from his portfolio. "First, the consultant we hire needs to be fully focused on just this task – able to fulfill the full scope of the role within the project timeline.

"They also must know the technology. They need a broad industry overview and not just BioSynth's product line. Tom, this is crucial for a successful new product launch and new market development efforts and the problems and evaluations that are sure to be present.



"Thirdly, they will need to know today's competitive marketplace – they are going to need to find out what it takes to beat out the competition in this new BioSynth business arena.

"Fourth, they have to know the overall scope of the industry and who to network with for more help – that means the trade journals, the relevant associations and even suppliers, vendors and potential customers.

"The last issue is that they simply must be compatible to the key leadership team here at BioSynth as well the VC/Investor group and be able to lead others.

"And let's not forget they also have to be available to start ASAP, be cleared as being conflict free (no non-compete or NDA issues) – and they need to be available at a moment's notice for meetings – whether part-time or full-time."

Tom answered Larry's overview with, "Wow, you sure do have this thought out. That's going to be a lot tougher than we had hoped for, Larry. It's also probably going to take longer than we had thought to get started on this. Unless Susan, or Joe, can get some better leads, it will take a while going through networking, or recruiting from job boards."

Larry went on, "Better to delay and get it right. At VC Partners we believe firmly that everything will succeed or fail, based on the right person handling the business planning and evaluation stage."

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"Tom we are ready to invest the money," said Larry. We believe in your company and this new opportunity – as we've said - but we want a sure leader. But we must have a highly competent consultant who can operate on all six of these cylinders. We just want to be very sure that our investment has the right person guiding it from the beginning."

Tom now realized that there was no need at this point in continuing the meeting. So he promptly adjourned, and thanked everyone for being present. Before they left, he set a date for three weeks in which they would meet again. They agreed, but Larry wanted him to confirm first that he actually had found some candidates who would meet the stricter requirements before they would come back.

After the others had gone, Tom spoke to Susan and Joe alone, "Do either of you know someone who can get us, say, six candidates in three weeks that can match up with these six qualifications?"



Joe and Susan looked at each other with a puzzled look and shook their heads. “No, not really,” they both said simultaneously.

Susan then said, “I suggest we do some searching for recruiters who can find high quality consultants that are experienced in the industry we are going into. I recently saw some statistics from the U.S. Department of Labor<sup>i</sup> that said that there are more than 500,000 consultants – the government calls them ‘management analysts’ - in this country, and they are expected to increase by 24 percent in the next few years. Most of them are self-employed, too. With this many, it will make it even harder to sort out the wannabes from the really good ones who have the real experience and motivation we need.”

Tom said, “Yes, that’s it. . . we need to call a recruiting expert from our industry – they’ll know how and where to find a whole slate of prospects. It’s no different than finding a General Manager to run one of our businesses. They should be able to bring us people who’ve worked for the competitors, who are experts in this field and aren’t afraid to tell us the cold hard facts. I recently read that the Institute of Management Consultants, USA,<sup>ii</sup> recommends that just like when you search for key employees you should search for consultants with industry experience, technical/functional discipline experience, the right education and or certifications, and ideally for someone with all of the above. I think the headhunter is really going to have to help us out a lot, and show us the best way to go about finding the right fit.”

Joe chimed in, “Sounds like the recruiter’s going to have his work cut out for him helping us on this one. We’ll have to find one with a lot of experience. Susan, come on down to my office – let’s get on the phone and start screening some headhunters. Tom, we’ll get back to you with a report soon.”

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*In today’s marketplace, delaying valuable and profitable projects, or leaving key positions unfilled can be very costly. Finding highly qualified candidates or consultants quickly who can perform well on all “six cylinders” to fulfill your specialized project management needs is what the Ropella Group’s Consultant Search team does for companies all the time – and in less time, too. Call us today for a free consultation to learn how ROPELLA can help you.*

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<sup>i</sup>Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2010-11 Edition, Management Analysts, on the Internet at <http://www.bls.gov/ocos019.htm> (visited June 23, 2010).

<sup>ii</sup><http://www.imcusa.org/?page=FINDACONSULTANT>

# THE COST OF VACANT POSITIONS

Trickle-down costs affect your whole company

## PERSONNEL COSTS:

Given that the average manager should earn you 3-5 times their salary...

|                       |                   |
|-----------------------|-------------------|
| R&D Director salary:  | \$120,000         |
| Earning Loss per day: | \$1,400 - \$2,300 |
| 6-Month Loss:         | \$300,000         |

## TEAM COSTS:

- Leadership, idea generation, and skills are lost
- There is an increased chance of others leaving
- Team cohesiveness is disrupted
- There is an increased likelihood that poorly-performing team members will be retained
- If team leader is "vacant," then the time-to-productivity is likely to be negatively impacted

## REAL COSTS:

- Delayed revenue resulting from increased Time-To-Market (TTM)
- Products or services that could never be introduced
- Underutilized equipment and corporate assets
- Decreased output from employees performing unfamiliar jobs

## MANAGEMENT COSTS:

- Less manager time with employees
- Frustration over less corporate support
- Higher middle-management turnover
- Lost opportunities by managers with fill-in duties
- Multiplier effect on productivity and recruitment of others

## PERSONNEL COSTS:

- Is-the-company-doing-well gossip
- Greater incidences of illness, absenteeism, and tardiness
- Less focus on employee growth, because they are off in a training session
- Increased frustration
- Less quality work; increased error rates
- Lower chance of employees reaching individual goals
- Higher turnover
- Reduced creativity and innovative thinking

## COMPETITIVE ADVANTAGE COSTS:

- Analysts perceive you as weak
- Competitors see you as vulnerable
- Prospective employers see your company is in trouble, especially if in high-end positions

## CUSTOMER COSTS:

- Loss of sales volume: unfilled orders and reduced service quality
- Customer attrition: product development delays, new product launch delays, and false impressions

Please visit our website, [www.ropella.com](http://www.ropella.com), for the complete text of The Cost of Vacant Positions



# ABOUT PATRICK ROPELLA



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Ropella, with 25 years experience, is the leading executive search and consulting firm specializing in the chemical, consumer products, technology and energy industries.

We help many of the world's largest companies find, hire, develop and retain their most important people. We recruit globally in sales, marketing, R&D, and manufacturing, from middle management to the most senior executive levels. At Ropella, not only do we find great leaders, we can also help you build a stronger, more competitive, and more innovative team with our Leadership and Organizational Improvement consulting services.

Nothing is more important to your company's ability to create value than the right blend of talent. Call us today and put our people and our process to work for you.

Having dedicated his career to helping companies across the globe in sourcing, marketing to, assessing, recruiting, on-boarding, retaining, training and transforming top talent, Patrick Ropella has a global perspective on Executive Search and Talent Management.

He has worked across all roles and functions, cascading from the top levels of management to also placing apprentices coming straight out of college. Over the past 20+ years he has seen many individuals he's personally assisted make career transitions, become well trained leaders, join the C-suite at many of the world's largest corporations.

His experience within the global chemical industry as a dominant talent management leader allowed his firm, Ropella Group, to grow to the leading position it now holds with a wide variety of corporate clients with the chemical industry, transition to serving major consumer product companies, energy companies, Nano, Bio and other high technology companies.

Patrick has traveled extensively, meeting with middle level to C-level executives at the top 100 largest chemical and consumer product companies in the world, branding the "Ropella" name globally. He has successfully placed hundreds of senior level executives with top name companies, including but not limited to: DOW, DuPont, Exxon, Georgia Pacific, SONY, Anderson Windows, GE-Silicone, P&G, Clorox, Pfizer, BASF, PPG, Monsanto, Revlon, Baxter Labs, Sealy Mattress, Ciba Geigy, Johnson & Johnson, Shell, Sherwin Williams Paints, New Balance Tennis Shoes, and many more.

Patrick has written for a wide variety of trade publications, newspapers and business journals on subjects related to the topics covered in The Right Hire. His writings have also been published in Germany, Italy, Latin America and Asia.

Patrick and Robbie reside in Milton, FL. with sons Richard and Robert nearby.

## AUTHOR OF

- ▶ The Right Hire
- ▶ The Right Fit
- ▶ The Right Team
- ▶ Over 50 published articles



Patrick Ropella's **SMART Talent Management System** focuses on training Human Resource leaders and Hiring Managers based on the core Talent Management topics of:

**S**ourcing, **M**arketing, **A**ssessing, **R**ecruiting, **R**etention, **T**raining, and **T**ransformation.