

Accelerate Growth by Attracting Lateral Partners and Emerging Leaders

By *Jeremy Cepin*

The stakes are high for accounting and financial consulting services firms. As businesses become increasingly sophisticated, clients demand more cost-effective and diversified business solutions. Today's aggressive business climate is leading firms to make significant changes in order to create a competitive advantage, drive revenue growth, and increase profit margins.

For the majority of accounting and financial consulting services firms, recruiting lateral partners and emerging leaders from outside in order to accelerate growth is an appealing—and time-proven—strategy. The firms that do this the most successfully accomplish the following:

- stimulate new business opportunities;
- build stronger corporate functions;
- serve clients and provide subject-matter expertise;
- fuel their succession plans;
- develop an exit strategy;
- accelerate growth in key markets, niches, and service lines; and
- increase profitability year upon year.

While rising stars may exist in-house, the waiting period between grooming potential talent and that talent developing into high-performers simply takes too long. At the same time, recruiting top-tier partners and emerging leaders from outside has proved to be far from easy for three reasons:

1. loyalty;
2. slow decision-making; and
3. limited experience with the recruiting process.

Loyalty. Noncompete and relationship clauses, attractive retirement plans, and long-standing friendships often make it very difficult to extract a partner from his or her current firm. In addition, leaving a top-tier firm can suggest failure at that organization—a perception that target candidates naturally wish to avoid.

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Slow decision-making. Accounting and financial consulting services firms often make decisions based on broad buy-in across multiple stakeholders, each of whom will have his or her own view on what it takes to

succeed. Gaining agreement on the numerous steps required for successful recruiting of partner-level candidates can be exceptionally drawn-out.

Limited experience with the recruiting process. Given the challenges with sourcing senior talent from the outside, hiring needs at the partner level historically were satisfied by promotion from within. As an unintended consequence, few accounting and financial consulting services firms developed the requisite experience in attracting outside talent.

Many professional services firms lack the in-house infrastructure and processes for recruiting senior-level people and strong candidates slip through the cracks because of a flawed search process or the failure to properly “sell” the best and most sought-after professionals on the opportunity.

To recruit partners and future leaders with the specialized expertise, cultural compatibility, and profit-enhancing skills to succeed, accounting and financial consulting services firms should follow this six-step process:

1. *Secure backing for the role and executive-level ownership of the hiring process at inception.* Failure to do so can lead to confusion and multiple iterations of the search process, which is remarkably damaging to the firm's reputation.
2. *Refine the priorities for the role, including a clear set of requirements that are realistic and that are aligned to the firm's strategy.* Leading firms identify the experience and competencies required, including expertise in a precise field, proven business generation, innovative thought leadership, strong people development, the right cultural fit, and expected outcomes.
3. *Define a convincing value proposition for potential candidates that is shared collectively by all members of the hiring team.* Persuading a partner who is thriving in his or her current firm to switch organizations requires a carefully designed value proposition in which the benefits of departure clearly outweigh the risks.
4. *Evaluate whether your firm has the necessary experience, adequate resource, and bandwidth to conduct searches for key partners and specialized talent.* Can the firm handle the search on its own, or does it make sense to bring in a professional recruiting firm? Some firms believe they have sufficient resources and knowledge in-house, whereas others simply want to avoid paying a fee to outside search firms, regardless of their ability to fill mission-critical positions. Of course, no firm looks forward to paying a fee to outside consultants when it doesn't need to. But the stakes are very high, and conducting a search for lateral partners and emerging leaders is a full-time job for one person if not more.
5. *Win candidates over via a well-defined, consis-*

tent, and highly interactive interview process full of upfront communication. Partner-level candidates expect a thorough, professional, and systematic process. Communicate the interview process to avoid the impression that new criteria are being added along the way or that the firm doesn't really know what it wants.

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6. *Avoid last-minute surprises that can derail the successful completion of the search.* The interview also should occur within an agreed time frame in order to keep the momentum high and minimize the risk of confidentiality issues.

Whether you retain a search firm that specializes in the accounting and financial consulting services industry or decide to search for leadership using internal resources, having an effective experienced-hire recruiting process will help to attract partners and emerging leaders from the outside and, more importantly, will help you find and recruit the best and most culturally aligned people to drive growth.

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