

A Talent Benchstrength Strategy

What Is It and Why Do You Need It?

You've been bombarded with information about Talent Management in recent years. More and more people are in Talent Management positions in organizations. And yet, confusion about what a talent management strategy is, and why it is critical for your business seems to be increasing. The phrase "talent management" seems to be used now for a variety of human resource functions, which has created the effect of "watering down" the purpose and value of a talent management strategy.

What is a Talent Benchstrength® strategy?

Enter the phrase "Talent Benchstrength" which clarifies the purpose and value of a strategy focused entirely on the retention, performance, succession and development of the great people you have already hired. This is an important distinction, because most organizations have an external recruiting strategy, staff, budget and system, while many organizations do not have a specific strategy, staff, budget and system that are all devoted to building the talent benchstrength of the organization's current employees.

A Talent Benchstrength® strategy focuses entirely on the retention, succession, performance and development of the GREAT people you have already hired in your organization!

Why use the phrase Talent Benchstrength?

The term "benchstrength" is often used in the world of sports to refer to the individuals who are being developed as the up-and-coming top talent and first-string players for the team. The team understands that without strong benchstrength, the team is highly vulnerable to talent loss. And, without strong benchstrength, the team will fizzle out and "go out of business" over the years. A college sports team without benchstrength will be "out of business" in a few short years, and the coaches of the team will be on the unemployment line.

The critical importance of having a strong benchstrength strategy is so widely known and completely understood as it relates to talent in the world of sports. Therefore, the phrase Talent Benchstrength can help us in the corporate world by drawing the same correlations between the importance of developing top talent in the sports world and the importance of developing top talent in the corporate world in order to beat the competition and to create sustainable success over the long term.

What are the functions of a Talent Benchstrength strategy?

Often the functions of internal talent retention, performance, succession and development are dispersed and fragmented among different human resource employees or departments, with varying levels of budgets and staffing to support these functions. A Talent Benchstrength strategy and staff can serve to align the functions that will strengthen the organization's talent benchstrength, just as most organizations already have an external talent acquisition strategy and staff to attract and to hire top talent for the organization.

The functions of the Talent Benchstrength strategy could include Talent Review meetings, Succession Management, Career Planning, Performance Management, Employee Engagement, Organizational Development, Skills Training and Leadership Development. All of these functions serve to retain and develop your current employees, and to increase employee engagement and performance. Additionally, these functions provide talent risk management for the organization, through the discussions of vacancy risk in the Talent Review meetings, and through Succession Management plans and development actions.

Why focus so much time and money on attracting and hiring top talent and then not focus equal time and money on retaining and developing that talent? This is like buying the freshest produce at the whole foods market but then letting it sit in the refrigerator until it becomes inedible and you have to throw it out.

Comparing a Talent Benchstrength Strategy to a Talent Recruiting Strategy

Every successful organization must have **BOTH** a great Talent Recruiting strategy, staff, budget, system and processes, and a great Talent Benchstrength strategy, staff, budget, system and processes. These strategies serve different purposes, and together they form a complete talent strategy for your organization. Talent acquisition focuses on bringing in new talent and talent benchstrength focuses on continuing to develop that same great talent you hired for the benefit of the organization and for the benefit of the employee.

External recruiting focuses on sourcing, interviewing, evaluating, hiring and onboarding new talent from outside of the organization. This is an important part of the overall talent strategy in every organization to bring in fresh ideas and new skills into your organization,

An organization that operates with an external talent acquisition strategy but without an internal talent benchstrength strategy is actually missing **50% of an overall great talent strategy! Imagine if any other functions in your business operated at only a 50% effectiveness rate!**

especially for growing and expanding organizations. ***But becoming dependent primarily on external sources for talent means that you are depending on your competitors to do a better job of developing their talent than you are...and that you are dependent on the assumption of a ready source of top talent from your competitors, even as economic conditions change.***

Focusing primarily on an external talent acquisition strategy and focusing little on internal talent benchstrength also means that you will have to pay more for talent to allure them from your competitors into your company, as a basic truth of supply and demand. So you might save money on training and development expenses, only to pay more for salaries and bonuses, in addition to the recruiting time and expenses that will be required for a talent strategy that focuses primarily on talent acquisition.

We can compare the purpose of an external talent acquisition strategy to the purpose an internal talent benchstrength strategy, to see that they provide different functions which together serve as a **complete talent strategy** in any size, shape or type of organization:

External Talent Acquisition	Internal Talent Benchstrength
<p>A strategy to identify external talent with new ideas and skills to fill vacancies and new growth positions, and to build a strong external candidate pipeline.</p>	<p>A proactive strategy to retain and develop your own top talent and successors, to enhance talent benchstrength, to retain talent and to reduce external recruiting costs.</p>

Why Should We Implement a Talent Benchstrength Strategy?

What are the two most critical resources for any successful business? Every business must have a positive **cash** flow to fund the business and talented **people** to run the business.

Does your organization have a financial plan, as well forecasting and budgeting processes to identify funds needed to achieve future goals? Of course it does. Does your organization produce financial reports for owners, investors or for shareholders? Of course it does. Does your organization have risk management to identify and to mitigate business risks? Of course it does.

Imagine if an organization stopped all financial forecasting, all risk management, and all budgeting, to focus time only on the business at hand **today**. How long would this organization remain competitive? The same type of risk exists for a company that is not conducting succession planning for risk management and talent review meetings for future success.

Successful businesses use a balanced approach to review **past** business and talent indicators, to focus on the business and the talent at hand **today**, **AND** to identify **future** goals and talent needs for success and sustainability.

Virtually all organizations have many financial and business strategic processes and analysis tools in place, and the results and indicators are reviewed and discussed regularly. So, if everyone agrees that all businesses must have financial resources **and** talent resources to be successful, then every business should also have the same type of strategic processes for talent benchstrength as it does for financial and business strength, as shown in the chart below:

	Examples of Financial and Business Strategic Processes	Examples of Talent Strategic Processes
Planning Resources for the Future to Achieve Goals	Financial Modeling and Forecasting Financial Planning and Business Goal Setting Budgeting Procedures Financial Prospective Analysis Market Analysis Corporate Investment Planning Sales Projections	Workforce Analysis Talent Review Meeting Discussions of Talent Needs and Employee Career Interests Talent Assessments Successor Candidate Planning and Development Individual Development Plans and Development Resource Planning
Review of Past Performance to Identify Strengths and Improvement Areas	Annual Financial Report Analysis of Real Revenue Growth Cost of Capital Analysis Profit Margin Analysis Cost Control Analysis Return on Equity Metrics Debt-Free Cash Flow Analysis	Performance Appraisals Manager-Employee Career and Development Discussions Talent Review Meeting Discussions of Individual Talent Employee Engagement Surveys Profit Per Employee Metrics Cost of Recruiting / Internal vs. External Fill of Positions
Risk Management	Operational Risk Management System Recovery Procedures Market Risk Assessment Safety Procedures Audit Disaster Recovery Plan	Talent Vacancy Risk Assessment Retention Plans for Top Talent Succession Planning for Replacement Positions Documentation of Employee Knowledge and Procedures
Reporting Procedures to Track Progress	Budget Variance Reports Monthly Cash Flow Reports Sales Reports Safety Reports Quality Reports	Talent Review Development Action Progress Reports and/or Discussions Exit Interview Analysis Monthly Review of Open Leadership Roles / Internal Talent Turnover Analysis

How many metrics and procedures does your organization use in the green boxes (in the chart on the previous page) to track and measure business and financial performance and risks? How many metrics and procedures does your organization use in the orange boxes in this same chart to track and measure talent performance and risks?

The overall purpose of a Talent Benchstrength strategy is to provide business focus, planning, risk management and reporting for the critical talent success in organizations, just as the typical organization already does successfully for business and financial success.

A Talent Benchstrength strategy and processes adds new or additional structure, processes, criteria and metrics to the human resources function in the organization to match the structure, processes, criteria and metrics that are used for business and financial functions in the organization. This brings **balance** to the planning and measurement of the two most crucial factors in a successful business—financial resources and talent resources.

The Competencies of Talent Benchstrength Professionals

Typically when a Human Resources professional begins a Talent Benchstrength role, they are already highly experienced, respected and knowledgeable in HR strategy, procedures, employment law and organizational development. Successful Talent Benchstrength professionals already have years of experience working with leaders at mid and senior levels in the organization.

So what are the additional competencies are needed for a successful Talent Benchstrength professional? Some of the competencies for Talent Benchstrength professionals include:

- The ability to work with confidence with leaders at all levels in the organization
- The ability to work with external Talent Acquisition professionals to complete a workforce analysis and to identify talent expenses, talent pain points, risks and needs for the organization
- Knowledge of the multiple steps of Talent Benchstrength strategic project planning, and the ability to implement and follow-through with Talent Benchstrength actions
- Knowledge of effective succession management strategic planning, as well as successor development actions, development accountability, and metrics

- Talent Review Meeting planning and facilitation skills
- Knowledge of and experience with leadership development resources and metrics
- Knowledge of Talent Benchstrength concepts such as the criteria for high performers, high potentials, key experts, successors, talent pools, critical roles, etc.
- The ability to work with Organizational Development and Training professionals to connect successor development gaps and leadership development needs with the most appropriate resources to leverage strengths and to address development needs
- The ability to identify and to measure the appropriate metrics to determine the progress and the results of the Talent Benchstrength strategy and goals
- The ability to identify and/or to create talent assessment tools and reference materials for leaders prior to Talent Review Meeting discussions, to ensure that leaders are prepared for the meetings and that data is available to make effective talent decisions

The successful Talent Benchstrength professional demonstrates the highest integrity and is trusted and respected by leaders in the organization. Successful Talent Benchstrength professionals are strategic and they demonstrate project implementation skills (or they hire another talented person to lead the important project planning functions of the Talent Benchstrength function.)

Talent Benchstrength professionals must also learn new concepts and skills to plan and to implement the Talent Benchstrength strategy, metrics and project plans, and to plan and facilitate Talent Review meetings, Succession Planning, and Leadership Development.

The successful Talent Benchstrength candidate must also demonstrate integrity and must be viewed as a trustworthy, credible and respected leader within the organization. And because Talent Benchstrength is still a growing HR function, the successful Talent Benchstrength professional will obtain training, reading material, and a network of other talent professionals to obtain knowledge, tools and new ideas on a continuous basis.

Common Concerns about a Talent Benchstrength Strategy

What are the risks of saying “We don’t have time right now to focus on Talent Benchstrength right now”? What are the benefits of including (or expanding) a Talent Benchstrength in your business planning right now?

Common Views	This is like...	What are the risks?	What are the benefits if we change our view?
We have other business priorities right now...Talent Benchstrength can wait a few years.	...a farmer saying the planting can wait because we are too busy with the farm accounting work to put seedlings in the ground right now.	Just as the farmer could wait too long to plant and completely miss out on that year’s crop, an organization can wait too long to plan for talent needs and completely miss out on top talent who will leave the organization for other opportunities, rather than becoming excellent successors in the organization.	Beginning a Talent Benchstrength strategy and procedures now will enable the organization to not only identify and retain top talent and help prevent high top talent loss, but also allow the time that is needed for the development and on-the-job experiences that create great leaders.
We don’t have the budget for a Talent Benchstrength function or for leadership development in our organization.	...a safety engineer focusing on accidents, rather than identifying funds to provide safety training and to implement safety procedures to prevent accidents.	Just as a manufacturing organization without safety training and procedures would incur hefty expenses, an organization that only focuses on external recruiting without a Talent Benchstrength strategy also incurs hefty expenses for recruiting and search fees.	Implementing a Talent Benchstrength strategy can lower external recruiting costs, executive search fees, interviewing time, and the time-to-fill period for vacancies. Also, top talent loss can be prevented through talent vacancy risk assessment, retention plans and development actions.
We don’t have any staff devoted to Talent Benchstrength functions so this is not something we can focus on at this time.	...a business with no staff to lead budgeting or to review cash flow, because their staff only focuses on reviewing past financial metrics.	Every business knows that focusing only on past financial performance indicators while failing to forecast, to review cash flow, and to budget will eventually experience a negative cash flow. Similarly, a business that only conducts performance appraisals to review past employee performance indicators but fails to identify future talent needs, fails to address talent vacancy risks, fails to identify and develop successors, and fails to retain and develop future leaders will eventually experience a “negative talent flow”.	One key question to review—how many external Talent Acquisition staff work in your organization? (Include contract recruiters and external search firms used by your company.) If your organization employs and/or contracts with multiple external talent personnel, why would this same organization not also have at least one Talent Benchstrength professional? A balanced talent approach that focuses on developing the great people you already hired results in greater talent retention, and greater internal fill of open positions, which can lower recruiting costs and eliminate some significant external search fees.

Addressing Concerns about Investing Talent Benchstrength and Development

Some organizations worry that they will spend precious funds on developing people who will then leave the organization after “building up their resume”. It is true that no matter what we do, we will have some top talent leave the organization after investing in their growth and development. However, here are other ways to look at this concern:

- The risk of spending time and money on developing employees is that they will then leave the organization and we lose that investment. But what is our other choice? If we fail to develop our talent, we will eventually only have employees who are not growing in their competencies, and who are not keeping their knowledge current within our industry. Or, we will have to pay more money to go out and “buy talent” time and time again.

So which is the greater risk—potentially losing a few employees we have spent money to develop OR keeping a large number of employees who lack current knowledge and new skills for our growing organization, and constantly paying to hire new talent in the company?

- The Talent Benchstrength procedures in Talent Review meetings are designed to identify knowledge and skill gaps that are targeted specifically to prepare employees for expanded roles, for successor positions, and for new leadership roles. In an organization without these Talent Benchstrength procedures, the typical Employee Development Plan often does serve only to “beef up” an individual’s resume, rather than planning for the employee’s career growth within the organization.
- The employees who first become frustrated and leave the organization due to a lack of career growth and development are your TOP talent employees—the employees who are your innovative future leaders. The employees who are more likely to be retained are employees who may lack an interest in continuous career growth, development and top performance. Failing to create retention plans, succession plans and development plans also creates a recipe for losing top leadership talent.
- Take a look at the Employee Relations staff in your organization—do you have a larger staff focusing on employee relations issues, performance problems, employee conflicts, etc. and a smaller staff (or even no staff) for employee and leadership development? Is there is a significant difference in your staff size and budget in these two areas?

If so, consider the analogy of a manufacturing or engineering organization that plans a large budget because they know they will have expenses, potential lawsuits and

expenses due to employee accidents and safety violations, while planning a low or non-existent budget for safety training, safety equipment and safety procedures and postings. Safety training and procedures are designed to prevent accidents and to reduce costs, while Talent Benchstrength strategy and succession planning practices are designed to prevent talent loss and to reduce external recruiting costs. So while a successful manufacturing or engineering organization should have budget and a focus on safety training and on accident prevention, so should any organization have a budget and a focus on leadership development and talent loss prevention.

Taking Your Talent Benchstrength Temperature

If you go to the doctor, what does the doctor do first? The doctor takes your blood pressure, weighs you, takes your temperature, etc. In other words, the doctor is taking your “baseline metrics” to identify potential medical issues, and to determine how these metrics might be affecting your health.

Similarly, to determine the “talent pain points” and metrics that affect the “talent health” of an organization, the following are 15 baseline metrics that can be gathered to begin (or to expand) an effective Talent Benchstrength strategy:

1. Over the past three years, how much has your organization spent on executive search fees and hiring bonuses combined?
2. What is the average time-to-fill for leadership positions in the organization? (Note: Time-to-fill is the period of time from position vacancy to the date the position is filled.)
3. What percentage of the time are you filling positions with an internal candidate vs. the percentage of the time you are hiring an external candidate for open positions? Of the positions filled with an internal candidate, how many of these positions were filled with a previously identified successor candidate?
4. What is the cost comparison and ratio of budget / funds spent on employee relations in the organization compared to employee and leadership development? (Consider staff expenses, legal expenses and all other budgeted resources.)
5. What is the cost comparison and ratio of budget / funds spent on external talent acquisition overall in the organization compared to talent benchstrength practices? (Consider staff expenses, fees and all other budgeted resources.)
6. What is the estimated average cost to fill a management position? (Consider hiring bonuses, recruiting costs, marketing costs, interviewing time, onboarding expenses, recruiting site fees, recruiting search firm fees, etc.)
7. What percentage of your leaders will be eligible to retire each year in the next 5 years? Over the next 1-3 years, will more leaders become eligible to retire at the executive-senior level, at the mid-leadership level, or in key positions in the organization?

8. How many open leadership positions did you fill last year? How many leadership positions are you expected to / budgeted to fill this year? How does this number compare to the overall number of leaders in your organization?
9. What is the number of / percentage of leaders who leave the organization after less than one year of employment?
10. What positions are the most difficult to fill? Which positions in the organization do you interview for and hire for most frequently in the organization?
11. Are there any employee engagement surveys and/or exit interview data that provides indicators regarding employee satisfaction levels with their career and development progress in the organization?
12. What are the diversity statistics overall in the organization overall and how do these overall statistics compare to the diversity statistics at the leadership level?
13. Does your organization have a growth strategy or a reduction strategy for the next 1-3 years? Is your organization planning to expand in new geographic areas in the next 1-3 years? If so, where will the organization be expanding their operations and talent?
14. What percentage of employees have an annual career and development discussion with their manager at least annually, resulting in a new / updated Individual Development Plan (IDP)? What percentage of employees complete the actions in their IDP?
15. What percentage of your leadership population is considered to be high vacancy risk? What percentage is considered to be moderate vacancy risk? What percentage is considered to be low vacancy risk?

Talent Benchstrength Truths

My experience as an international talent benchstrength and succession planning speaker, consultant and author is that once an organization plans and implements thorough (but not complicated) Talent Review meetings and Succession Management practices, they wonder how they ever got along without these Talent Benchstrength functions before. Participants often comment, “Why haven’t we been having these discussions all along?” after they attend their first Talent Review meeting.

The truth is that the core of the Talent Benchstrength strategy—which is to provide structure, criteria and processes for leaders to get together to discuss and to plan for talent needs effectively—is a simple but critical strategy for the organization. Leaders in every organization plan and discuss budget needs and business strategy, so why would an organization not apply these same planning and discussion actions to the critical talent needs in the organization?

The truth is that Talent Benchstrength and Succession Management practices are growing in corporations, as more and more businesses realize that the knowledge, the innovative ideas and the skills of our employees are increasingly the most important competitive advantage for the organization. Don’t leave this competitive advantage to chance—use the same type of planning, discussion, analysis and reporting tools that are used in other business functions to identify and develop a Talent Benchstrength strategy in your organization.



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Doris is the author of *The 30-Minute Guide to Talent and Succession Management*, and *The Talent Review Meeting Facilitator's Guide*, and *Creative Onboarding Programs*, which are all available on Amazon.com. Doris is also the co-author of *Building Tomorrow's Talent: A Practitioner's Guide to Talent Management and Succession Planning*. These books together are all top sellers on Amazon on the topics of talent and succession management. Doris' organization is an Approved Provider of the HR Certification Institute.



Doris works with organizations of all types, shapes and sizes, and in various countries (in the USA, South America, Asia and Europe) to assist experienced HR professionals as they plan, execute, communicate and measure talent review and succession strategies and processes. Doris enjoys training and coaching HR teams to facilitate Talent Review-Succession Planning meetings. View multiple training options for your HR team to plan and facilitate Talent-Succession meetings at www.SuccessionConsultant.com.

Additionally, Doris works with business executives to create succession plans. This process includes working with the incumbent leader to identify success competencies for the position and to identify potential successor candidates. The process would then include identifying competency strengths and gaps for potential successors, and to create leadership transition and development action plans.

Contact Doris at doris@successionconsultant.com or 214-906-3155 for information about talent-succession workshops, webinars, presentations, communication materials and consulting services.

Doris has also contributed articles to other books and multiple periodicals, including *The Talent Management Handbook*, *Training Magazine*, *Talent Management Magazine*, and *The Consultant's Toolkit*. Doris has served as a frequent USA and international speaker since 1999, providing presentations and training sessions in Europe, South America and in Asia as well as in cities across the USA. In 1996, Doris received the *Outstanding Performers in Training Management* award, in the category of "Establishing a New Training Function", from *Lakewood Publications*. Doris' talent management work as a practitioner has been featured in a *Corporate Leadership Council* publication.