



The Advisory Alliance 60-Second Email™

Is Your Talent Pipeline Like My Sock Drawer? **December 20, 2006**

In this month's 60-Second Email™, we look at a critical vulnerability that is confronting many organizations.

As a young boy getting dressed to go to elementary school, each day I'd reach into my sock drawer to pull out a pair, and almost always there'd be at least one pair, if not several pairs, waiting for me. Every day, day after day, there'd always be at least one pair. Not surprisingly, I got accustomed to having at least one pair in the drawer when I needed one. The occasional day there wasn't a pair was a notable day, a surprising and almost confusing day. For many companies, their pipelines of key leaders (managers, sales professionals, etc.) are a lot like my sock drawer. Somehow, they've always had high-performing talent when they've needed it; and they'll always have high-performing talent when they need it...right?

State-of-the-art sock turnaround time is a day. Going from the hamper, through the washer and dryer, folded, in the basket, and then to the room and into the drawer - all can be done in a day (assuming you have a passion for clean socks). State-of-the-art turnaround time for leaders, managers and sales professionals is measured in years, not days. And therein lies a major vulnerability for most corporations and organizations. As anyone who's been forced to stay overnight because of a canceled flight knows, you can always turn a pair of socks inside out if you're short a pair. It's hard to do that with your key positions. If you're short a key position, you're still short a key position. The only thing turning inside and out will be your stomach, as you stress over the impact of being short a qualified person in an era noted by a shortage of good talent.

A recent study of 32,000 employers in 26 countries by the consulting firm Manpower found a particular shortage of talent in the United States. Forty-five percent (45%) of organizations in the US said that they would have hired more permanent professional staff over the past 6 months if they could have found more candidates with the right skills. Many of our clients are saying the same thing. The need is there, but not the supply. Many are essentially looking in their sock drawer only to find that there aren't any there. Furthermore, they know that the turnaround time on capable leaders, managers, sales professionals, etc. is likely too long for the need they have. Most need the person now. As a result, many are asking the question of the day: Do we go outside and buy the talent that we need, or do we promote from within and hope that a stretch assignment doesn't become a "stretch and rip" assignment

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for one of our high potentials. And regarding the latter, many companies are confronting the sobering reality that the current demands of key positions are at or beyond the limits of many of their high potentials.

Regardless of the approach (buy from outside or stretch from within), you still haven't addressed your sock drawer. You still haven't addressed your supply or pipeline of talent. Buying from the outside and acute stretching from within are short-term solutions to a long-term problem. Current competitive and demographic factors strongly suggest that the shortage of good talent is here to stay. Notwithstanding North Americans' preference for a quick fix, this is not a problem that can be "cured" overnight. Anything else but a long-term commitment to investing in talent development is false hope.

When presented with this information, some leaders decry the capabilities and attitudes of the new generation. Our reply is what option do you have? Wait it out and see if the next generation is any "better"? As an old college friend of mine was fond of saying, "If my uncle was a woman, he'd be my aunt. But he's not; so he isn't. So deal with it." (Although Pete used a bit more colorful language.) Many companies need to get on with it, and just deal with it. If your pipeline of key talent is low, empty, or nonexistent, now's the time to deal with it. As per the old proverb: *The best time to plant a tree was 30 years ago. The second best time is now.* If you don't have an active talent pipeline, the time to develop one is now.

You can access this and previous 60-Second Emails (TM), as well as subscribe to our mailing list, via this link to our website: <http://www.advisoryalliance.com/newsletter.php>

Until next month and next year,

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