



WHITEPAPER

Talent on Demand:
How a Flexible Talent Management Strategy
Can Help Companies Secure the Right Talent,
Right When They Need It

Flexible Work Solutions.
Experienced Professionals.™



“Today, a deep bench of talent has become expensive inventory. What’s more, it’s inventory that can walk out the door.”

– PETER CAPELLI, HARVARD
BUSINESS REVIEW, MARCH 2008

More than 60 percent of women and 40 percent of men lawyers who leave firm practice cite difficulty integrating work with family and personal life.¹

– MAUREEN STEADY,
LAWJOBS.COM CAREER CENTER

Introduction

A company’s success depends on its ability to adapt to change. Whether responding to economic uncertainties or to market opportunities, a company that stays flexible is a company that can maximize profitability.

One way companies can adapt to change is by quickly mobilizing teams. But in today’s knowledge-based economy, it’s difficult to find high-quality talent. The demand for knowledge workers and the cyclical nature of their work have made booms and busts business-as-usual.

In response, some companies are using an HR strategy inspired by proven supply chain management processes. Called **talent on demand**, this process secures high-quality consultants and specialists on an as-needed, per-project basis. Companies can lease the right talent for the tasks at hand. Today, new technologies are enabling these companies to use talent on demand in innovative ways. Rather than using talent on demand sporadically, some companies are making it the center of their overall talent management strategy. Relying on flexible talent allows them to stay nimble, competitive, and profitable—even in uncertain economic times. This white paper explores how talent on demand can help companies secure the right talent, right when they need it.

Challenges and Market Drivers

Why Top Talent Is Becoming More Difficult to Find and to Keep

The demand for seasoned, full-time executives has never been greater. Distributed technologies such as mobile devices have brought about knowledge workers who act as free agents rather than committing to one firm. Some independent knowledge workers choose only the clients and projects that match their strengths and interests. Others demand more control over their time.

The retiring baby-boomer workforce, which comprises approximately 90% of today’s senior managers, further increases demand for top talent. Over the next 10 years, these seasoned managers will continue to leave the workforce. However, some of them want to scale down while continuing to contribute their skills. Flexible work allows these “A players” to deliver value and results on a non-traditional schedule.

Not only is full-time, high-quality talent difficult to find, but it’s also difficult to keep. The average American holds 10 jobs between the ages of 18 and 38. Approximately one-third of the U.S. workforce changes jobs each year.

Shorter job tenures, a high demand for knowledge workers, and economic uncertainties mean companies must be more strategic in how they develop their employees. But it’s difficult for companies to anticipate every market change and opportunity—which makes it difficult to determine where to invest. According to the Harvard Business Review, even “[l]eading corporations like Capital One and Dow Chemical have abandoned long-term talent forecasts and moved toward short-term simulations.”²

Much as technology permits companies to parcel out more work to specialists, free agents, and talent networks, companies can easily segment work into discrete tasks for independent contractors and then reaggregate it. As companies move in this direction, they will need to build capabilities to engage talent globally or contract with talent aggregators.⁴

– JAMES MANYIKA,
THE MCKINSEY QUARTERLY

The Costs of Traditional Approaches to Talent Management

How Developing Talent In-House and Hiring from the Outside Fall Short

In an unpredictable economy, companies are finding that the talent they hired yesterday is unable to meet their demands today. Traditional approaches to talent management, like developing talent in-house or hiring from the outside, end up costing more than they deliver.

For example, firms face astronomical costs per employee for recruitment, training, paid-time-off, health insurance, and other benefits. One study found that replacing a knowledge worker (who creates up to three times more profit than other employees³) can cost up to 200% of that person's salary in recruitment, in other employees' time, and in benefits. That means a company can pay \$200,000 to replace a \$100,000 position.

High attrition rates compound the problem. For example, a law firm's breakeven point on an associate is 1.8 years. When an associate leaves, the firm pays approximately \$300,000 in separation costs. Nearly half of male associates and nearly two-thirds of female associates leave their law firms within five years, mostly due to work-life balance issues.

A company's need to stay profitable in a tough economy makes a flexible approach more critical now than ever before. Fortunately, a flexible talent management strategy like talent on demand can help to build a competitive advantage.

Using Talent On Demand to Build a Competitive Advantage

Introducing Talent On Demand

The demand for top talent is driving new ways of thinking about human capital. Many large companies already use talent forecasting to help them stay resilient. But to build competitive advantage, access to key talent is critical. Companies need to plug in the right specialists at the right time. They need people who can immediately make a difference and who can fit into their culture. They also need the flexibility to ramp up and down as the business dictates.

Talent on demand allows companies to tap into specialists while keeping costs in check. With talent on demand, *talent aggregators* match the right-fitting executive from a pool of independent experts. These project-based specialists make results the priority—rather than where or when the work takes place. Some talent aggregators also provide coaching and consulting to help both the executive and the company succeed.

Talent on demand is an accessible, easy-to-implement approach that delivers immediate benefits. By having a distributed talent network, employing a “just-in-time” talent management philosophy, and creating work flexibility, companies can

“As more and more sophisticated work takes place interactively online and new collaboration and communication tools emerge, companies can outsource increasingly specialized aspects of their work and still maintain organizational coherence... (allowing) them to parcel out more work to specialists, free agents, and talent networks.”⁵

– JAMES MANYIKA,
THE MCKINSEY QUARTERLY

engage high-quality professionals while more effectively managing costs. They can expand and contract their skilled workforce as economic needs dictate. They can lease the right skill set for the task at hand—without maintaining expensive inventory. And, as a result, these companies can build a competitive advantage.

How Talent On Demand Is Different from Traditional Hiring Approaches

Talent on demand isn't a substitute for full-time employees. Rather, it's an increasingly important tool as part of a comprehensive talent management strategy. Companies that incorporate flexibility into all areas of talent management are those that realize the greatest benefit. By using a virtual bench, companies can add depth and experience at the right time to maximize their opportunities.

Obstacles to Implementing Talent On Demand

According to McKinsey & Company, human resources departments face several internal challenges to implementing talent on demand and flexible work arrangements. Following are a few common obstacles HR professionals should prepare for:

- **Short-term mind-sets.** Many senior leaders don't align talent management strategy with business strategy.⁶
- **Minimal collaboration and talent sharing among business units.** Many organizations are “siloed” and don't encourage collaboration and sharing resources.⁷
- **Ineffective line management.** Line managers are not sufficiently committed to the development of people's capabilities and careers.⁸
- **Confusion about the role of HR professionals.** Many CEOs, senior leaders, and senior managers don't spend enough high-quality time on talent management and aren't sufficiently involved in shaping talent-management strategy.⁹

By collaborating, HR and business leaders can work together to create a flexible talent strategy that meets the business' long-term objectives.

Introducing Flexperience

Talent Aggregator Systematically Helps Companies Become More Profitable with Talent On Demand

Flexperience is a talent aggregator that helps companies develop a flexible talent management strategy that systematically cuts costs and increases productivity. With Flexperience, companies get fast results on terms that work for both companies and talent. Flexibility can take many forms: telecommuting either part-time or full-time, working non-traditional hours, and working on an episodic or project-basis. Flexperience works with companies to develop a customized talent management approach that fits their needs.

Not only does Flexperience help companies find talent, but it also helps them keep it. Flexperience consults with companies on how to best use their talent. And it coaches talent on how to best work with the company.

“Talent on demand gives employers a way to manage their talent needs and recoup investments in development, a way to balance the interests of employees and employers, and a way to increase the level of skills in society.”¹⁰

– PETER CAPELLI, HARVARD BUSINESS REVIEW, MARCH 2008

What’s the difference between talent on demand and traditional hiring approaches?

Traditional Hiring Approaches	Talent On Demand
Recruiting & volume staffing; using temps & temps-to-hire	Talent on demand; matching the right, high-level specialists to the task at hand
Posting an ad on Craigslist and hoping for the best	Letting a talent aggregator do the screening; choosing from a stable of high-quality professionals
Hiring a consultant to help with a one-off project; or hiring a temp to do administrative work	Getting an expert to help with a deliverables-based, high-quality product or service that usually impacts the bottom line
Hiring an interim director who ends up being a poor fit	Hiring an interim director from a talent aggregator so you can “try before you buy”
Reacting to a shortage of staff by trying to hire more	Creating a flexible talent plan that allows for timely and strategic problem-solving

Here are a few examples of how companies can use talent on demand:

- Augmenting a marketing team on a short-term basis to launch new products or services.
- Providing a skill set for a key project, such as legal experience in a specific area or managing a new compliance requirement
- Backfilling an essential position when an employee needs to take time off for a maternity leave or family illness, ensuring a project stays on track
- Filling a critical role with interim expertise while a company searches for a full-time candidate

Conclusion

In today’s changing markets, it’s difficult for companies to anticipate their own talent needs. New technologies and changing mindsets about the nature of work are making distributed talent networks more commonplace. By employing a flexible HR strategy like talent on demand, resilient companies can secure top performers who deliver consistent results.

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Learn More About Talent on Demand

Talent on demand is an easy-to-implement strategy that helps companies stay nimble and profitable. See how you can apply talent on demand to your own organization. Getting started is as simple as having a conversation. Give Flexperience a call at 800-850-9591.

About Flexperience Consulting

Flexperience is a boutique consulting firm that connects experienced marketing, human resources, finance and legal professionals with opportunities for flexible, project-based work with our clients. Our proprietary database connects experienced talent with projects that deliver for our clients' urgent business needs. We are among the pioneers of creating a flexible workforce for today's rapidly shifting priorities. We partner with our clients to make it easy to find the right people, at the right time, at a fair price for their urgent business needs.

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