

# SCALING UP DISTRIBUTION

Why Do Most Financial Services Organisations Fail?

15 Critical Things You Must Consider To Avoid Failure When Making  
Multiple Hires





# Introduction

It seems like everyone is scaling up. After recovering from the financial crash, followed by the regulatory impact of the Retail Distribution Review, there is now an appetite for growth among Product Providers, Wealth Managers, Chartered Financial Planning Practices and other Advisory businesses. Most businesses are hiring professionals, and many are making multiple hires as they plan to scale up.

In recent months, I have met with, or spoken to many ambitious Sales and Distribution Directors aiming to build new distribution teams from scratch or to even treble the size of their teams in a relatively short period of time. When I ask how they feel about their growth plans, they invariably use words like “excited” and “optimistic”. This is an exciting time to be in Financial services (who thought we would ever say that again?!)

But experience tells us most will fail in their attempt to secure and retain the top talent and many businesses will fail purely because they underestimate the complexity of the task and the numerous pitfalls along the way



# Introduction

- A multiple hire project is a project involving hiring a large number of candidates of similar skillset in a short period of time. It can be across one function (such as Distribution) or many and across one or many locations.
- It is not to be confused with a team move which involves poaching a team from one company to another ‘en masse’. They are, if anything, even more difficult than multiple hire projects and require a totally different approach.
- This guide focuses on scaling up through a multiple hire project: - examples include:
  - Building a functional team or region for a single employer
  - Building National or Regional Sales teams
  - Recruiting for a new Regional office, across functions
- Whether you are making a few or many multiple hires, it is not easy to scale up your hiring without putting certain building blocks in place.





# 1.

## Do the usual Recruitment Planning



- a) Identify the key skills you are seeking
- b) Identify clearly the location(s) candidates are needed
- c) Create a compelling business proposition
- d) Create marketing information that helps you sell your company and the role to candidates
- e) Agree a job description including essential and desirable attributes

Then consider the extras you need to create a successful campaign



2.

## Consistency is Key



Every candidate needs to be made to feel special. While this is fine when hiring one person at a time, it's less easy when a large campaign involves many people with different skills and experience, as you inevitably must to address the issue.

That's doesn't mean candidates shouldn't be treated in the same way, in fact it is in your interest and their interest to ensure they are assessed to a consistent standard, but the knock-on effect of treating even one candidate badly can impact massively on your campaign and your reputation.

Put in appropriate procedures to ensure consistency among interviewers. It's as important how you treat unsuccessful candidates as well as the successful ones. If one candidate feels badly treated, the bad feeling generated can "put off" others.



### 3.

## Run Training sessions for the Hiring Managers to ensure a consistent approach

It seems obvious but even the most skilled Hiring Manager can benefit from training every now and then.

If there are multiple interviewers, spending time with Resourcers and Hiring Managers, to ensure consistency, is well worth the effort.

It is particularly important for interviewers to know what Resourcers have said to a candidate, so they don't contradict it. Likewise, it is vital that all Resourcers, who are the first point of call, make statements that accurately reflect your company offering.

Training is crucial.





4.

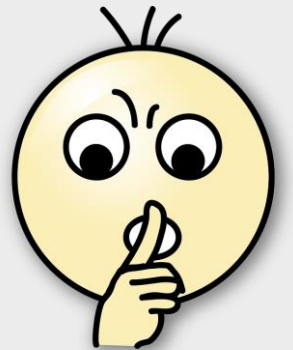
## Keep the campaign confidential

This is my experience. It's much easier to hire candidates if the role is considered attractive and has an air of exclusivity about it. Most importantly, your target candidates must not feel that the role they are considering is available to everyone.

We all know companies who are considered to be a last resort - it's generally because they shout from the rooftops that they are hiring, and *everyone* seems to be approached to work there. Successful people want to feel special. They like being head hunted and nothing puts them off like feeling the company is desperate and will hire anyone.

Also, advertising and approaches with a touch of desperation will only attract active and desperate candidates which creates a race to the bottom.

Good candidates expect to be head hunted and to be offered exclusive opportunities not available to lesser individuals.





# 5.

## Build rapport at the first face to face interview

If you want a candidate to attend assessment, you really need to be sure the Hiring Manager has convinced the candidate.

Train your Hiring Managers to “sell the job” before you assess suitability.







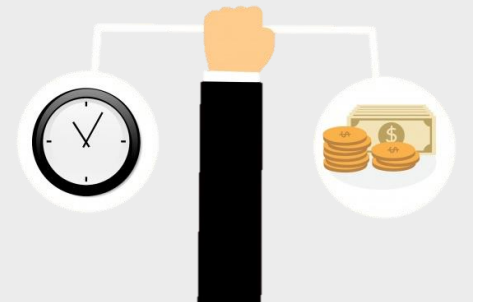
6.

Don't  
underestimate  
the time and  
resources  
required

Always consider logistics and plan your campaign with precision.

If the campaign is geographically diverse that adds another level of complexity. As most interview processes require at least 2 and often 3 stages, just organising the interview and assessment schedule takes some doing!

If you don't use a head-hunter, put in a three-stage process. If you do, the head-hunter will conduct the first interview to a high standard so you only usually need two additional stages.



# An example...

In a recent campaign we had to recruit a whole Distribution team for a major new market entrant. There were 25 vacancies in total.

- 2 Senior Director roles, 1 of whom had to be based at Head-Office and 1 of whom could be home-based in the South of the UK.
- 10 Regional BDM roles in 10 locations across the UK
- 1 Regional Specialist Sales Manager
- 10 Telephone Account Managers at Head-Office
- 2 Training Consultants to roll out training for the whole team.

This takes a lot of organisation.

- We had to interview around 100 candidates and shortlist 75 (3 per vacancy).
- Our client had to conduct at least 75 x 1st interviews across 11 locations
- Our client then had to conduct at least 50 x 2nd interviews.

Even assuming a two-stage process it was important to have at least two candidates at 2nd interview to ensure at least 1 succeeded.

- Overall, between ourselves and the client, we had to conduct 225 interviews, 100 for us and 125 for the client.



## 7.

Allow time to hire  
Directors,  
particularly if they  
are to conduct  
interviews  
(or use an  
interim)



If the Senior Directors are to be involved in interviewing for their teams, allow time for notice periods.

In retail Financial Services, it takes around 6 weeks to create a strong shortlist of Director level candidates and a further 6 weeks to complete the interview, offer and negotiation process.

Many Director level candidates will have to work 3 – 6 months' notice. If the Director is to interview subsequent team members, it can slow the process down further.

In the example on the previous page, it was necessary to appoint an Interim Sales Director to conduct candidate interviews while the appointed Sales Director was still waiting to join through serving his notice elsewhere.

We also appointed 2 Contract trainers for the same reason.



8.

Don't try to  
create shortcuts  
by asking  
candidates to go  
straight to  
assessment

This route leads to failure.

You will experience no-shows and reduction in candidate quality.

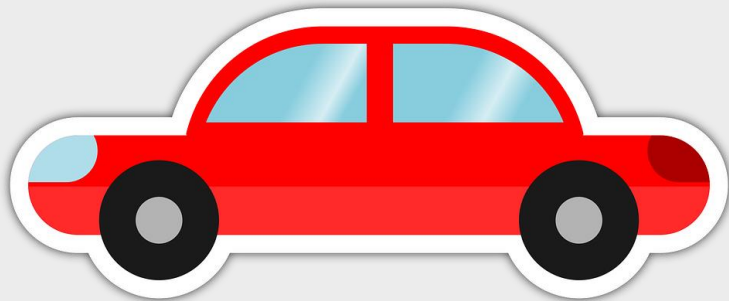
Only a desperate candidate will go to the time and effort of attending an assessment centre without meeting the Hiring Manager first.





9.

## Offer flexible interview locations and dates



Be practical, give candidates notice and options. As the Hiring Director, you will need a schedule of interviews which needs to be both feasible and flexible.

Generally, a candidate will travel for a 2nd interview but not a first interview. If you provide 1 interview date to a Stockport based candidate at a close location (say Manchester) which a candidate cannot attend, an interested and suitable candidate may well be willing to travel to Leeds or Birmingham in recognition they had been offered a local interview however, if they are expected to travel to Leeds or Birmingham for a first interview with no local option being offered, the number who agree to go will reduce and there may well be late drop-outs.



# 10.

Be organised.

Record your  
results and  
progress

A campaign like this *needs* skill and organisation.

Monitor your progress.

We find spreadsheets work best but some good CRM systems use different methods.





# 11.

## Be flexible

No projects of this size run completely smoothly.

In the past 18 years we have run many multiple hire, multi locational projects and inevitably something goes wrong.

It's how you deal with set-backs that matters.

In the example we gave earlier, 225 interviews were a most likely case scenario. We had to go back to revisit some of the more obstinate vacancies



# 12.

Teamwork is  
crucial.

Avoid having  
enemies in  
the camp

A large multiple hire project may require several Resourcers and interviewers working together. This requires teamwork. We find team incentives works best. It is certainly important to ensure your incentivisation rewards collaboration.

As a general rule, a project has more success the fewer the parties involved. A single dedicated company, working with you, using employed Resourcers who are dedicated to the project, will be much more effective than a group of self-employed Resourcers working on a variety of projects for you and your competitors. That can be a recipe for disaster as they work for multiple paymasters and you run the risk of competing with your own suppliers. If you do have self-employed Resourcers, ensure they are dedicated to your project and are not selecting against you by passing their best prospects to a competitor and using your company as a “backup option”.







# 13.

Remember,  
the last few  
vacancies are  
hardest to fill

It's easier to fill the first few vacancies than the last few. You might consider being more flexible on entry criteria, increasing the salary, benefits or being more flexible to fill the last few.



# 14.

A specialist  
Search  
Consultancy  
can save you  
time and  
money...

It is perfectly possible to do all the above without using a search consultancy. However, not every company has the resources and skills to conduct the full campaign without help.

Failed campaigns can have a massive knock-on effect to your business. Even successful campaigns can impact on your time with the trial and error of creating an effective campaign.

A good search consultancy can save you time by creating a campaign to your brief, taking out all the headaches of identifying, approaching and shortlisting suitable candidates as well as helping you benchmark salaries and skills and manage candidates successfully through the process.

The search company can also provide interview training to your management team to ensure consistency of approach. Your role is still crucial in the latter stages of interviewing, but the search company can be by your side, providing advice and guidance every step of the way.



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# ... Continued

Search companies can vary however, so if you want to avoid failure, hire a search company you can trust to work with you and not against you. Make sure the search company's staff are dedicated to your company's success. Do they employ their own staff or are they self-employed?

Some companies employ specialist in house researchers, some outsource this function. The employed ones tend to be highly skilled, know the market and receive a monthly salary payment and will work within guidelines set by their company.

Outsourced researchers also tend to be highly skilled but work across industry sectors. Most employed resourcers work for retained search consultancies so they work mainly on retained assignments.

Self-employed Recruitment Consultants may offer contingent (placement only) recruitment deals. Some recruitment agencies, including some search consultancies, work with a high number of independent self-employed recruiters. They can often work on a contingent basis (no placement, no fee) and may be cheaper than retained search consultancies as they rarely have dedicated Resourcers and therefore have lower overheads. They are also unlikely to dedicate themselves to one company, preferring to work for multiple paymasters. By not paying a retainer, the risk lies with your company. It can be risky working with someone who places a candidate with the highest bidder unless the highest bidder is you!

A good retained search company will offer an exclusivity clause and clear off-limits policy, guaranteeing that all staff introduced to you have an exclusivity period, guaranteeing they will not submit candidates they have introduced to your company to any other company while in process. They are also able to ensure their staff are compliant with the employment agencies act, ensuring no staff who are placed with your company, are re-approached by the same recruiter for a move elsewhere at a later date. It's the law.



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# 15.

Put a lot of time  
and effort into  
creating an  
effective  
onboarding  
process

It always amazes me how many companies fail to put a decent onboarding process in place.

It's not sufficient to attract and secure the services of top people if you don't look after them when they arrive.

Anyone joining a new company should get to understand the company, its processes and culture. An effective onboarding team can ensure those that join, settle in quickly, contribute to the company's sales objectives, and stay with you!

It is  
IMPORTANT  
to make an  
"EFFORT"

- Scale-up is a recruitment product designed for medium to large businesses looking to increase their numbers substantially.
- Over the past 20 years, Paul Harper Search & Selection have scaled up many businesses by undertaking multiple retained searches at the same time.
- Get in touch to find out how we could help you scale up your Financial Services Business.



# Scale Up

A Multiple Hire Solution - Financial Services



# About Paul Harper



*“One of the key things for us with Paul Harper's team was making sure that we're getting the right quality of candidates as a new insurer coming to market a new proposition, we wanted to make sure we got a quality team. That wasn't necessarily about ticking boxes on a CV it was about the kind of personalities that some people might have and using that structured questionnaire process followed by an initial meeting before you get into the formalities helped us to find out what about the people and what makes them tick what their personal aspirations would be and not just how many lines there might be on their CV no so that really did help us to get the quality of the candidates”.*

– Alan Waddington, Head of Field Sales, Guardian 1821

Satisfied “scale-up” client

I am an Executive Search Consultant and Chartered Financial Services professional with over 35 years' Industry experience, including over 20 in Executive Search. I hold an MBA from Warwick Business School which complements my financial services qualifications.

I specialise in helping Financial Services CEOs, Senior Directors & Business Owners to grow their revenue and profits. For those serious about hiring the best, I can make the impossible possible.

Before I set up my own Executive Search business in 1999, I spent 15 years working for NatWest, Legal & General and Eagle Star (now Zurich). I progressed from Broker Consultant to Regional Manager of Eagle Star's Flagship London Office before being appointed as Sales Director of a large London based Recruitment Agency in 1996.

At Paul Harper Search & Selection, we specialise in the recruitment of Financial Services Senior Managers and Directors. We are the first port of call for many CEOs and Senior Directors when they need to bring in expertise, for any of the following reasons:

- Replacing a key person who was lost unexpectedly
- Building whole teams to support a start-up
- Overcoming cultural or institutional change
- Attracting a ‘next generation’ Leader for succession planning

We have adapted to the ever-changing market conditions, most recently adding a Chartered and Certified Advisory Recruitment Practice and extended our range of services to include acquisitions.

I am a previous Chair of the Association of Executive Recruiter (AER). Over the past 20 years, I have been a frequent contributor to industry debates on recruitment, salaries and training and have written articles on this area for a number of industry publications.

I live just outside Bristol in a small village in North East Somerset. I am married with one son, who has started a career in the electronic music industry – a sector I know nothing about!



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