

BRUNSWICK TOWN COUNCIL

Agenda

March 17, 2014

6:30 P.M.

Council Chambers

Town Hall

85 Union Street

Roll Call

NEW BUSINESS

27. The Town Council will interview consultants to undertake the Town Manager's search process, and will take any appropriate action. (Consultant Subcommittee)

ACTION

Notes:

The Town Council will be interviewing three firms to undertake the new Town Manager's search process. At the conclusion of the interviews and Council discussion, you have the option of selecting the firm that evening, or if you feel you need additional time, the vote can come back on your March 24th meeting.

Suggestion Motion:

Motion to appoint _____ as the firm to undertake the Town Manager's search as outlined in their attached proposal.

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ITEM 27

BACK UP MATERIALS



Town of Brunswick, Maine
Incorporated 1739

HUMAN RESOURCES DEPARTMENT

JESSICA B. FACTOR, HUMAN RESOURCES MANAGER

28 FEDERAL STREET
BRUNSWICK, ME 04011
TELEPHONE 207-725-6653
FAX # 207-721-8317

MEMORANDUM

To: Town Council

From: Jessica Factor, H.R. Manager

Date: March 10, 2014

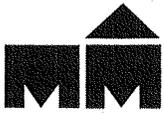
RE: Town Manager Search ~ Consultant Presentation Schedule

In preparation of the Consultant selection process for the Town Manager search; please find below the schedule for your March 17th Workshop. Each Consultant will have a short presentation, followed by opportunity for questions and discussion. The schedule has been arranged for 45 minute blocks, with additional time in between as needed. The schedule is as follows:

- 6:30 p.m. Maine Municipal Association
Presenter: David Barrett, Director of Personnel Services and Labor Relations
- 7:30 p.m. Eaton Peabody
Presenter: Don Gerrish
- 8:30 p.m. Strategic Talent Management
Presenter: Art Boulay

I have attached the Consultant packets for your review. We also have prepared questions for your discussion with each Consultant. If you should wish to include a question or two on this list, please feel free to send these along to me. Thank you!

Attachments: Consultant Packets



Maine Municipal Association

60 COMMUNITY DRIVE
AUGUSTA, MAINE 04330-9486
(207) 623-8428
www.memun.org

January 31, 2014

Benet Pols, Chair
Town of Brunswick
28 Federal Street
Brunswick, ME 04011

RE: Executive Search Proposal

Dear Mr. Pols:

Please accept this letter and attached materials as the Maine Municipal Association's proposal to assist the Town of Brunswick's Board of Selectmen with their selection of a new Town Manager.

The Maine Municipal Association, over the last several years, has assisted dozens of Maine communities with the selection of their City/Town Managers. Some of the communities to which we have provided this service include: Chebeague Island, Winthrop, Wells, Camden, Mapleton/Chapman/Castle Hill, Hampden, Houlton, Lincoln, Sanford, Berwick, Warren, and Kennebunkport. We have also assisted several non-municipal organizations in similar searches for an executive director, including Downeast Horizons and Regional Waste Systems.

If you have any questions regarding this proposal, please do not hesitate to contact David Barrett, Director of Personnel Services and Labor Relations at (800) 452-8786. We look forward to the opportunity of working with the Town of Brunswick in their search for a new Town Manager.

Respectfully submitted,

Belinda Wadleigh
Human Resources Assistant

/bw
Encls.

MAINE MUNICIPAL ASSOCIATION
PROPOSAL
EXECUTIVE SEARCH/TOWN MANAGER
TOWN OF BRUNSWICK

The Maine Municipal Association (MMA) is pleased to submit the following proposal designed to provide professional assistance to the Town of Brunswick in the search and selection of a new Town Manager.

Step One: Needs Assessment

The Director of Personnel Services and Labor Relations (MMA) will meet with the Board of Selectmen to conduct a needs assessment pertaining to the Town government and the Town Manager position and report results of this meeting back to the Board in writing. The purpose of this meeting will be to obtain a consensus of the Board's priorities regarding the qualifications, skills, and experience to be looked for in potential candidates. This information is central to the selection process and is used in narrowing down the field of candidates.

This section includes:

- Development of Candidate Profile
- Discussion of Advertising Options
- Discussion of Role, if any, of Non-Board Participants
- Potential Process for General Citizen Input to the Board

Step Two: Recruitment

The Director of Personnel Services and Labor Relations (MMA) will discuss with the Town any recruitment activities the Town may want to undertake. It is understood that the Maine Municipal Association cannot be held responsible for those activities initiated prior to MMA's involvement.

Step Three: Rating Document

The Director of Personnel Services and Labor Relations (MMA) will develop a rating document for use in the review of resumes based on the Board of Selectmen's priorities as identified in the needs assessment meeting.

Step Four: Resume Review – MMA

Immediately following the application deadline, the Director of Personnel Services and Labor Relations (MMA) will conduct an initial review of resumes utilizing the rating document. All resumes will be presented for the Board's review. However, the Director of Personnel Services and Labor Relations (MMA) will have identified the strongest resumes based on the Board's priorities. This will allow the Board of Selectmen to concentrate their efforts on the top group of candidates.

Resumes will initially be screened by The Director of Personnel services and then some portion of the resumes, to be determined in discussions with the Board, will be turned over to the Board or a designated screening panel for further review. The goal here is to identify candidates who will be invited to Brunswick for a first round interview.

Step Five: Resume Review – Board of Selectmen

The Director of Personnel Services and Labor Relations (MMA) will be present at the Board's Resume Review Meeting. He will be available to answer questions regarding the Maine Municipal Association's resume review activity and will instruct the Board in the use of the rating document. It is suggested that the Board utilize the rating document in reviewing those individuals identified as strong candidates. The remaining resumes may be reviewed in a more informal manner by members of the Board. A decision will then be made regarding who will be interviewed. The Director of Personnel Services and Labor Relations (MMA) will participate in the discussion of the candidates providing his perspective on how individual candidates appear to match the Board's criteria.

Step Six: Interviews

The Director of Personnel Services and Labor Relations (MMA) will develop an interview structure and rating document for use during the interview sessions. He will also be present during the interviewing of the finalists. His function will be to provide a briefing for the interview panel on the interview structure, to be available for questions regarding the structure, and to assist as a non-voting coordinator. He will again participate in the Board's discussion and deliberation as the Board identifies its finalist for the position of Town Manager.

Decisions here involve whether the Board as a body will do the interviews or will an alternative first round interview panel be constructed.

Step Seven: Background Check

After the interviews, the Director of Personnel Services and Labor Relations (MMA) will conduct a telephone checking of references and employment history of the finalist and report findings back to the Board of Selectmen. The emphasis will be on confirming or denying information already obtained through the selection process. To insure uniformity and control of this extremely sensitive stage of the selection process, the Director of Personnel Services and Labor Relations (MMA) will be the only individual included in this process, or will coordinate the involvement of other individuals.

Step Eight: Second Interview

The Director of Personnel Services and Labor Relations (MMA) will provide guidance regarding the content of the second interview and will advise concerning procedures for the actual hiring decision. Assistance will also be provided concerning press relations, confidentiality, and other details of the selection process.

Again, a discussion will be conducted with the Board to determine participants in the second interview stage. Most likely, at this point, it would be the full Board. If the Board had included community stakeholders and/or other interested parties in the process, their role would have concluded at this stage.

Step Nine: Offer and Negotiations

The Director of Personnel Services and Labor Relations will assist the Board in preparing and delivering an offer of employment to the Board's choice to be the next Town Manager of Brunswick. The Director will serve as a conduit between the candidate and the Board, or its designee, as negotiations take place.

Fee:

The fee for Maine Municipal Association's services for the Executive Search for a Town Manager for Brunswick is forty-nine hundred dollars (\$4,900.00). This fee includes all MMA staff services, mileage, meals, lodging, postage, phone charges, and photocopying. The fee does not include advertising or any candidate expenses that the Town might incur. The fee includes all staff time and expenses that are incurred as part of the first complete search process. If the Town, after completing all stages of the search elects to re-advertise the position and start over, the Town will be billed for the additional staff time and expenses.



February 3, 2014

Town of Brunswick Manager's Search
c/o Chair Benet Pols
Town Manager's Office
28 Federal Street
Brunswick, ME 04011

Dear Mr. Pols,

Eaton Peabody Consulting Group, LLC ("EPCG") is pleased to submit this proposal to the Town of Brunswick ("Client") to assist in the recruitment of a new Town Manager (the "Project").

Scope of Work

EPCG team members Don Gerrish and Richard Metivier will be the consultants for the Town Manager search. The recruitment process will include:

- developing an overall recruitment strategy with the Town Council ("Council");
- assisting the Council in determining the essential skills and experiences required for the next Town Manager who will assist with the issues and challenges facing Brunswick;
- determining, with the Council, the process and timeline that will be used in the search; including whether anyone else other than the Council will be involved in the process.
- develop a format that allows citizen/employees to have input into the personal characteristics, education, traits and experience that the new Town Manager should have and allowing citizens and employees to meet the finalists for the position.
- preparing a draft employment advertisement for review by the Council;
- determining, with the Council, where and in what media to advertise (i.e. nationally, regionally, locally, internet and/or newspapers);
- receiving and reviewing all applications including performing initial investigation of the applicants, preparing information packets for the Council on applicants, and assisting the Council regarding suitable applicants to interview;
- scheduling all interviews, assisting with suggested questions, and participating in the interviews as an observer;
- after the Council has selected the finalist(s), complete background checks on the top candidate(s), and schedule second interviews with questions if necessary,

- be available to answer any questions and assist the Council in its evaluations and selection;
- assisting in contract negotiations for the terms of employment with the selected candidate, if so directed by the Council.

Eaton Peabody Consulting Group agrees to provide a free Manager Search, excluding direct expenses associated with the search, for Brunswick if the selected candidate leaves the position for any reason within one year of starting their job as Brunswick's Manager.

Project Team and Related Experience

Don Gerrish has over 37 years experience in Municipal Government in the State of Maine and retired as Town Manager of Brunswick after 19 years of service. He has successfully assisted the Towns/Cities of Wiscasset, Greenville, Corinth, Orono, Arundel, Bowdoinham, Poland, Old Town, Damariscotta, Bucksport, Kittery, Rockland, Auburn, Freeport and Howland with their Manager searches. He also assisted the Town of Kittery with their Police Chief search. While assisting Wiscasset, Bowdoinham, Poland, Damariscotta, and Auburn he was also their interim Town/City Manager. Please feel free to contact any of these communities for a reference.

Dick Metivier has over 41 years of experience in Municipal Government and retired as Finance Director of Lewiston after serving in that capacity for 29 years. He has performed collaboration and consolidation evaluations for the Town of Yarmouth and City of Lewiston and assisted the Town of Poland with the selection of a Financial Advisor for an Endowment Fund. He assisted Old Town, Damariscotta, Rockland, Auburn and Freeport with their Manager searches.

Mr. Gerrish and Mr. Metivier recently completed the search for a new Executive Director for Maine Municipal Bond Bank and Maine Health and Higher Education Facilities Authority and for the General Manager of the Greater Portland Transit District (METRO).

A copy of each of their resumes is attached.

Rates and Fees

EPCG professional services will be provided for a fee of \$5,000, plus reimbursement of direct expenses such as mileage, printing and collateral/educational material production, advertising expenses and other reasonable expenses incurred. This particularly relates to any advertising or expenses related to attracting the candidates. Any and all candidate expenses agreed to by the Council are the responsibility of the Town of Brunswick. Payment is due upon receipt of an individual invoice and is current if paid within 30 days.

We are excited about the prospect of working with the Town of Brunswick and would welcome the opportunity to meet with the Council to discuss this proposal. Please contact Don Gerrish at dgerrish@eatonpeabody.com or 207-751-6828 with any questions you may have.

Don has been involved in all aspects of Town and City Management in the State of Maine for over 37 years. He retired from the Town of Brunswick after serving as its Manager for nearly 20 years. Prior to that, Don managed the Town of Gorham for 10 years, and worked in Auburn and Rockland as well. In 1993 he was elected by his peers from all over the world to serve on the Board of the International City/County Managers Association as a Regional Vice-President, and was then chosen by the membership in 1996 to serve as the Association's President. This allowed him to travel throughout the United States and Europe meeting managers and discussing issues they and their communities were facing. Don has extensive experience in all facets of Municipal Government including:

- Council/Selectmen/Manager Relations
- Ethics for Staff and Elected Officials
- Manager Evaluations
- Town/School Relations
- Goal Setting for Elected Officials
- Municipal Budgeting
- Personnel Issues
- Union Negotiations
- Federal Relations
- University/College/Town Relations

EDUCATION

University of Maine, BS

MEMBERSHIPS AND AFFILIATIONS

International City Managers Association 1974 to present

President 1996-1997; Northeast Regional Vice President 1993-1995

Maine Town and City Managers Association 1974 - present

President 1983-1984; Manager of the Year 1987

Maine Municipal Employees Health Trust 1981 - present

Chairman 1981-1987; 1999-2002

Maine Health Care Performance Council 2002

Co-Chairman appointed by Gov. King

Cumberland County Strategic Planning Committee 2001

Chairman

Trustee, Cumberland County Civic Center 1985-1991

Chairman 1987-1988

Member, Waste Management Advisory Council 1991-1992

Appointed by Gov. McKernan

Board of Directors, Greater Portland United Way 1989

Member of Portland Area Comprehensive Transportation Study 1980-1989

Chairman 1985-1986

Member, of Governor's Municipal Advisory Committee 1983-1984

Maine Municipal Association Executive Committee 1982-1983

Member, MidCoast Council of Business Development and Planning



Eaton Peabody Consulting Group
Richard T. Metivier, Municipal Services Consultant

Richard “Dick” Metivier has worked in municipal finance for more than 40 years. Starting as the Assistant to the Controller for the City of Lewiston in 1969, Dick worked his way up to Assistant Controller and Purchasing Agent and then, in 1980, was promoted to the position of Director of Finance for the City of Lewiston.

As the Director of Finance, Dick was responsible for planning, organizing, directing, promoting, and securing the financial and property interests and activities of the City. Those responsibilities included:

- general oversight of the financial activities of the City including water and sewer utilities;
- advising the City Administrator on fiscal policy;
- developing revenue estimates for the annual budget;
- reviewing departmental budget requests and assisting the City Administrator in their review;
- providing on-going reporting of the City’s financial activities;
- administering the City’s debt program;
- providing supervision over the Accounting, Tax Collection, Purchasing and Treasury functions of the City; and
- directing the risk management activities of the City.

EDUCATION

Husson College, BS, Business Administration

MEMBERSHIPS AND AFFILIATIONS

Member, Charter President, Maine Government Finance Officers Association (GFOA)
Director, New England States Government Finance Officers Association (NESGFOA)
Member, International Foundation of Employee Benefits and Public Risk and Insurance Management Association
Treasurer, Lewiston Urban Civic Center Enterprises
Treasurer, Auburn/Lewiston Airport Board of Directors
Treasurer, Lewiston Mill Redevelopment Corporation
Member and Past Chairman, Lewiston Auburn Transit Committee
Member, Androscoggin Valley Council of Governments Executive Board
Trustee, Maine Public Employees Retirement System
Trustee and Past Chairman, Maine Municipal Employees Health Trust
Director and Past Chairman, Board of the Lewiston Municipal Federal Credit Union
Member, Lewiston Auburn Economic Growth Council Loan Qualification Committee

AWARDS

Maine State Government Finance Person of the Year Award, 1994
Government Finance Officers Association Distinguished Budget Presentation Award, 1986, 1989
City of Lewiston Employee of the Year Award, 2009



PROPOSAL FOR BRUNSWICK TOWN COUNCIL

To support or conduct the Town Manager Search for the Town of Brunswick

Strategic Talent Management
Brunswick Business Center • 18 Pleasant Street, Suite 205 • Brunswick, ME 04011-2201 • USA
207.373.9301 • ABoulay@StrategicTalentManagement.com • www.StrategicTalentManagement.com



Strategic Talent Management

Transforming your Business into a High Profit Organization

Chair Benet Pols
Brunswick Town Council
Town Manager Search
Brunswick, Maine

February 3, 2014

PROPOSAL FOR BRUNSWICK TOWN COUNCIL

This proposal remains active through March 29, 2014

This letter documents two core options to support or conduct the Town Manager Search for the Town of Brunswick.

The purpose of my letter is four-fold:

1. To present the style and approach of Strategic Talent Management (STM).
 - a. We have attached a white paper that outlines our approach to hiring and retention
2. Discuss our experience filling high-caliber positions.
3. To present options to move forward from here.
4. Calculating the cost of a poor hire.

Next Steps:

1. Receive feedback and direction from meeting with the Town Council or Hiring Committee.
2. Establish detailed action steps, required support and a timeline to take us to the first action item.



1) STRATEGIC TALENT MANAGEMENT:

Strategic Talent Management (STM) is a team of passionate individuals who are experienced with systems that can solve your people related challenges from two approaches:

*From Hire to Retire*TM is a complete management system using validated scientific instruments and expertise to recruit the right people, develop their talent and retain their services;

and for the individual seeking personal development, we use proven tools to take the full measure of their talent coupled with coaching to *Achieve the Summit* of their true potential.

STM's approach permanently reduces people related costs, allowing you to focus fully on your customers and business at hand.

STM was founded in 1993 by Art Boulay of Brunswick, ME and William A. Maloney, of Hampton Beach, NH as a coaching & development firm for the many small businesses and organizations in northern New England and larger firms up and down the east coast. Our vision expanded in 1997 when we began to master assessment tools that allowed us quickly and accurately to diagnose the "soft" obstacles people face in their organizational development and professional advancement. We adapted the technology to hiring, and developed a nation-wide business in Hiring Selection.

In 2003, we added a powerful new scientific assessment to our toolkit, which took the predictive accuracy and precise understanding of people to a world-class level. With advancements in on-line technology, we expanded into recruitment and the knowledge transfer of these processes to larger clients and clients outside the US. Today we have clients in nearly every US state and are developing business in Australia, South America and Europe.

Art and Bill are still active in the organization along with two principals, Lori Boulay of Brunswick, ME with expertise in accounting and financial management, and Forrest Lytehaause, of Portland, OR with expertise in founding and growing substantial businesses in the US and Pacific Rim.



2) EXPERIENCE FILLING HIGH-CALIBER POSITIONS:

Over the history of Strategic Talent Management, we have helped approximately 240 clients all over the US and Australia hire the best people for approximately 9000 positions including executive leadership, management, technical positions, customer contact, sales and hands-on roles. We have worked in many industries including private business, medicine, all levels of government, professional firms, associations and not-for-profits.

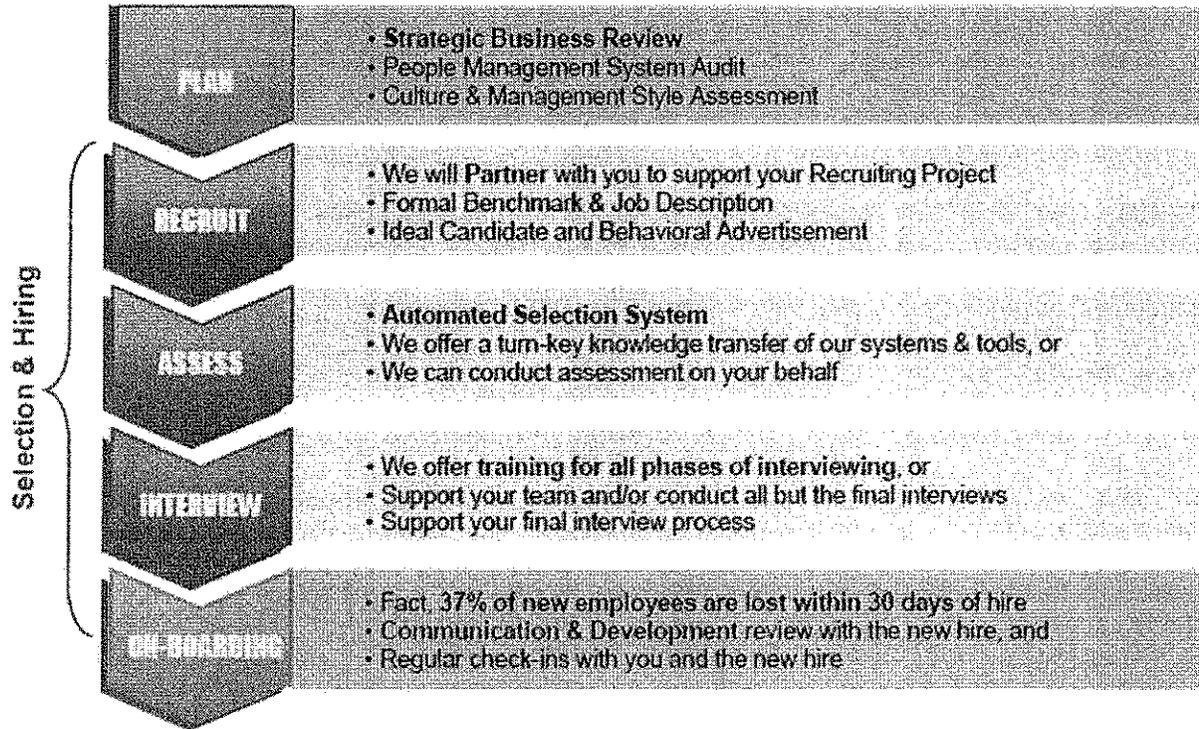
Of particular interest to the Town of Brunswick is experience filling municipal positions. We have worked with the following city governments in Maine to fill positions, advise managers on performance issues, and develop talent:

- City of Lewiston,
 - Team building programs for City Councilors, 2003
 - Team building programs for Department Heads, 2002
 - Selection of the City Administrator in 2002.

- City of Auburn, hiring and selection projects 2007-9
 - Auburn Public Library Director, 2009
 - Various positions in City Hall, 2007-8
 - Executive Assistant to the City Administrator
 - City Office Manager
 - Tax Clerk

- City of Westbrook, hiring selection and coaching projects 2002-8
 - City Administrator
 - Mayor
 - Human Resource Administrator and staff positions
 - Police Chief and officer positions
 - Fire Chief and officer positions
 - City Planner
 - Director of Economic and Community Development
 - Director of General Assistance
 - Maintenance Director
 - Deputy Finance Director
 - IT Director
 - Recreation Director
 - PECE Director/Chief Engineer
 - Library Director and Assistant Director
 - Assessor
 - Public Safety Department Supervisor & Communications Director
 - Emergency Medical Services Director
 - Public Services Director and Deputy Director
 - Operations Supervisors
 - Public Works Supervisor

2) OPTIONS TO FILLING THE TOWN MANAGER POSITION:



STM prefers to work as your partner in filling this key position—as such; there are two basic ways to support the Town Manager search:

- 1) STM supports the full recruiting project from PLAN through ONBOARDING stages
- 2) STM is only involved with the selection of finalists and ONBOARDING

1) STM supports the full recruiting project from PLAN through ONBOARDING

Since the dawn of the industrial revolution when people were first hired for narrow functions with specific requirements, skilled managers and human resource people have been very good at describing what they are looking for, but not particularly effective measuring how well a candidate measures up to those standards. STM is one of the few organizations that applies science and technology to predict with great accuracy just how effectively a specific candidate will perform.

The PLAN stage is the first vital step in hiring the right Town Manager. We have a useful generic target for Maine based Town Managers, but it needs to be fine-tuned to Brunswick's unique requirements, business plans and culture. We have placed successful town managers with backgrounds ranging from business to municipal government—but what they all had in common was the ability to perform as desired by the city that hired them.

We will work with the Hiring Committee to determine the ideal candidate for this position. This will involve meetings to be clear about the target candidate in terms of both *aptitude* and *attitude*. We will also consider your job description and the new hire's capabilities to meet your expectations.

Our specialty is providing scientific precision to measure "soft skills" like attitude, capacity, beliefs, and energy levels of the candidate. We are able to describe a candidate's communication capability, for example, from at least ten individual measurable criteria including empathy, assertiveness, diplomacy, tact, interpersonal skill, intuition, resiliency, objective listening, emotional control, teamwork and stress. So when you describe a communication style you want to have and want to avoid, we can accurately determine if a specific candidate will consistently deliver.

RECRUIT stage: Recruiting is largely about attracting the right candidates to apply for your position. We can assist you by promotion through social media and the appropriate job sites, on-line groups and associations, and actively seeking out individuals to apply for the position. We can leverage Town resources effectively to keep recruiting costs down and the engagement of your Hiring Committee high.

We will take the results from the **PLAN** stage to establish a formal benchmark, construct behavioral advertisements and develop questions for screening through the final interviews.

ASSESS stage: Good to great candidates have a short shelf life. Topsham, Wiscasset, and Skowhegan are all searching for a Town Manager and there are bound to be others in the market shortly. The faster Brunswick identifies these candidates, the more likely it is you will have a chance at hiring the best. Likewise, the faster Brunswick determines whom *not* to consider, the more time you will have to focus on prime candidates.

We automate the application and assessment process to instantly highlight attractive candidates and reject candidates based on the benchmark designed in the **PLAN** stage. Logistically, this means *all applicants will be assessed*, and we process a customized Hiring Report on your finalists. A Hiring Report includes a three-part assessment, a full write up with a clear prediction of success in the position, a clear estimate of risk of the candidate failing to meet your expectations, areas to explore in the final interview, development recommendations, and meeting time with the Hiring Committee to review results. *I can share a sample Assessment and Hiring Report package.*

INTERVIEW stage: The interview questions have been designed by this point, and tie closely both to your requirements and the assessment technology. Town resources can be leveraged to keep costs down and engagement of your Hiring Committee high in screening and reference interviews. We will support all interviews through the final rounds, and assist with the job offer to the new Town Manager.

ON-BOARDING stage: STM stays engaged with your new Town Manager for up to four months after hiring. We will review their assessment with them and help clarify the selection criteria, where they were strong, and where they may require focused attention and development. We also act as a conduit between the newly hired Town Manager and the chair of the Brunswick Town Council to assure there are no emerging areas of dissatisfaction or miscommunication. *The risk of turnover is greatest in the first six weeks, and this is frequently due to controllable events that were not properly discussed and resolved.* We offer insurance that the investment in time, money and energy hiring the best candidate is not lost for controllable reasons.

INVESTMENT SUMMARY for this option: We make the following estimate based on our assumption that there will not be more than twenty-five applicants, and we will be asked to do a full assessment on no more than three finalists. Assume \$7,500 to \$10,000. The higher number assumes STM is fully responsible for the **RECRUIT** and **INTERVIEW** stages.

2) STM is only involved with the selection of finalists and ONBOARDING

Our services work well as an adjunct to a traditional recruiter—that is, adding our world-class assessment instruments and unique ON-BOARDING role. Essentially, we have a lighter touch at each stage, as you and your recruiting firm are filling most of the recruiting functions.

PLAN stage: We will work with the Town Council or Hiring Committee to determine the ideal candidate for this position largely in terms of *attitude*, or soft skills. We will use your job description and other *aptitude* factors that you already have or build with your recruiter.

RECRUIT stage: No direct involvement.

ASSESS stage: We can automate the application and assessment process to quickly highlight attractive candidates and reject candidates based on the benchmark designed in the PLAN stage. *I can share a sample assessment from these world-class instruments.*

INTERVIEW stage: No direct involvement, unless the Hiring Committee wishes to tie screening and final interviews more closely to the benchmark. *I can share an interviewing guide with you for this purpose.*

ON-BOARDING stage: We will review the new Town Manager's assessment with them and help clarify the selection criteria, where they were strong, and where they may require focused attention and development. Where appropriate, we can act as a conduit between the newly hired Town Manager and chair of the Brunswick Town Council to assure there are no emerging areas of dissatisfaction or miscommunication.

INVESTMENT SUMMARY for this option: \$3,500 to \$4,000. The higher number assumes STM is engaged for the ON-BOARDING stage.

4) HIRING CALCULATOR:

This tool can help you *dollarize* the value of hiring the right Town Manager the first time—and is a useful exercise to lend urgency to your recruiting process. Following is a simplified version:

	Town Manager Salary costs	Hard Costs	Soft Costs	Vacant Roles
Direct Costs	<ul style="list-style-type: none"> • Salary • Signing bonus and training expenses • Benefits • Taxes and other costs for a Total Salary 	<ul style="list-style-type: none"> • Separation processing—including coaching, counseling, "managing" and other direct expenses • Recruiting costs for search firms, ads, resume screening, interviewing, reference checking, background checks, testing and other on-boarding costs 	<ul style="list-style-type: none"> • Bad Public Relations/impacts on vendor relations/the cost of other relationship issues • Lost productivity of executive team—what they could have been producing while dealing with these issues. 	<ul style="list-style-type: none"> • Lost income or benefit while this key position is vacant
Productivity Costs	<ul style="list-style-type: none"> • Time it takes to get up to speed in this position extended by their total direct salary cost for the period 	<ul style="list-style-type: none"> • Burden placed on co-workers or direct reports extended by the average salary of all the people affected for the period 	<ul style="list-style-type: none"> • Lost productivity on key projects or initiatives • Good employees who left because of this person's management style—and the cost to replace them 	<ul style="list-style-type: none"> • Lost income or benefit due to the unnecessary departure of good employees

Now, add up the numbers in each box—what is the Total Salary (white box)? \$ _____

What are the Total Costs (add up all the gray boxes)? \$ _____

Calculate the ratio of Total Costs/Total Salary— Turnover Cost Ratio _____%

Typically, turnover at this level is 150% of the extended salary, or more. Multiply your ratio by the number of QBs who have left, on average, each year. Turnover Cost \$ _____

I am confident enough in our system to predict a measurable reduction in your costs of dealing with turnover and mediocrity for this and other positions. This is the key reason for asking you to take the time to focus on the PLAN stage in particular, but also to consider our unique offerings in ASSESSMENT and ON-BOARDING.



On behalf of Strategic Talent Management generally, and myself in particular, we are confident we can help you hire the very best talent for Town Manager.

We are appreciative of your time to review this proposal, and we look forward to supporting you in any way we can. If you require more information, more examples or testimonials, do not hesitate to ask.

Very truly yours,


Art Boulay, MBA, CMC
CEO

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Executive Summary
Introduction
The Business Case for Strategic Talent Management
The Science of Talent Management
The Strategic Talent Management Process
Conclusion
Appendix A: Strategic Talent Management Framework
Appendix B: Strategic Talent Management Case Studies
Appendix C: Strategic Talent Management Best Practices
Appendix D: Strategic Talent Management Tools and Resources
Appendix E: Strategic Talent Management Glossary
Appendix F: Strategic Talent Management Bibliography



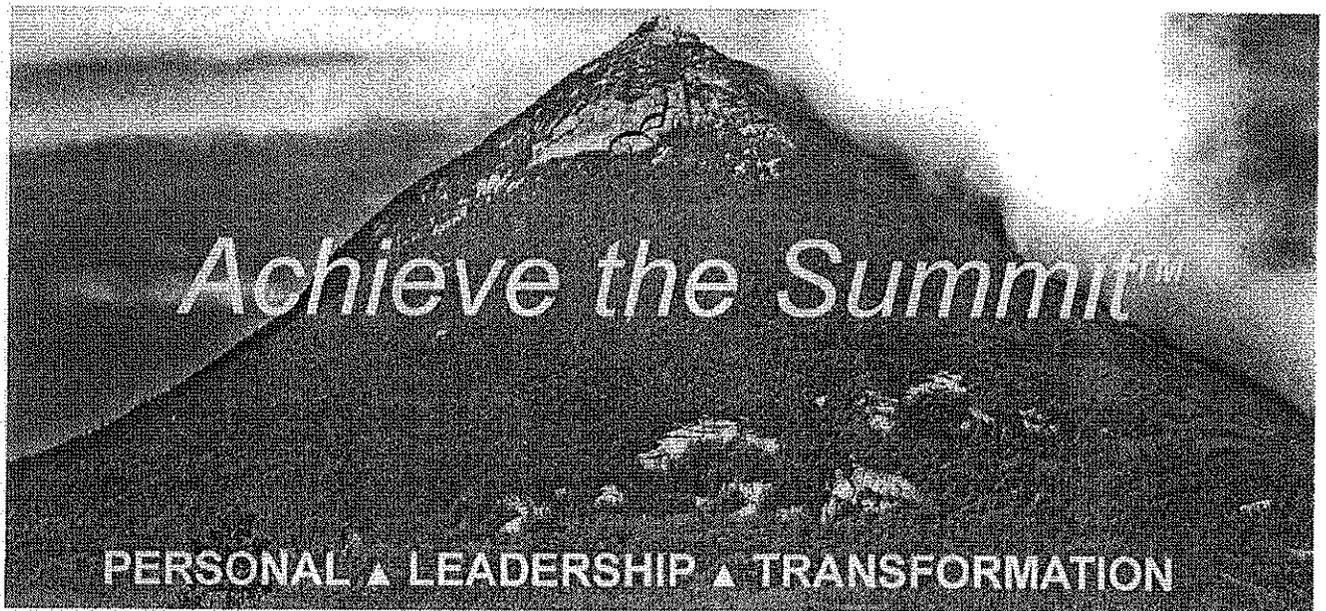
Strategic Talent Management

Transforming your Business into a High Profit Organization

White Paper: Applying Science to Recruit, Retain & Focus Talent

Strategic Talent Management White Paper
Fall, 2013

Applying Science to Recruit, Retain & Focus Talent



Art Boulay, MBA, CMC, OCC ▲ CEO ▲ Strategic Talent Management



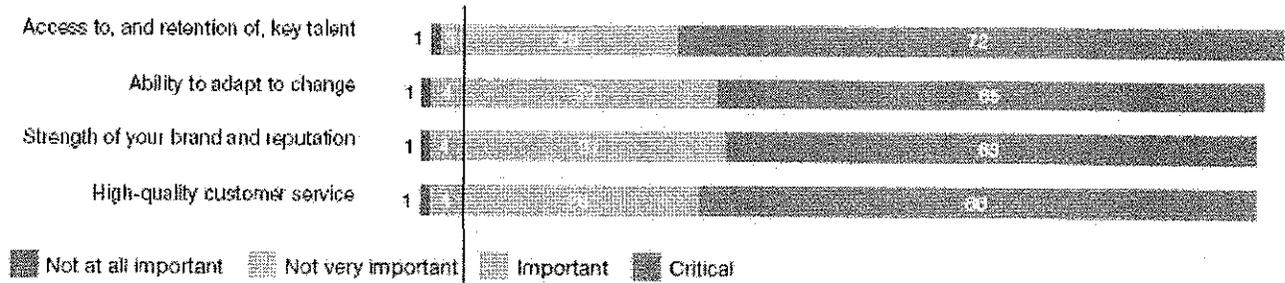
PAGE SUBJECT

3	Introduction
5	Recruit the Right People for the Right Position the First Time
6	From Hire to Retire™
7	Improve Line Management Capability
9	Strategic Talent Management
11	Conclusion: Science Based Best Practices for Talent Retention



Introduction

1,124 CEOs were asked, "How important are the following sources of competitive advantage in sustaining your growth over the long term?" 97% said "access to, and retention of, key talent."¹



Notably, the next 3 most remarked items were, "ability to adapt to change," "strength of your brand and reputation," and "high quality customer service." Having top talent in key positions is the best guarantee of success toward addressing these important factors, or the goals important to your organization.

The undeniable logic behind talent retention:

1. Turnover is expensive in terms of dollars, time, and organizational impact;
2. Top performers drive business performance; therefore,
3. Turnover of top performers can endanger organizational growth.

Turnover at any level costs money; the precise cost of turnover depends on industry, position, and location, but estimates range from 30% to 250% of annual salary.² Turnover costs add up quickly, beginning with the obvious costs of promotion and your time, but also the opportunity costs of vacant positions, lost time, and lost business performance. Training and on-boarding add to the costs, and these are magnified where significant skills or professional training is required. 'Problem' employees can leave a costly wake of destruction in their path both among your staff and customers. Think, ENRON, and recognize there is no cap on the cost of turnover.

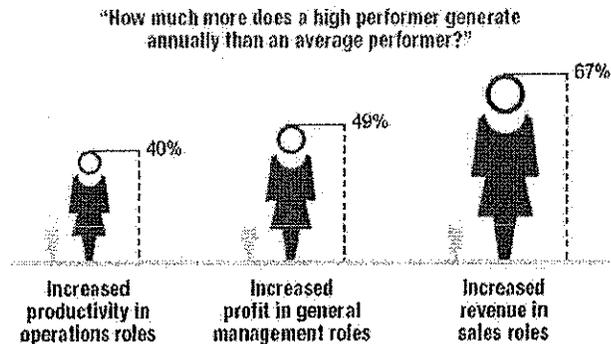
McKinsey's 1997 study, "War for Talent" validates assumptions about the impact of top performers on our organizations. It found that high performers in operations are able to *increase productivity 40%*, high performers in management *increase profits 49%*, and high performers in sales drive *67% greater revenue*.³

High turnover drains resources, and Achieve the Summit™ directly addresses how organizations can excel in this environment by applying science to their people related challenges.



Good people are great for business

Mean of responses from 410 corporate officers



Source: McKinsey's War for Talent 2000 survey of 410 corporate officers at 35 large US companies

Organizations that use assessment instruments in hiring or recruiting most often use behavior or 'personality' assessments. The best of these instruments are validated and normalized, but are not based on science and were not designed for hiring selection. There is one instrument which is based on science and its creator was nominated for a Nobel Prize in 1973 based on its mathematical principles—the Hartman Value Profile, by Robert S. Hartman.⁴ ATS uses a modern variant of this venerable instrument, Targeted Assessment Profiles™, to validate findings of more common instruments, and pinpoint precisely a candidate's Talent, Competencies, Attitudes, Values, Energy and Drive.

Robert S. Hartman was ahead of his time, in that his instrument looks at the whole person, with precise measurements for attitudes, beliefs, capacity, energy and drive. Recent advances in brain science confirm the critical role of these factors in making measurable and permanent impact on people's behaviors. Coaching and development is also moving toward a more scientific base.⁵

Three practices that organizations can implement using the Targeted Assessment Profiles™ as a core tool:

1. Recruit the *right people* for the *right position* the *first time*.
2. Direct and grow talent inside the organization.
3. Improve the line manager's ability to manage.

¹ PricewaterhouseCoopers, *12th Annual Global CEO Survey*, 2009.

² "Employees Leaving? Here's Why and What You Can Do," *The New York Times*, October 24, 2008.

³ McKinsey & Company, "The War for Talent," 2000.

⁴ Robert S. Hartman Institute Europe, "A Biography Brief: The Robert S Hartman Story (1910-1973), How the evil of Hitler's Third Reich, led to Hartman's Theory of Good", 2012.

⁵ Suzanne Skiffington and Perry Zeus, "Behavioral Coaching," 2003.



Recruit the Right People for the Right Position the First Time

Retaining top performers begins with hiring the right talent. A key first step in this process is revisiting the need for the position, and then benchmark the position by analyzing *and quantifying* skills, experience, fit to organizational values & culture, critical "soft" skills and attitudes, energy and drive, and comparing those to the precisely measured talent profiles of verified top performers.

The quality of the hiring selection and recruiting process begins with an effective benchmark for each position to be filled. Job descriptions, position advertisements, screening interviews, final interviews, lists of expectations and hiring selection should all be grounded on carefully selected and precisely analyzed factors.

The staffing department should work with hiring managers to set out the factors top performers bring to the organization, including:

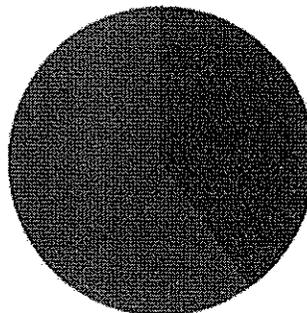
- Knowledge, skills, and abilities
- Attitude, value judgments, management style, drive and motivation
- Cultural fit, both with the organization and with its customers

HR identified these factors decades ago—the challenge has always been *how to accurately measure these traits in the next candidate who walks through the door*. Achieve the Summit™ makes this possible by applying the science created by Robert S. Hartman to the problem. The process invites the responding candidate to take three or more brief assessments which filter for specific attributes identified in the benchmarking process. These factors measure "fit" to the position, values, culture and management style of the organization—which are the top two factors people look for in organizations according the McKinsey "War for Talent Report" (below, left side).

What Motivates Talent?

Great Company (Brand)

- Values and culture
- Well managed
- Company has exciting challenges
- Strong Performance
- Industry leader
- Many talented people
- Good at development
- Inspiring mission
- Fun with colleagues
- Job security



Great Jobs (Products)

- Freedom and autonomy
- Job has exciting challenges
- Career advancement and growth
- Fit with boss I admire

Compensation and Lifestyle (Price)

- Differentiated compensation
- High total compensation
- Geographic location
- Respect for lifestyle
- Acceptable pace and stress



*Superior talent will be tomorrow's prime source of competitive advantage.*³

—Chambers & Foulon, "The War for Talent," *McKinsey Quarterly*, Number 3, 1998.

Organizations benefit when they can access key assessment data in a single talent system. The information is valuable to select the best candidate for hire, provide precise information about motivation, diagnose behavior issues, and lay a clear course to engage with organizational goals. An effective talent system is like having a schematic and trouble-shooting guide for a vital appliance.

The next step—onboarding—is a critical bridge from the signing of the hiring documents to full productivity and a full mutual commitment between employee and organization. Onboarding is a step that is overlooked at some peril; it is not simply an item on a check list. The keys to successful onboarding are a thorough and consistent process, technology that tracks progress, and a seamless integration with an organization's plans and goals.

First impressions matter and link to retention: 90% of employees make their decision to stay at an organization within the first six months.⁷ This is consistent with various studies over the years: Corning Glass concluded that "employees were 69 percent more likely to remain with the company after three years if they completed a full orientation program," "a study of the onboarding process at Texas Instruments found that employees who went through an improved onboarding program were fully productive two months faster than employees in a traditional program."⁸ Top performers, identified early, and effectively on-boarded, will maintain and grow their high energy to perform and drive to achieve.

From Hire to Retire™

- Ensure clarity about the direction and future of the organization
- Ensure clarity about need for and expectations for the role
- Accurately measure the culture and pervading management style
- Scientifically based, benchmarking process
 - Organize and direct recruitment efforts
- Speed up recruitment with science based assessments
 - Automated pre-screening
- Build and maintain The Talent Life Cycle™
- Ensure new hires are productive as soon as possible
 - On-boarding process
- Use the tools from the recruiting process to manage career development
 - Coaching, Training & Development +
 - Performance Management = Retention
- Ensure succession goals through effective management



³ Graphic and Quotation: McKinsey & Company, "The War for Talent," 1998.

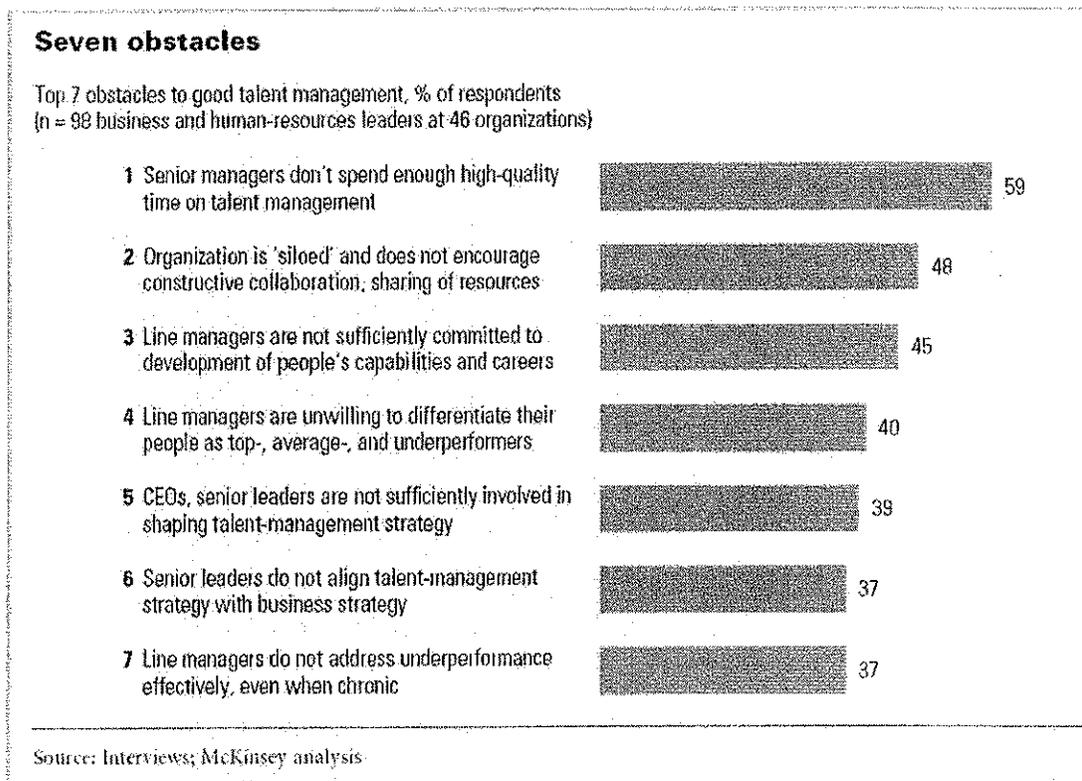
⁷ Aberdeen Group, "Onboarding New Employees: Maximizing Success," 2007

⁸ Talya N. Bauer, Ph.D., SHRM, "Fully On-Board," 2009



Improve Line Management Capability

Talent retention is a key responsibility of the manager. It is the manager's role to direct, guide, and evaluate the employee; therefore, the manager's day-to-day behavior is a potential key obstacle for retaining top talent (see McKinsey graphic below). According to Hartman, it will be relatively easy to coach or develop the management skills of someone with the capacities to be a manager in the first place. Those lacking management capacity will never enjoy their role and likely never embrace the skill building required. Armed with this information, we can more accurately choose manager candidates in the first place, and more precisely determine in whose development we should invest.



Effective Management requires easy access to a talent system containing accurate and useful information, facts, and data. With the technology to capture and provide actionable talent information, managers will become more successful and satisfied in their work. The bonus for better management techniques is higher employee engagement and increased retention at all levels—including managers and supervisors.

Employees want a performance review process that provides frequent and fact-based feedback. Research also indicates that Generations X and Y employees want feedback and they want it often. Another study finds no generational disparity, and placed equal importance and high value by all generations on recognition and access to new challenges.⁹ Managers who do not provide feedback are often surprised when a valued employee resigns *out of the blue*. We can safely



conclude that feeling valued by the culture is critical for engagement and retention at all levels and all generations.

A study probing the reasons why employees leave their jobs found the top four reasons to be¹⁰:

1. "Don't feel my employer values me": 61%
2. "Employer does not pay enough": 53%
3. "My efforts are not recognized or appreciated": 46%
4. "Not enough career advancement opportunities": 42%

Boosting satisfaction levels with the performance management process can boost employee satisfaction and engagement. Performance management includes employee evaluation and development, based on facts and documented actions, and regularly assessed by their manager and peers in a formalized review process. The review process should provide feedback on the employee's work performance and attainment of written expectations, and mastery of core competencies and skills associated with the position. A well designed performance management process encourages two-way communication between managers and employees on goals and development plans. Employee engagement and retention is then critically dependent on the manager's capacity for clear communication.

I prefer a management style based on openness and cooperation at every level; one that does not necessarily obey or respect hierarchy at all times. I believe in leadership that can stay flexible.

*—Sandor Csanyi, Chairman and CEO,
OTP Bank Plc., Hungary¹¹*

Managers should convey the importance of their written expectations by explaining how the employee's goals align with the department and organization's goals using current data and feedback. The Talent Life Cycle™ can support ongoing feedback, goals alignment, and coaching and development—in addition to storing assessment data and information. This application of tools and technology can strengthen the

partnership between manager and employee. Employees feel valued when they can see the link between their work and the success of the department and the organization. In a paper process, for example, valuable information is often lost, cannot be retrieved on a timely basis, or is not tracked at all.

Employees generally and top performers in particular, want to be clear about their work and how it contributes to the organization's goals and objectives. Data that helps managers and employees understand how what they do contributes to the overall goals of the organization, drives retention by maintaining dynamic records of their achievements and growth over time. This is a talent management *best practice*.

³ Seven Obstacles Graphic: McKinsey & Company, "The War for Talent," 1998.

⁹ Center for Work-Life Policy, "Bookend Generations: Leveraging Talent and Finding Common Ground," 2009.

¹⁰ CareerBuilder.co.uk, "Harris Interactive Survey," June 2008.

¹¹ PricewaterhouseCoopers, *16th Annual Global CEO Survey*, 2013



Strategic Talent Management

The same instruments that help select the best talent for hire can be used to map out a direction for talent going forward.

A young person who applies for a position in the organization may have competencies and talent for a completely different position—lacking only technical skill and self-knowledge to choose the right path. With the benefit of ATS assessment technology, a training regimen can be customized to develop this talent, as opposed to offering identical training for all employees in a particular group, or at a certain level. The application of technology to training allows for “mass customization.”

Long ago, HR conceived the idea of corporate talent databases. However, lacking the tools to accurately measure and track changes in talent over time, the vision and organizational ROI is rarely realized. Imagine a situation when an organization is presented with a growth opportunity, and requires talent to staff a new location but lacks the time or resources to recruit and develop that talent. With The Talent Life Cycle™, you have software that not only shows the basics—training history, progression of job titles—but also relevant and vital factors for success: Accurate scores for Personal Accountability, Objective Listening, Interpersonal Skills, Empathy Toward Others, Customer Focus, Self-Management, Self-Starting Ability, Teamwork ...and up to 80 additional factors.

Scientific and precise benchmarking for each position is the first step in the talent life cycle.

Organizations now have access to technology to recruit, make-quality hiring decisions, retain and effectively manage top performing talent.

Having top performing talent in key positions throughout an organization is not sufficient to assure success. Alignment is critical. Applying the full benefits of The Talent Life Cycle™, you can compare the management style, values, beliefs and energy level of key talent up and down the organization. That is a good start. Still required is a process to engage managers and leaders throughout the organization to assure a single, concise and clear picture of where the organization is today, where it has come from and the summit it seeks to

achieve. A Strategic Business Review encourages participants to share their picture of the past, present and future of the organization—recognize where the pictures they carry in their heads are different or inconsistent—resolve those differences—and move on to establish common goals and plans for a unified future.

Out of the alignment process comes the language to promote key organizational messages about the organization's future, core values & beliefs, important initiatives—and also the means by which to promote these messages. Namely, a unified group of managers, leaders, and informal leaders who communicate the message officially, unofficially and through their daily actions.

One final ingredient is required to close the loop on hiring and retaining talent, managing, tracking and measuring their growth over time, and aligning leadership and management. The glue that brings it altogether is ‘execution.’ In their excellent book, *Execution—The Discipline of Getting Things Done*, Larry Bossidy and Ram Charan make a solid case for what needs to be in place in



The Job No Leader Should Delegate—Having the Right People in the Right Place

Chapter 5 title, "Execution—The Discipline of Getting Things Done", by Larry Bossidy

order to 'execute' in your organization.¹² Many of them are items cited in this paper, which is no surprise, as we adopted this book as our guiding light at a critical stage in our own company's development.

Among the essential qualities of leadership: *Know Yourself, Know Your People and Your Business, Expand People's Capabilities Through Coaching, Set Clear Goals and Priorities, Follow Through, and Reward the Doers.* The key item that caught our attention: *The Job No Leader Should Delegate—Having the Right People in the Right Place.*

The bottom line is to get it done, or, 'execution.' Execution-oriented organizations change quickly, they are flexible, and as a result they are more successful than other organizations. They understand they must *do the job* better than any of their competitors. If an organization has everything break their way, and all the resources they need, but cannot execute with excellence, they will fall behind over time.

Top performers understand executing with excellence. As a leader, you have to be passionately engaged in your organization and committed to the practical realities of doing and rewarding excellent work. This is why the leader must *really* know themselves and know their people.

To Achieve the Summit, every leader must put execution at the top of their list of attitudes, behaviors and capabilities to promote.

- Leaders must enthusiastically create and maintain an execution environment and attitude.
- Leaders must endorse, by example, the importance of 'execution.'
- This is true for any leader, in any industry, in any size organization.

¹² Larry Bossidy and Ram Charan, "Execution – The Discipline of Getting Things Done," 2002



Conclusion: *Science Based Best Practices for Talent Retention*

All successful organizations, no matter their size or industry, invest in talent management to select and retain the best person for each job. Organizations that confidently execute scientifically precise processes are the resilient leaders of most industries. Currently available technology can close the gap between desired performance and accurate hiring selection and retention, enabling hiring managers and recruiters to recognize the best person when they *walk through the door*.

Accurate hiring selection is essential to retain top performers. Employees who fit into the values and culture of the organization are more engaged, and remain with the organization long-term. They require less *management*; indeed, they become the leaders and *go to* people for both internal staff and your customers.

Organizations that take a strategic approach towards talent management are 33% less likely to lose critical-skill employees, 18% less likely to lose top-performers, and 18% more likely to be financially high-performing.¹³ They are also 4.5 times more likely to have a high level of employee engagement.¹⁴ As these high performing organizations realize the compounding benefits of *strategic* talent management year after year, they are in a position to gain, or at least maintain, market share.

An integrated talent management process gives organizations the ability to capture, analyze, and report on talent information. This approach empowers managers and employees alike by providing tools that can be used across the entire talent lifecycle:

From recruiting and hiring, to onboarding that makes the new hire productive, to innovative succession planning and organizational alignment that allows them to see a clear and consistent future.

Empowering managers and top talent through science and technology may allow us to someday displace "recruitment and retention" as a typical CEOs number one concern.

And, finally, the key attitude shared by all successful organizations: *A bias for execution*.

¹³ Watson Wyatt/World at Work, "2008/2009 Global Strategic Rewards Report."

¹⁴ Watson Wyatt/World at Work, "2010 Global Strategic Rewards Report."