

Growth companies must make talent the top priority

While various components influence the success of growth companies, none is more essential than identifying and hiring talented individuals.

Temps de lecture : minute

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Talent management is more than simply filling various positions. Attracting, integrating and retaining the right people in the right roles is vital at every stage of a company's growth journey - especially in the early formative years. But recruitment has many complex challenges, which is one reason why many encouraging growth companies fail to fully capitalise on their potential.

Growing businesses often need assistance in devising strategies to optimise candidate assessment process and navigate the depth of the talent landscape. This is where the strategic insights of venture capital (VC) investors - who understand the skills needed for growing companies to achieve their long-term goals - are invaluable.

Timing is everything

The ability to identify talent is essential, yet many businesses fall into the trap of hiring the right people at the wrong time. It is vital for leaders to have a thorough understanding of a business' true stage of maturity - its market position, growth trajectory, and the primary drivers of this growth.

Early in their lifecycle, companies should establish a comprehensive people and organisation plan aligned closely with the broader growth

strategy. This plan should specify crucial hiring areas, as well as optimal timing to enable the business to scale effectively. For instance, if a company aims to expand internationally, it is essential to determine the right stage to boost the team and the right operating model to support this process. Recruiting too early can squander resources, while recruiting too late risks missing key growth opportunities. Similarly, choosing the wrong candidate profile in the wrong location can hinder growth.

At this point, leveraging VC expertise of crafting and implementing effective hiring strategies can be immensely beneficial.

A broader view

In many companies, the importance of clearly defining the hiring brief is often underestimated. While unsuccessful hires are often attributed to the candidate or the recruitment process, the underlying issue frequently stems from an inadequate or incorrect hiring brief.

While external recruiters can be helpful in the hiring process, it is often challenging for these entities to understand the specific internal needs and cultural nuances of the company. Without this insight, even well-intentioned recruiters can struggle to find candidates who truly fit the unique requirements and dynamics of the business.

After developing clear and comprehensive hiring briefs fully aligned with a company's goals, the next step is to meticulously evaluate the candidate landscape. At this stage, it is vital to look beyond just candidates in the same industry or domain.

For instance, an e-commerce startup looking for talent might instinctively consider candidates from large, established e-commerce platforms. However, these individuals are unlikely to have contended with the same scaling challenges facing a smaller company in the sector. It may be more

fruitful to target individuals who played pivotal roles in groups at the same stage of development. Situational understanding is everything.



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The ideal fit

Within the candidate selection process, the assessment stage is pivotal. Reliance on a series of unstructured interviews is the most common approach, but this is often a poor predictor of success. Adopting a structured assessment framework can enhance how a business evaluates potential hires, offering a clearer insight into a candidate's suitability and potential.

This approach could include a combination of structured and unstructured

interviews, as well as more contextual forms of assessment and full and comprehensive referencing. For example, candidates could be presented with context-based challenges facing the business and asked to outline how they previously navigated similar situations.

For example, we recently supported Patchworks, a portfolio company in the iPaaS space, through the process of securing a new CFO. The business had scaled significantly in recent years and now faced very different challenges from its initial start-up phase.

Alongside robust and structured interviews focusing on behaviour and capability, we therefore needed to assess whether candidates could be successful in the context of the next stage of the business's journey. This process went beyond simply asking candidates to describe how they had dealt with previous situations and focused on their ability to recognise parallels with previous career experiences and frame these experiences in the context of the company's current challenges.

This process must be carried out strategically, with careful thought given to the questions asked and the data provided to ensure that it can be a genuine predictor of success in the role.

Collaborating with VC can significantly enhance the assessment process, as these investors bring a wealth of experience from working with a variety of businesses - each with unique hiring processes. Their insights are invaluable, offering tailored strategies to meet specific recruitment needs. With the right guidance, growth companies can build, engage with and attract a robust talent pool essential for achieving and maintaining success.

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