TALENT STRATEGIES FOR COMMERCIAL ADVANTAGE

As there is little indication that the coming year will be any less anxious than the last, with few bright spots on the horizon, you'd better get ready for another testing period. This is equally true for talent markets.

Despite the fact that restructuring and process improvements will continue, the people focus has to be on optimising investments in human capital - as opposed to simply cutting people costs or doing so without re-engaging the remaining workforce. With the 'war for talent' and upcoming demographic changes still relevant; CEOs are fully aware of the need to be well positioned for when the economy recovers.

This economic downturn will eventually pass and companies that have a strategic talent advantage will move into the next phase from a stronger competitive base. This is driving executives to grapple with the question: how do we protect our hard fought employer of choice positions and leadership brand investments, while taking the requisite P&L decisions?

Insight: Company value connects to a well articulated talent strategy.
Solution: A lack of planning leads to unforeseen shortages, surpluses, and misdirected training programs needed for emerging new demands. When financial analysts make an investment recommendation, in addition to financial performance and credibility of corporate strategy, they take into account factors such as the quality of management, innovation capability; the ability to attract and retain talented people, management expertise and the alignment of compensation. All mandatory components of a company's talent management mandate.

Insight: Commerciality of the talent strategy is critical; lacking this, the leadership team will not support the talent process and, most importantly, the talent process will not support organisational strategy.
Solution: One approach is to focus on identifying where talent - which is better than the competitors - is needed for the business strategy to work. Efforts to retain, engage and develop the right talent should be directed at lead-business lines, critical market segments, current key client groups or targeted new clients. Developing capability for the business drivers of client value, new revenue streams, emerging business-models, cross-silo collaboration or innovations that typically emerge from such difficult times will ensure a company can come out of this business cycle better positioned.

Insight: New business models are highly likely from this cycle and as a result will redefine talent priorities. There is a real need to identify where change matters most for the talent agenda to be most effective.
Solution: No advantage and no success lasts. Competitiveness can be heightened by aligning talent management with future scenarios or business strategies for potential business improvements. Consider the catalysts that will redefine talent priorities and drive improvements. Talent analysis and planning can be useful in determining where in the business there is a need to buy, build, borrow or bounce.

Insight: Talent management is seen as developing current and future leadership rather than a seamless and integrated set of practices to deliberately build sustained capability for the organisation.
Solution: Take a **client-centric** context to the management of talent to direct efforts to where strong and distinctive capability and core competence is needed. Provide **change management** skills for leaders and individuals so they can strategically address the structural changes that are occurring within and across the business with a new level of thinking. Build **capability** for the new and inevitable business models needed for the business to succeed. Exploit cross-silo **collaboration** and information sharing so that all opportunities are explored.

The Talent Advisors
growing / capability

Insight: As there is now greater competition for funds within companies, the challenge is to do more with less, force issues - including those relating to performance differentiation - and ensure a return on development investment. No organisation in today's economic climate can afford to invest in talent management practices without a demonstrable and significant return on investment.
Solution: Talent management has the potential to add proven value to business results and competitiveness through client-centric initiatives, competency frameworks, a performance management system that works, leadership brand, organisational design and talent acquisition.

Insight: Improved governance practices will occur if meaningful scorecard measures exist to hold managers at all levels accountable for talent outcomes – led by a properly mandated Talent Council.
Solution: Track the metrics that matter. Consistently measure the effectiveness of talent management programs and use risk analysis measures to ensure a sustainable and effective talent capability. The mandate of a Talent Council is to achieve competitive advantage. To do this it sets direction, creates strategic capability, directs talent portfolio management and ensures execution and risk-management.

Insight: Companies have fundamental talent processes in place, such as talent identification, high-potential development programs and replacement planning. However, few consistently execute these programs consistently across the entire organisation and at all levels.
Solution: A real opportunity exists for HR to strengthen its contribution to business performance, provided it can demonstrate it can execute, on a sustainable basis, both identified talent strategies and what is needed to build broader corporate capability. If HR misses this opportunity, it's credibility as a business contributor will be questioned.

FROM INSIGHTS TO ACTION

Companies, more than ever, need to be deliberate and strategic in managing their talent by: **1.** Identify critical workforce segments that drive value for the business. **2.** Engaging with the senior leadership team to get clear on the top business priorities and most critical areas. **3.** Undertaking scenario planning for potential business improvements. Consider the catalysts that will redefine talent priorities and drive dramatic improvements. **4**. Aligning closely to commercial drivers. Show how talent management addresses commercial pressures through the right strategic actions, capabilities, enabling tools or practices. **5.** Positioning HR as a professional consulting team on talent management equipped to provide business-based solutions to managers and expert guidance to leaders. **6.** Ensuring effective governance and execution processes directed from the right Talent Council structures. **7.** Educating, engaging and developing leaders at every level as effective talent managers. Have a Success Profile. **8.** Creating stakeholder management and communication plans for the talent management function. **9.** Measuring the results using analytics to determine if talent initiatives are implement well and are effective.

This is an extract from our study Talent Management: Best Practices, Risks and Lost Opportunities. To participate call 0400 806 336. Some of this content appeared in "Striking the Right Balance" published by Business Spectator on 12 January 2009. To download the related articles "Rethinking Talent Management in an Economic Downturn" and "Why Top Talent Succeeds in Turbulent Times" go to www.thetalentadvisors.com.

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