

# Choices of the Talented

**During tough economic times, the best companies see that there is far more new business to be gained by filling the position than reducing expenses. BY MARK SHLIEN**

When I first sat down to write this article in late October, the Dow Jones Industrial Average had experienced in the past year 21 sessions with triple-digit closings, including one where it was up 900 points! It has been a rollercoaster month for all of us. However, it appears that institutions, governments and individual investors have concluded that the sky isn't falling. It will take a while for the market to recover, and in the meantime, we need to tend to our businesses.

The insurance industry has seen some national carriers struggle to regain their financial strength and cut expenses by laying off employees. On the agency side, large scale mergers will place many talented individuals in the market. Although the market may be volatile, the value of talented insurance professionals will remain high. In an economic downturn, staffing professionals may have plenty of applicants for any given opening. Given this bounty of talented individuals looking for employment, some managers may conclude that this is not the time to add to staff. They also believe they do not need to provide competitive salaries, bonuses and perks to attract quality people. They assume that any candidate would be happy just to get a job. This approach, however, is flawed, even in an economic downturn.

When times are tough, the best organizations will provide the required incentives to grab the best talent. The truth is there is always competition for A-level candidates. In this job market, there is and will continue to be a surplus of talented people looking for jobs.

Agencies and brokers in this marketplace will have an opportunity to hire producers, experienced managers and a variety of insurance technicians. Although compensation is important, there are other important considerations. A privately owned agency, for example, can offer the energy-charged atmosphere which is attractive to producers and managers who have worked for large, slow moving organizations and have a sense of urgency. A bank-owned agency often has lead generation capabilities which pale in comparison to its peers. Smaller agencies can offer talented people the opportunity to one day have ownership.

But in this economy, can a business justify hiring? One of our clients recently made the decision to add a critical position. They had been adding producers as they found them. Their sales manager retired when the market downturn began. Their concern for the future led them, initially, to put off replacing that position and reduce expenses. Their questions were many. Did they really need to fill this position now? Could they hold off until the first

quarter/second quarter of 2009? Given the soft market, could they justify the expense of this new employee? Could they offset the cost with new business? Could they generate the same amount of new business if this person wasn't hired? Was there somebody else in the organization who could do the job?

As they answered these questions, they realized no one in the agency had the experience or capability to do the job. Their large producer team, particularly the younger people, would benefit from the coordination, coaching, sales support, and planning that a talented individual could bring. They realized there was far more new business to be gained by filling the position than reducing expenses.

They contacted me to develop a position description and we began a nationwide search for a sales manager who would be a good fit. As of late October, the agency was interviewing two very strong candidates who are anxious to leave firms which have been acquired or are having financial difficulties. My client has been surprised and pleased to attract individuals of this caliber. They hope to have the new sales manager on board soon, and believe their producers will feel the same way.

Another agency had made the decision to add a chief operating officer several months ago. The principals were frustrated they did not have enough time to focus on sales and the employees wanted the owners to focus on management. Morale was poor, and there had been turnover. These executives realized they needed to bring in a manager to take over the day-to-day operations. I had introduced the agency to an outstanding candidate who was looking to relocate to their area. When the financial markets began to tumble, my clients worried this was not the time to add to staff. However, they knew that this candidate would not be in the market for long, so they brought her on board. One month later, they couldn't be happier with their decision. She has already made enhancements to the operation, improved morale and allowed the owners to focus on new business.

In time, our industry and our economy will recover. When it does, agencies, brokers and carriers will hire employees with gusto. But until then, the best organizations will seek out some of the many talented people who will be forced out of their current positions. They will look at the current market as full of opportunities. They will strengthen their organizations with talented people who will bring them to the next level.

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