

Human Resources and Talent Management: *Six Keys for Success!*

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The evolution of services and solutions-led businesses provides an exciting array of strategic partnering opportunities for HR and Talent Management teams.

Through first-hand experience assisting our clients, we have found Six Keys for Success in aligning your HR and Talent Management initiatives with your consulting services and solutions business.

By redefining and adapting the following for professional services:

- ✓ HR Strategy
- ✓ Talent Management
- ✓ Performance Management
- ✓ Compensation and Incentives
- ✓ M&A Transition and Integration
- ✓ Collaborative Leadership

... you can put all the pieces together to fully utilize the talents of ALL your people working collaboratively to solve client problems ... and achieve success in professional services sooner!

Overview

In the past, Human Resources (HR) and Talent Management (TM) primarily focused on hiring, employee record keeping, appraisal tracking, compensation and benefits, equal opportunity, education and training, grievance, and compliance programs – most often in product-based organizations.



The INSIGHT Group – helping put all the pieces together to create customer value through your People!

As products became commoditized and profit margins shrank in recent years, firms such as Dell, DuPont Sustainable Solutions, EMC², HP, IBM, Keysight, Oracle, Siemens, and Xerox began offering more fee-based services along with AI, Cognitive, Cloud, IOT and “As a Service” solutions, to help solve client problems, accelerate growth, and generate higher profits. More and more companies today are following suit.

Today’s professional services firms are client-driven, agile and adaptive, trying to get skilled resources closer to customers much faster than in the past. This requires significant changes in business, processes, as well as in people management. **Many of the key HR/TM traditional support activities remain important, but**

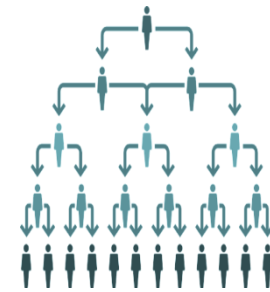
focus has shifted to better HR and TM program alignment with the evolving services strategy, and more effective delivery of support for acquisition, strategic staffing, employee engagement, continuous professional development, dynamic skilled resource allocation, career growth, and retention of critical skills. These initiatives enhance the talents and collaborative contributions of all your people and contribute to increased customer satisfaction, loyalty and business outcomes.

Working with these and other clients, The INSIGHT Group has developed unique perspectives on the many cultural, organizational, business process, and people management changes required for success in services. We help HR and TM teams to partner more effectively with practitioners and management, within the evolving strategic and operational fabric of professional services businesses.

This Brief explores the new and continuously evolving strategic HR and TM direction.

The Imperative for Organizational Change

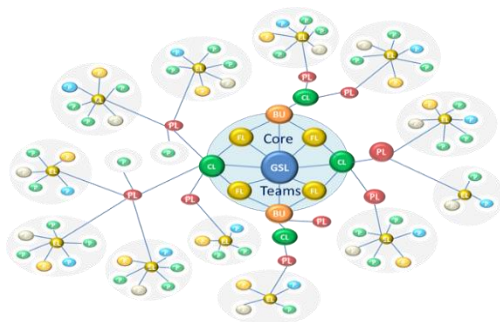
The **Traditional Organization** is often characterized as being too hierarchical, with centralized planning, resource allocation, and decision making reserved mainly for the top echelons. Primarily top-down and permission-based, these organizations can be less flexible and slow to make necessary decisions and changes—with little incentive for risk taking and collaboration. However, today’s global economy requires faster responses to rapid shifts in technology, competitive markets, customer needs, and spending patterns. Failure to do so can significantly reduce revenue, profit, and market share, as evidenced by the historically slow responses of U.S. companies to emerging global competition in the auto, electronics, photo, technology, appliance, and other product manufacturing industries over the last 20-30 years.



Traditional Organization

The evolving **Professional Services Organization**, however, is less hierarchical and decisions are made closer to the customer. They consist of borderless, agile, client-driven “expert teams”, formed based on skills such as consultative selling, industry, technology, systems, and products knowledge, etc. They are deployed rapidly to client locations anywhere they are needed. They

Professional Services Organization:



Expert Teams → built on Client Valued skills

Client Driven → to understand and respond quickly

Borderless → to provide one face to the Client ... boxes/lines less relevant

Empowered → Accountable decision making closer to Clients

Agile → Adaptive to changing market/client needs

Relevant → Generationally inclusive with Social Impact

are built around core competency, practice, and functional teams and can adapt quickly to shifts in technology, markets, industry and customer needs. They strive to understand each client’s business and needs, then develop, sell, customize, and deliver services and solutions through “end of engagement” to solve customer problems and improve business. They may reform to chase and deliver new opportunities. Today’s organizations also reflect the needs of all generations, especially as Millennials and Gen Z’ers become a greater share of the workforce.

Core competency and practice business units develop services offerings as well as solutions development and delivery methodologies to meet customer needs. Core business/functional teams provide common strategic business planning, marketing, business development, systems/tools, finance, HR, and other operational support for the expert teams.

In a Professional Services Organization, talented people are the product → maintaining client valued skills and capabilities are critical to the ongoing success of the firm and practitioners.

Rather than an expense, the work of these teams is client-facing and “billable” to the client, as they generate revenue and profit for the firm, and more importantly for the future, they drive customer satisfaction and higher net promoter scores. The more their billable work time is utilized, the more they contribute to their own success, as well as to the success of the business; a “Win / Win” for both the individual and the organization.

The challenge for HR and Talent Management in becoming a valued services strategic partners is to “continually” develop, implement, and manage relevant, collaborative, and services-complementary HR and Talent strategies and programs. Each element should be linked to strategic business planning cycles and fully integrated with services opportunity and skilled resources management processes. Increasing employee engagement is fostered through the employment value proposition, robust skills and professional development, and challenging and meaningful career growth opportunities. Effective HRTM Partners work to create strong employment value and employer of choice, to acquire and retain top talent.

There are a wide range of HRTM Solutions available today that include automated processes, applicant tracking, AI/Cognitive/Analytical tools for assessment and selection, allocation of skills to client engagements, skills and performance evaluation, succession planning and promotions, and predictive decision making for effective use in motivation and rewards, organizational development, and improved retention, among others.

So, What’s Changing? ... Just about *Everything!*

More than just organizational change, this is a broad transformation of values, culture, strategy, and business processes. Within this organizational transformation, the shift of people from expense to “revenue generators” has an enormous impact on how people in the organization are deployed - and especially in how they are managed:



There is less internal focus on individuals and products, with increased focus on external customer needs and the multiplicity of skills, collaborative leadership, and roles required of all employees and managers to meet evolving customer needs.

As a result, more egalitarian “one size fits all” processes no longer address the variety of working scenarios found in services effectively—where expertise, teaming, speed, mobility, autonomy, and remote management demand more adaptive approaches.

Six Keys for Success

HR and TM teams are evolving rapidly to provide more strategic, flexible, and tailored approaches to address the unique challenges of the service business. By better understanding these new business models and their challenges, aligning existing HR programs or developing new ones, HR is better positioned to participate and influence services strategy development, business planning, and the tactical execution of services strategies and plans. Through first-hand experience working with over 50 companies, The INSIGHT Group has identified the following *Six Keys for Success* in services:

1. **HR Strategy Alignment:** By aligning its HR strategy with the firm's focus on acquiring, developing, deploying, evaluating, and rewarding "client-valued skills", our client's HR team articulated a new set of HR requirements and initiatives that aligned more with the firm's professional services goals and strategies. Included were a new practitioner talent management process with better defined career skills and experience roadmaps, motivation for HR practitioners to achieve a strategic partner role, improved people and customer growth, financial results, and a higher level of trust and confidence in the HR team.
2. **Talent Management:** The number one client complaint we receive from services executives is that they must leave "money on the table" because they cannot get the talent needed fast enough to bid and capture identified opportunities. If your current talent approval and acquisition process is too slow, consider more predictive "end-to-end" talent acquisition and skilled resource management approaches to get the talent needed at the right time, cost, and place to staff engagements and services delivery opportunities. By creating common global job and skills definitions linked to skills demand planning, one of our clients provided more predictive "early" approvals that allowed HR to recruit key services talent sooner to chase growth opportunities more quickly.
3. **Performance Management:** Aligning current and/or developing new performance management tools can help you to better address the multiplicity of performance and results feedback available from the variety of services roles, managers, engagement leaders, peers, skills and professional development leaders, and most importantly—directly from customers! By integrating key services expectations, such as collaboration, teaming, leadership, billable utilization, and skills development needs for planned opportunities, and by providing 360 degree online/mobile feedback access to all stakeholders, our clients can retune their performance management process to help improve both individual and business results. In one case, a client was not tracking or reporting billable utilization. By implementing a new tracking and reporting methodology, they were able to set more meaningful pricing and utilization targets for increasing billable hours and provide more targeted skills development needs in individual performance plans - focused on "client-valued" current and future skills.
4. **Total Compensation and Incentives:** Competitive professional consulting services job matching to relevant services market salary/incentive survey data are critical success factors. As "everyone sells" in professional services, broader incentive eligibility and wider salary bands can also motivate continuous competency development and pay growth. We have found many clients who were moving towards more services content in their offerings were

still using product-based job matching and salary surveys, and as a result, were not competitive in attracting or retaining the right level of services talent and expertise. By conducting fee-based, client-facing consulting and services jobs benchmarking data for our clients, they were better able to set competitive pay, expand eligibility for incentive plans to increase revenues, gross profit, and improve customer satisfaction. In professional services, everyone sells and by providing incentives to more practitioners they were able to fund increased earning opportunities via overachievement and bid more competitively.

5. **Transition and Integration Management:** One of the quickest paths to improve your services business is by acquiring existing professional services firms—or in some cases divesting less strategic ones. Recent examples include HP/EDS, IBM/Price Waterhouse Consulting/Redhat, Xerox/ACS, and Dell/Perot Systems, among others. Conducting comprehensive HR/TM Due Diligence for business and “cultural fit”, transition planning and comparative analysis of all employment related matters can help overcome anticipated pitfalls and improve your services business success sooner. By helping a large global firm develop targeted employee scoping, selection, transition, and an integrated management strategic plan prior to deal signing, they achieved an offer acceptance rate of over 95% of the desired in-scope population and a smooth staff transition to the new employer.
6. **Collaborative Leadership, Mentoring and Executive Advisors:** Having the right services thought leadership and management talent for your current or new services venture is crucial. Assessing, developing, coaching, mentoring and advising to improve the collaborative leadership capabilities of your services management team, engagement leaders, and practitioners can enable success. Our Mentoring and Executive Advisor Offerings and 360° Assessments have helped our clients identify and develop desired leadership skills and behaviors with targeted individual/team development plans.

About the Author

Bob Giacometti has extensive “hands on” HR/TM leadership experience gained from a highly successful career with global services companies and philanthropic organizations. Bob was the HR Executive Leader for IBM Global Services in a 32-year IBM career. He was VP of the National Action Council for Minorities in Engineering for 3 years, and VP Human and Financial Resources at the Rockefeller Foundation for 6 years. Bob is HR / Talent Management Practice lead for The INSIGHT Group. Contact: giaco@insight-group.com or 203-746-4171 (O) / 203-830-9580 (M).

About The INSIGHT Group ... Creating Client Value: The INSIGHT Group is a management consulting firm composed of highly skilled executives with demonstrated line management experience and success in Fortune 50 and major foundation environments. We specialize in developing and implementing profitable high-growth services business strategies and plans - an increasingly important part of the overall business solution mix. We can help your HR/TM team enhance the significant customer-value of your workforce with thought leadership “best practices” gained from first-hand experience in a variety of services businesses. For further information check our web site at www.insight-group.com.