THE TRUE COST OF TALENT

Busting Myths, Increasing Profit

BattaliaWinston

IN A RECENT STUDY, GLOBAL EXECUTIVES PREDICTED THAT 60% OF THEIR WORKFORCE WILL NEED RETRAINING OR REPLACING IN THE NEXT FIVE YEARS. LARGER THAN THE INDUSTRIAL REVOLUTION, BY 2030, THE WAVE OF CHANGE TRIGGERED BY DIGITALIZATION, AUTOMATION AND AI WILL REQUIRE 375 MILLION EMPLOYEES TO CHANGE JOBS OR ACQUIRE NEW SKILLS.[1] NEARLY HALF OF CEOS[2] EXPECT THEIR COMPANIES TO BE TRANSFORMED INTO A SIGNIFICANTLY DIFFERENT ENTITY WITHIN THE NEXT THREE YEARS.

That is a lot of open positions – and some of those will be yours to fill.

Nevertheless, it is a great time to be in life sciences and healthcare. The reasons you entered the field – to discover, to innovate and to heal – are amplified by tremendous amounts of data that help us understand just about everything. So figuring out the cost of finding the right people to support your life science business strategy should be simple: You just add up the cost of retained search with the costs of posting and promoting open spots and that is your cost of talent.

If only it were that simple!

It is time to topple the Cost of Talent myths so that you can realize the operational and financial stability that rightfully belongs to you and your firm.

> ***Myth #1: Recruitment Fees + Job Board Expenses = The Total Cost of Talent***

Every open position represents a big financial exposure for the company – one that extends far beyond recruitment and job board expenses. But just how big? Vacant early-in-career posts drive losses of $7,000 per day, while key executive vacancies can cost over $50,000 per day.[3] Behind those staggering numbers are lost productivity, poor morale, missed revenue targets, and many other factors that are surprisingly easy to quantify, once you're aware of them.

Vacant spots – especially leadership roles – damage the business every day. Life-changing and revenue-driving products are delayed. The "first- to- market" advantage is lost irretrievably and time to market is definitely impeded. And how about your employees? They are stressed, overworked, demoralized. In this talent market, it won't take long for them to walk right into the open arms of a competitive firm.

> ***Myth #2: The Talent Lifecycle Starts When You Post an Open Position***

Succession planning: No one likes to talk about it and it is often done behind closed doors. Maybe that is why so few firms do it well. A recent study by Deloitte Insights (DI)[4] found that although 86% of the leaders they surveyed thought succession planning was urgent or important, only 14% felt they did it well.

Great succession planning means having a deep bench with at least three current potential candidates identified for each key role. If you are thinking that finding the right people takes a great deal of time and effort, you would be right. And if you are also concluding that "pre-filling" each post before it is empty drastically reduces your cost of talent, well, you would also be correct.

The truth is, finding the right people for the right roles is a worthy battle won only by careful and strategic day-to-day assessment and networking.

What metrics are your HR team using to assess hiring success?

> ***Myth #3: Every Hire Takes Months to Find – That's Just The Way It Is***

When a high performing employee resigns, it is a massive blow to the company that can cause a firm-wide tidal wave of increased work and stress. Mid-level employees cost upwards of 150% of their annual salary to replace. For high-level or highly specialized employees, you're looking at 400% of their annual salary. [5] Did you know that after just 60 days, vacant roles typically remain so for at least six months and often much longer? What if you could cut that time in half, or even less? The savings would be significant and would allow you to reinvest in your firm in some very tangible ways.

Fortunately, that is not as difficult as it might seem.

Recently, Battalia Winston worked with a tri-state area life science firm seeking a medical director for a highly specialized therapeutic team. We identified over 226 highly qualified candidates and interviewed the most promising within three weeks of partnering with our client. Within one month, our client had interviewed all of our hand-selected candidates and decided to hire two of these talented physicians to run their industry-leading team within three months. A specialized search such as this usually takes at least twice as long.

Another client – a global pharmaceutical firm – asked Battalia Winston to find an executive-level dermatologic physician for their US-based business. The desired candidate profile was decidedly rare: a diversity hire who was clinically credible and already a key opinion leader. Battalia Winston rapidly reached out to 200 potential prospects. Within three weeks we had identified six finalists; the client successfully hired and on boarded one of those candidates - a female senior executive physician -- shortly afterward.

With Battalia Winston Life Science partners at your side, the world's finest talent is always within reach so your life-changing work can continue – uninterrupted.

If you would like to take back profits that belong back in your business, contributing to the short- and long-term growth of your company, it is time to talk to Battalia Winston.

Let's discuss how we can support your talent management needs by dramatically reducing your Total Cost of Talent and helping you develop and manage an aggressive succession and talent acquisition plan.

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1 McKinsey Quarterly, Jan. 2019, "Are We Long or Short on Talent?", Megan McConnell and Bill Schaninger
2 Now or Never: Global CEO Outlook. KPMG. 2016.
3 The Fordyce Letter, Dr. John Sullivan, The Cost of an Unfilled Opening
4 Deloitte Insights, 2018, The Holy Grail of Leadership Succession Planning, Jeff Rosenthal, Kristin Routsch, Dr. Kelly Monahan, Meghan Doherty
5 What Was Management Thinking: The Shockingly High Cost of Employee Turnover, TLNT, Karlyn Borysenko.