



Privately Speaking

Insights on private company growth
from private company insiders

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Filling the private market talent pipeline

The war for talent has moved into a new, more aggressive, phase. Private market leaders and decision-makers will need to work hard to attract, recruit, and retain the talent they need to compete in the new digital and customer-centric economy. In this edition of *Privately Speaking*, we explore what the leading entrepreneurs are doing to retain talent and offer our tips to become a more talent-minded leader.

Entrepreneurs and private-market leaders are worried about their ability to attract and retain talent. And rightfully so. Today's growth companies do not just need to worry about having the right skills to keep customers happy today; they also need to build their talent pool for the future. And, in an era of massive technological disruption and automation, that talent pool may not be comprised entirely of humans. Building a sustainable and fresh talent pipeline will not be easy.

What is the problem?

According to recent data from mid-sized U.S. firms, the biggest problem facing corporate recruiters today is a lack of needed skills. Given the ongoing shift from manual to automated workforces, demand is shifting away from traditional skills and towards skills like analytics, data science, relationship management, and emerging technology skills; competition for talent with these capabilities is becoming fierce.

Competition from larger firms, in particular, can be problematic for private-market businesses. Smaller firms often do not have the brand strength, advancement opportunities, or salary to compete with large employers. Their size, however, can also be an advantage as employees may have more flexibility and opportunities to make an impact in a mid-sized company.



Building a startup

Entrepreneurs know that it takes more than one person and a good idea to build a viable company. But many of them struggle to find the right talent for their company. Consider this: at the recent 2018 QuantumShift event at the University of Michigan for America's top entrepreneurs:

- Nearly 40% of entrepreneurs listed talent as one of their top business challenges, both at the leadership and the staff level
- 81% say they are now focused on developing unique ways to invest in, attract, and retain talent.

"You can't just be thinking about how you staff your operation today. You also need to be very aware of what skills you will need in the future and you should be actively working towards retaining, developing, or acquiring staff with those skills today."

—Brian Hughes, National PMG Leader

Learn more about attracting and retaining the best talent at QuantumShift

The annual QuantumShift program brings together dozens of successful founders, owners and CEOs of private, high growth companies for an intensive, peer-to-peer, learning, networking and collaboration session at the University of Michigan. World-class faculty from the Ross School of Business explore topics that matter most to growth entrepreneurs including, leadership, talent, culture, and more.

To learn more about the program and application process, visit <http://quantumshiftus.com/how-to-apply/>



What are entrepreneurs doing to retain talent?

According to those at our 2018 QuantumShift event, they are:

- Using pay for performance
- Working closely with universities to fill the talent pipeline
- Investing into training and development
- Showing trust and creating flexibility through an unlimited PTO policy
- Launching special programs to reward, celebrate, and incentivize employees.

Ten tips for talent-minded leaders



- 1 Understand your skills requirements:** The process of skills mapping can help your organization understand the competencies needed for success in a specific role. The analysis should include not only technical capabilities, but also soft skills such as communication, conflict resolution, problem-solving, and teamwork skills.
- 2 Keep tabs on the talent pool:** Keep track of people, both inside and outside of the company, who could make future good hires. Staying on top of your local talent market means you will be in a much better position to find qualified people when a specific need arises.
- 3 Partner with local educational institutions:** Educational partnerships offer opportunities to build awareness of your firm among up-and-coming talent. Some business schools even offer courses where students study real company challenges and offer solutions, allowing you to benefit from their ideas while forming relationships that may lead to future hires.
- 4 Work within your local or national trade associations:** They provide a forum for collaborating with others in your industry who face similar talent challenges. They are also a way to meet other professionals in your business who may be looking for new job opportunities today or down the road.
- 5 Create informal networks with other businesses:** These informal networks often take shape organically through meetings and peer discussions. But if one of the companies in the “network” is experiencing workforce reductions or layoffs, it tells the other organizations so that they can hire some of the newly available workers.
- 6 Seek out public sector support and programs:** Many states and localities are organizing their efforts around particular industry sectors, partly due to the federal Workforce Innovation and Opportunity Act. While most are geared towards larger companies, it is worth exploring the opportunities and options that may be available.
- 7 Build career ladders:** Many private market companies lack the layers that larger firms have, making it slightly more difficult to provide clear career paths for upward mobility. One alternative is to give people opportunities to get involved in other areas of the company where they can learn new skills.
- 8 Start an internship program:** Internships enable companies to tap into up-and-coming talent while building awareness for their brands at area schools and universities. Providing summer internships to students going into their senior year could be a great way to secure promising talent before a competitor scoops it up.
- 9 Make your presence known:** Private market firms must often work harder to get recognized than their larger, public peers do. But they also tend to be deeply rooted in their communities. They have opportunities to build their reputation as a great place to work and as a family-driven business.
- 10 Consider using a Recruitment Process Outsourcing (RPO) model:** If you are expecting a period of rapid expansion and growth, an RPO can provide a “plug and play” alternative to drive cost and time efficiencies and consistent quality of hire.

People want to work for a business with a purpose

Find out what David Bowd, CEO of Salt Hotels, and Melanie Notkin, CEO of Savvy Auntie, have to say about building a brand with purpose > https://youtu.be/cjrREQ_yhJs



Need help?

KPMG professionals are deeply embedded into today's talent markets. We use our deep experience in talent management and retention to help fast-growing companies and private market leaders archive their business objectives.

To learn more about how KPMG can help your organization, we encourage you to contact your local KPMG member firm.



Do not miss a thing

The environment for private companies is changing rapidly, and new opportunities are emerging every day.

Do not let an opportunity pass you by—sign up to receive KPMG's **Privately Speaking** series and make sure you are making the best decisions possible for your private company.

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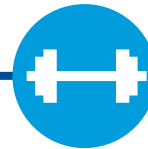
Starting your business



Growing your business



Strengthening your business



Transitioning your business



Privately Speaking focuses on the issues that matter most to privately held entities, including private equity- and venture capital-backed companies.

KPMG LLP's (KPMG) Private Markets Group understands what it takes to drive private company growth. In each edition of **Privately Speaking**, we share our insights—along with practical and actionable tips—to help boards, executives, and management grow, strengthen, and transition their privately held businesses.

For more information, click here to visit our **Privately Speaking** Web page.



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