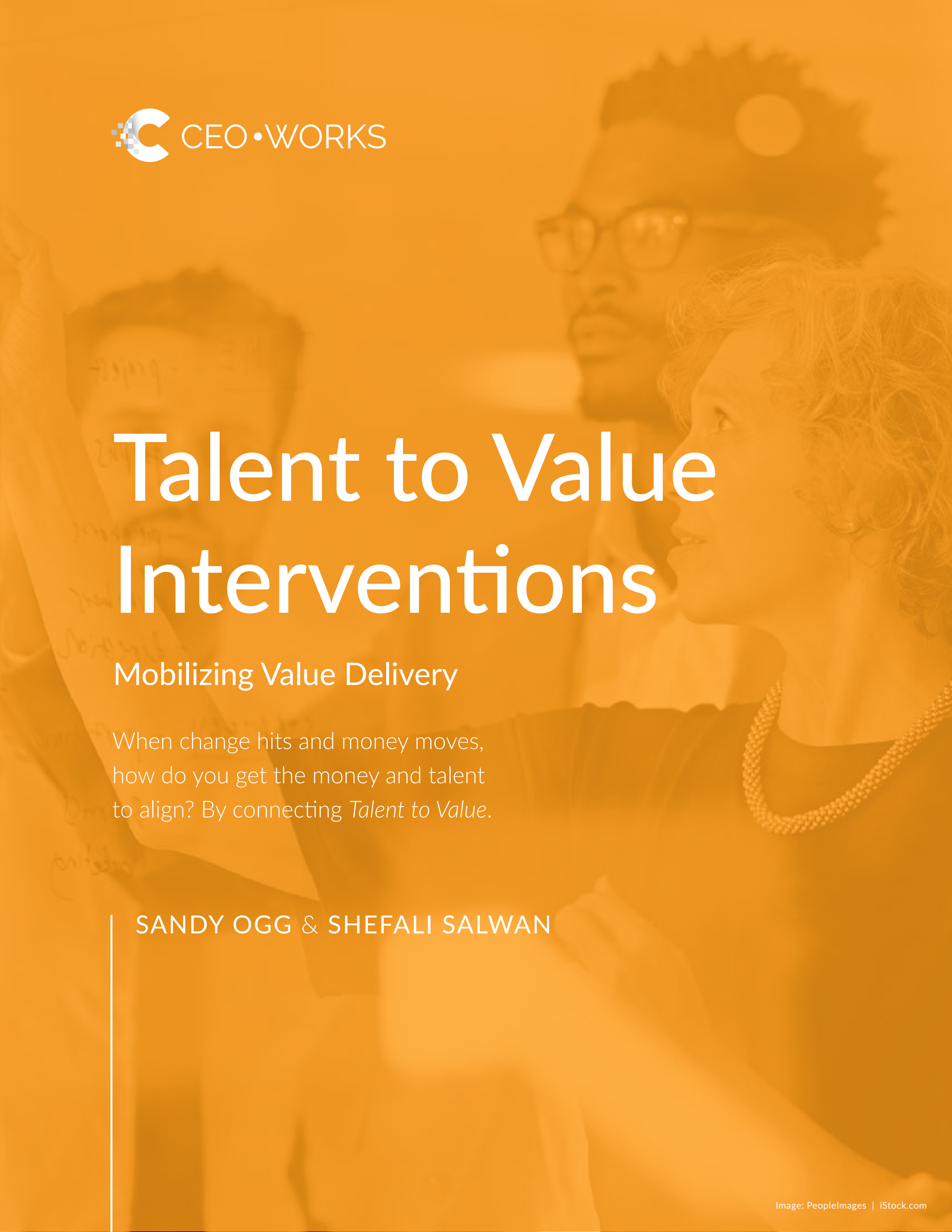


CEO•WORKS

Talent to Value Interventions

Mobilizing Value Delivery

When change hits and money moves, how do you get the money and talent to align? By connecting *Talent to Value*.

SANDY OGG & SHEFALI SALWAN

Old jobs will disappear, new jobs will emerge, but then the new jobs will rapidly change and vanish.[1]

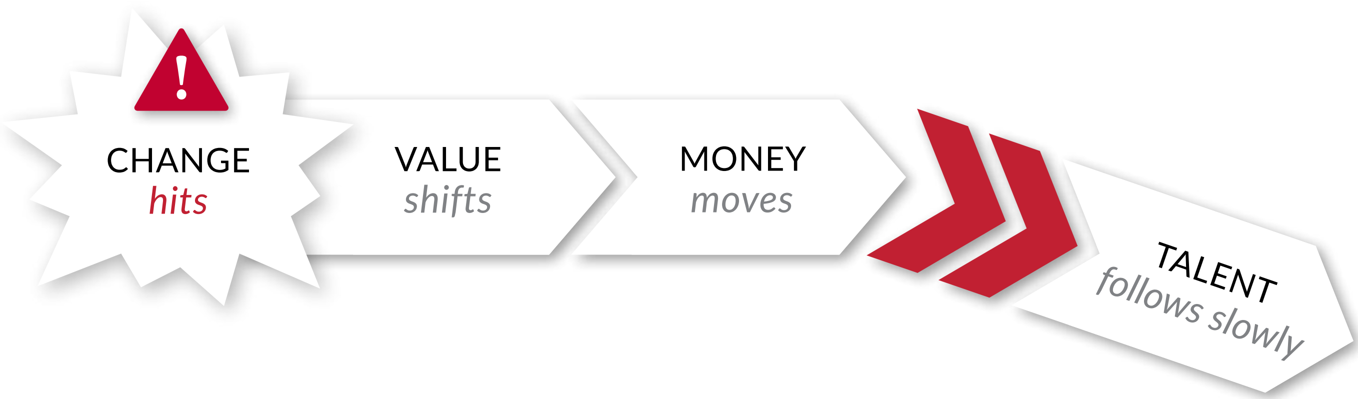
YUVAL HARARI

Disruptive change has hit the world of work—hard—and its pace is accelerating. Companies have pivoted on a massive scale to remote work—and now to hybrid work—in response to the pandemic. But even before COVID, a whopping 73% of executives were anticipating significant industry disruption within three years (a leap upwards from 26% in 2018), according to Mercer's 2019 study of global talent trends. Those leaders were expecting automation and artificial intelligence would replace one in five current jobs. The majority were concerned about corporate responsibility for societal issues, rising geopolitical tensions, and the migration of talent. Amazingly, four out of five of them confidently believed their companies could lead disruption in their industry.[2]

Why such conviction in the face of escalating change and uncertainty? Perhaps it is because these senior executives, observing values and value shifting, set a trajectory towards what customers will deem valuable tomorrow, transform their organizations and confidently embrace the future.

As our world changes, so too does "value". It literally moves around. What consumers willingly paid for yesterday becomes passé overnight. What they will willingly pay for tomorrow just as quickly becomes today's business imperative. Senior executives, with years of experience at moving money at lightning speed from points of low return to points of higher return, rapidly and skillfully shift financial capital to where this new value will be created. That is necessary, but not sufficient. Financial capital can only get an organization half-way to tomorrow.

Talented individuals, using that money, must do the critical work necessary to deliver value. Yet talent remains trapped in a hierarchical web of entrenched power structures and outdated job descriptions, stuck doing work that only delivers yesterday's value. Senior executives, watching the gap between today's talent and tomorrow's value widen, try to rapidly redeploy their human capital. All too often, they fail.



Sadly, we see a huge time lag between the movement of money and the redeployment of talent.

A fundamental disconnect between business executives and human resource leaders feeds into this time lag. Mercer's study indicates only 43% of HR leaders are redesigning work in their organizations—even though executives in high-performing companies see that it makes a sizable difference in business performance. Further, a mere 29% of HR leaders think their business executives prioritize "people" risks, while only 33% of the executives themselves see their company as being very effective at mitigating them.

With this as our status quo, is it even possible to effectively redesign work, connect talent to value, and pave the way to future growth in time?

We believe it is.

Practical Solution

Considering the speed of disruptive change and the increasing complexity of value creation, the time lag between the movement of financial capital and the redeployment of human capital is a big problem, one that warrants the attention of almost anyone who has to pull the talent lever in an organization. The *Talent to Value*™ process is a new kind of human capital intervention designed for today's era of exponential technologies, changeable consumer demand and low employee engagement. Its work is the rapid redeployment of human capital, of which connecting **talent** to value, as well as **pay** and **performance**, are fundamental elements. To avoid value "leakage", the *Talent to Value* methodology departs from traditional talent management practices by seeking out, identifying and mitigating **risks**.

Talent to Value offers us a new way to dynamically connect top talent to value—and keep them connected—even as value shifts.

We find a diverse mix of players are interested in the *Talent to Value* concepts, practices and tools—from forward-thinking chairpersons of companies and leadership capital partners and operating partners in private equity firms to CEOs, strategy experts, human capital executives and HR leaders. Many of these players are already engaging in the work of a *Talent to Value* practitioner without even knowing what it is or what it's called.

We watch these individuals get visibly excited when we talk with them about connecting talent to value and they begin to see that a workable methodology exists into which they can pour their own experiences and insights. In fact, some HR leaders have told us that, once they have been introduced to the new distinctions, frameworks and tools, they slide into the *Talent to Value* seat much easier and faster than they ever moved into the business partner seat.

Practical Relevance

Take the CHRO who approached us for advice about finding a new executive leader to be responsible for corporate divestitures. Her industrial chemicals company expected the role in question to generate $1B in value over the next three years by divesting portions of the businesses. This is one of those critical roles which would deliver a disproportionate amount of value to the company's bottom line and which would be on the CEO's "List" of leadership talent to monitor. Her CFO, pressing for timely restructurings to reduce balance sheet debt, instinctively wanted to swap out the incumbent and search for another talent to fill the role. Using *Talent to Value* tools like the Role•Talent Card, we worked with the CHRO to better understand the risks inherent in the role and come up with a more practical solution.

The incumbent had the right mix of experience, expertise and influence to execute the work to be done. Indeed, they excelled at identifying and seeking out deals on both the buy and the sell side. However, the “click” between the role and the talent wasn’t quite right. Replacing the incumbent with another talent, someone familiar with the industry and its processes and demonstrating a similar nose for deals, would inevitably extend the time it would take to realize that critical $1B of value. Upon further investigation, we discovered that the role had the authority to assemble stakeholders from across the organization to discuss what data had to be gathered to complete the necessary due diligence. But when it came to actually getting that data to make a sale happen, the role lacked the relevant decision-making authority. The role itself—*no matter who was in it*—was not designed well enough to capture the value.

Our recommendations were to coax that billion dollars of value into existence by keeping the incumbent in place and implementing two interventions. First, assemble a team of resources to report directly to that role and produce the data required to evaluate all aspects of the businesses. Second, amplify the team’s capabilities with trusted external resources who could handle the tactical aspects of the due diligence process (such as data storage and security). This approach not only improved the “click” between the role and the talent. It also successfully paved the way for the incumbent—and the company—to reduce the time it took to complete a sale and, consequently, to rapidly start to realize the value.

SAMPLE ROLE • TALENT CARD

THE ROLE

SVP OF SALES,
NORTH AMERICA

AUTHORITY

JTBDs 1 & 2 - Limited influence over product sales agenda and within marketing to drive pricing and tailored programs

JTBD 5 - Sales does not own trade spend budget - Marketing team will define brand specific trade spend ($450M)

JTBD 6 - Limited ability to manage ecommerce channel conflict

CAPACITY

- Sufficient sales budget & resources
- Need tools/systems to determine value of programs
- Lacks talent, systems and budgets for step change in sales orientation

RESISTANCE

Significant territorialism between satelllites and HQ around global supply chain, as well as siloism within each working team

ATTRACTIVENESS

Compensation package well matched to JTBD and role context - enough to attract right talent

THE WORK

$125M
VALUE EXPECTED

JOBS TO BE DONE

WHAT | HOW | HOW MUCH | WHEN

1. **Turn around Retail A business by:**
   - Restructuring & upgrading team by June 2021
   - Defining innovative, distinct new business model
   - Growing annual sales 5% by year end 2023 through operational efficiencies, excellence in execution
2. **Attain 30% growth in annual sales at Retail B by:**
   - Differentiated products & consumer experience
   - Joint business partnerships
   - Excellence in co-marketing
3. **Boost prices 5% across products, alongside innovations & switches**
4. **Add 10% distribution gain through brands mapping to prototypical benefit for category, launching innovation to bring new users to categories, making new items brought to shelf more productive than those removed**
5. **Cut trade spend 15% by fall 2022**
6. **Drive net sales/ P&L mindset across sales organization through data accessibility and performance accountability by end of 2022**

THE TALENT

STEVE COEN

READINESS - JTBDS

JTBDs 1 & 5 - End-to-end GM experience in PE-backed, fast-paced environment

JTBDs 2, 3 & 4 - May not have enough marketing acumen

JTBD 6 - Team-oriented leader, already has made impact with the sales organization

READINESS - FIT

- Need to balance collaboration/ alignment with urgency & drive for results
- Orientation to customer and category-centric marketing

RETENTION

New to the company & region

WINNING TRACK RECORD

- Led NA turnaround from 10-yr decline to 15% growth
- Reengineered trade fund strategy & improved overall fund efficiencies and capabilities

SUPERPOWER

Masterful at driving collaboration across internal silos, with a flair for thinking systematically about capabilities

Talent to Value takes a data-driven, whole-system approach to mitigating risk in talent assignments.

The Role • Talent Card (RTC) first captures information about the role (the work to be done to deliver the value expected; any resistance it will likely encounter; its authority, capacity, and attractiveness). Only then does it assemble evidence about the talent's readiness to complete the Jobs To Be Done in that specific context on time. This lets you literally see patterns of risk either within one RTC or across several. Based on these insights, you can design customized interventions to counteract important obstacles to value delivery, both at the individual level and the organizational level.

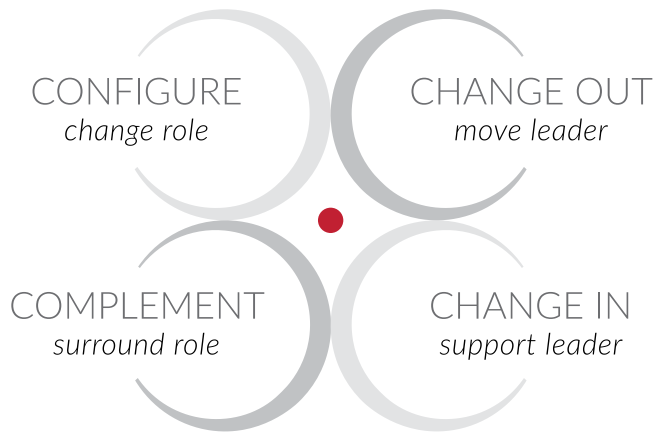
New Focus

In a world where value is shifting rapidly, hierarchy tends to slow down execution. *Talent to Value* puts hierarchy aside and assesses **roles**—as deep as three or four layers down from the CEO—that are critical to the success of the company, as well as the **talent** assigned to them. No matter where these roles sit in the hierarchy, they will be responsible either for the delivery or the protection of a "chunk" of the company's value agenda. The larger the chunk of value, the "bigger" the role. Instead of viewing individual talent with an eye to developing that person to occupy such a role **in general**, the *Talent to Value* approach investigates different combinations of **specific** talents in **specific** critical roles and what each particular combination makes possible now—without any further professional development.

Certified *Talent to Value* practitioners rigorously guide an organization through the process of rapidly redeploying human capital so that the CEO will have the necessary talent on hand to execute their intended strategy.

Those who practice *Talent to Value* look at critical places in the organization where having the wrong person doing a poorly designed, outdated set of tasks could slow, impede or halt critical value creation. Rather than simply focus on selecting someone from a pool of candidates, they first gather data about aspects of the role itself, the context in which its work must be done, and the superpower(s) necessary to make that contribution to the value agenda. They then gather evidence about the readiness of candidates to succeed in that role as it is designed. This allows them to come up with the best possible combination of role plus talent (what we call a role•talent combination) to deliver a distinct chunk of value in a specific timeframe.

Occasionally, a talent will simply "click" right into a critical role. Most of the time, however, some sort of adjustment or intervention must occur to mitigate execution risks. Therefore, whenever possible, *Talent to Value* practitioners also intentionally design a set of individual and organizational interventions to amplify and sustain the unique talent-to-value connection in each role•talent combination. To date, we have identified four types of proactive interventions that can be taken.



1. *(Re)Configuring* the role
2. *Complementing* the talent's capabilities and capacity with the right team, tools, systems and mentors
3. *Changing the talent in* the role with executive coaching, and
4. *Changing the talent out* of the role entirely.[3]

We have found two factors influence which vital few interventions will give an organization the best return on its investment.

First, **time to value**. The role must deliver a certain amount of value within a certain period of time. If executing a *Talent to Value* intervention will take too much time, then that intended value will be at risk.

Second, **impact**. There will inevitably be a long list of things that can be done to ensure a qualified, talented individual succeeds in a given critical role. However, given the constraints of time and cost, it makes no sense to implement them all.

We recommend narrowing down the possibilities for each critical role•talent combination to a short list of no more than two or three interventions that will produce the impact the company wants in the time they have. It is worth noting here that interventions on the role side of the equation (reconfiguration and complementation) deliver impact sooner than those on the talent side (executive coaching and reassignment).

New Work

Let's take a closer look at what *Talent to Value* practitioners are doing in the field.

The new CEO of a European-based multinational producer of consumer packaged goods (CPG) had inherited a company teetering on the brink of disaster. His previous two predecessors had been dismissed for failing to deliver on the company's value agenda. And so he had the company's in-house team of 12 *Talent to Value* practitioners undertake a strategic review of 26 critical roles driving 80% of the value agenda across the enterprise.

The practitioners looked at the interplay between each role's Jobs To Be Done™ (the three to five major chunks of discrete work related to value creation for which the role is responsible) and the fit of the incumbent talent with the requirements of those Jobs. Using a quantitative, analytical approach, the practitioners charted the evidence they gathered for each possible role•talent combination on separate Role•Talent Cards (RTCs), outlined the risks inherent in each combination, viewed the entire set of RTCs on a *Talent to Value* Risk Dashboard, and then designed an appropriate set of potential interventions to mitigate those risks.

This process revealed that the aggregate value at risk with the company's 26 critical roles was a staggering $14.5 billion (based on a trading multiple of 15 for the enterprise).

The largest portion of that aggregate value at risk was associated with one role in particular: the Senior Vice President of Sales for North America. The CEO and CHRO had filled the position by following the traditional process for hiring executives into a regional SVP role. That had led them to search externally and to poach a sales superstar with a good executive presence and a proven track record in the industry and the North American market from a competitor.

However, when the *Talent to Value* practitioner began parsing out the specific Jobs To Be Done™ (JTBD) by this SVP role and reviewing all the relevant evidence about the incumbent, they realized there were significant risks on both the talent side and the role side of this role•talent combination. The practitioner quantified the total value at risk at over $450M, approximately 25% of what the company expected that role to deliver.

The role itself was not typical: the three most important Jobs To Be Done revolved around product differentiation, joint marketing programs and product line price increases. This strong marketing orientation, in and of itself, was not a problem. However, the fact that the incumbent superstar didn't have any experience in marketing made it a significant talent risk.

This was coupled with concurrent role risk. The five Jobs To Be Done represented too much work for just one person to accomplish in the time available. As well as being responsible for the three marketing-oriented JTBDs, the role also had to drive accountability for performance across the sales organization and cut trade spend (the amount spent to increase demand for products) without compromising growth.

Fortunately, both the talent and role risks could be mitigated.

Our practitioner shared the new insights gained by going through the *Talent to Value* process with the company's CEO and CHRO and proposed two major interventions to them, which they both agreed to implement. Prior to initiating the interventions, the practitioner facilitated a transparent dialogue between the CEO, the CHRO and the incumbent in which they shared that the role's Jobs To Be Done had been reviewed and that, in order to leverage his strengths and support him with the marketing aspects of his JTBDs, two interventions had been designed.

The first intervention would better complement the SVP role with three reporting roles. Two direct reporting roles would be reconfigured to cover the two important large retailer partnerships. An additional new direct report would be pulled from the company's brand management team to become the SVP's chief of staff. This "two-for-one" player knew the marketing ecosystem within the company and had extensive experience looking at new products. This individual could, therefore, act as both a marketing resource and a mobilizing agent helping the SVP drive for results with some urgency.

The second intervention would temporarily reconfigure the SVP's role to increase his credibility in the marketing sphere and provide him with informal mentoring from the CEO, who had been strategically involved with marketing at one of the largest multinational CPG companies in the world. The SVP would chair the company's monthly Sales & Marketing planning meetings, with the Chief Executive Officer in attendance, and focus on developing an organization-wide joint business plan with the two large retailers. Discussing marketing every month in this forum allowed the CEO to mentor the SVP in real time whenever he saw something missing or misinterpreted, which accelerated the sales leader's learning curve.

These interventions, when they were first implemented, required some adjustments from the people involved. The CEO, somewhat cautious about the efficacy of this new approach, monitored the interventions and measured the value being created and captured at the SVP's hotspot. Several months in, he shared with us that the value now being delivered exceeded expectations and was absolutely worth all the hard work that had been put in to set up the incumbent leader for success.

INSIGHTS	INTERVENTIONS
Role involves too much work for one person	Complement the role with 3 reporting roles (Chief of Staff + 2 direct reports)
Focus of top 3 Jobs To Be Done pose significant talent risk	Temporarily reconfigure role to allow CEO to mentor

Mining Insights

Over the last two years, our *Talent to Value* team of practitioners has discovered that changing out talent is rarely necessary. Mining Role•Talent Cards for insights, more often than not, leads to "complementing", "configuring", and "changing in". These proactive interventions not only mitigate risks to value delivery, but also avoid leaving people behind.

Sometimes we find that a critical role has been designed in such a way that a very highly qualified expert, someone renowned in their field, must spend a good portion of their time and energy explaining what they are doing to non-experts. The ability to keep the bigger picture in sight while diving into the details with a team of highly specialized analysts and modellers is very different from the ability to succinctly communicate complex ideas to sales and marketing teams scattered across the same organization's business units. Normally, you don't find these two superpowers in one person.

I remember one significant example of this type of design flaw: a General Manager of R&D role responsible for $50M of a North American pharmaceutical company's $3.5B value agenda. In conversations with us, the incumbent, an accomplished Ph.D., demonstrated their truly incredible intellect and knowledge, but found it difficult to pin down and succinctly articulate their Jobs To Be Done. These discussions not only revealed their very real struggle to communicate with non-experts. They also disclosed a lack of role clarity that was pulling the focus of this leader and his people away from the value his unit was expected to deliver. The company held scientific data going back several decades, data which this GM's 150-person research team analyzed and used. However, rather than focusing on the infrastructure and supporting the team with whatever they needed to complete R&D projects already in progress, the incumbent, a complex thinker, was trying to anticipate and own all the potential work that could be done with this data in the future.

The interventions we recommended were based on this individual's incredible smarts and their competence at leading a group of equally intelligent experts. Rather than change out such an irreplaceable talent, we suggested complementing them with two other roles. First, assign a communications person as a "translator" to liaise between the GM and the salespeople. And second, bring in the COO, an operations person with enough clout and seniority to accomplish the work of managing the unit's projects, making sure the brilliant ideas of the GM get executed in time, and building the business. These changes successfully focused the incumbent on communicating, challenging, and inspiring the R&D team, and allowed him the opportunity to connect with and work through the complexity involved with future applications of his unit's data and work.

INSIGHT

Role requires two superpowers not found in one person

INTERVENTION

Complement with other roles

Sometimes we catch companies on the verge of taking the long path to value by overwhelming a key talent. In the adrenaline rush to grab an emerging opportunity, they forget to do a capability check. The CEO of an Asian manufacturer of cleaning products, eager to take advantage of the burgeoning demand for medical-grade disinfectants last year, told us he was intent on expanding their disinfectant line into more than 50 new countries. However, the company's Global Head of Sales had zero experience working in developing markets. Rather than leave success to chance, our *Talent to Value* practitioner articulated this "new work" as a separate Job To Be Done and enrolled the CEO in creating a separate leadership role, reporting to the Global Head of Sales, responsible for capturing the value in these developing markets. This is already proving to be the company's shortest path to value and accelerated growth.

INSIGHT

Unexpected opportunity to deliver value requires a capability the incumbent lacks

INTERVENTION

Configure the new work to a separate role

Sometimes we have found that the *Talent to Value* process, because it develops a comprehensive and in-depth understanding of the work currently being done in a critical role, actually reveals a future talent problem. At an American investment bank, the role of the Managing Director of Global Research had evolved to cover two very discrete areas of work: content strategy and multi-platform content delivery. Originally, when the incumbent started in the role several decades ago, they would facilitate the meetings of a committee of financial experts to form an "official" company opinion on a particular topic, support that committee in reaching consensus, then prepare and publish a detailed, academic-style PDF report.

Each report had to rival the quality of similar publications from competitors like the *Wall Street Journal* and the *Harvard Business Review*. Brand trust was either built or destroyed with every release.

Nowadays CFOs consume the data in such reports very differently—in small tweets and infographics, on social media and video platforms. The work of the MD role has, over time, naturally expanded to include leading a team of 40 outsourced "visualizers", creatives more adept at design thinking than financial analysis. Fortunately for the agency, the incumbent has become very adept at working with both the committee and the creative team. In future, when this person leaves, the role as it is currently designed will be tough to fill. Rarely will you find a financial person with superpowers in consensus-building who is equally great at visualization. The appropriate *Talent to Value* intervention, in this case, was to adjust the workflow slightly to allow a high potential leader with outstanding digital literacy to start "apprenticing" with the incumbent and their outsourced team. Spotting capability issues like this, before they happen, means a company's succession plans can now be tied to its value agenda.

INSIGHT	INTERVENTION
Incumbent has developed a unique combination of superpowers in the role over time	Complement the incumbent with an "apprentice" to prepare for when the talent "changes out" and the role can be reconfigured into two roles

Human Cost

Change hits, value shifts. A new opportunity to generate revenues appears. Money gets moved to where it's needed to create and capture that value. If talent redeployments don't follow swiftly, organizations risk losing out on those revenues. And sometimes people risk losing their jobs.

Take the world of finance, which has been a stable cornerstone of business. With disruptive technologies removing intermediaries, value is moving around a lot in this industry. One senior executive at a national bank shared with us a perplexing dilemma she faced shortly after accepting a new leadership role. She discovered an entire staff division was dedicated to preparing copious legacy reports. Every week, like clockwork, two floors of the company's central headquarters bore down and sifted through systems data to assemble reports that were distributed across the enterprise. What puzzled the executive was the fact that the systems involved were no longer in active use in the company's operations.

To assess the current value of this work to the organization, she directed the staff to start sending the reports out bi-weekly. No one complained. And so she had them send out the reports monthly. Again, no complaints. It wasn't until they started being distributed quarterly that one of the many people who received the reports grumbled a bit. It was clear the company had moved on and left this division behind. All these people had been diligently putting their energy into work that was no longer valuable to the company. The senior executive told us she wanted to reassign everyone in the division to relevant work, but with that many people needing new employment all at once, many of them could end up instead losing their jobs.

What we gave her was a set of *Talent to Value* tools she could use to rapidly close the giant gap she had uncovered between talent and value. Those new tools changed her work and they changed her role. They helped her get smart about the business and gave her new skills that, in the end, made her more valuable to the organization and more desirable in the talent marketplace.

We know they can do the same for you.

My Talent to Value

Talent to Value focuses attention, time and energy on value creation, the behaviors that trap value, and role•talent casting. This new kind of human capital intervention presents you with a fresh opportunity to develop new capabilities and adopt new tools.

Sandy and Sumeet Salwan published a seminal "Talent to Value" paper outlining the robust process certified *Talent to Value* practitioners are implementing. And our team at CEO.works has been running the first *Talent to Value* certification program for two years now.

We find that the kind of people drawn to this ground-breaking work are more interested in realizing the value imperative, accelerating time to value, and maximizing the potential of an entire organization than they are in enhancing the performance of individual executives as corporate athletes. Some come from traditional HR backgrounds, some from the world of private equity. Others come from executive search or management consulting firms.

These professionals are themselves reflecting on questions about how today's harsh realities could impact their own future.

*What **disruptions** are altering what people value in society?*

*Where is **value** shifting around me?*

*Where is **money** moving to in my organization?*

*How will these changes impact my current **role**?*

Engaging with these questions may make you uncomfortable. After all, we humans instinctively look for solid ground whenever the earth starts shaking under our feet. In today's environment of swift, exponential change, there is little solid ground to be found.

If you find yourself stuck in a situation with burning issues which you've been unable to resolve using existing tools and processes, now might be a good time to consider developing your ability to essentially coax value into existence. After all, the executives, leaders, leadership capital partners and operating partners who have the right skills and expertise to meet tough talent challenges will be the ones who will continue to be in demand (and compensated accordingly). Joining us for our next *Talent to Value* certification workshop just might be one of the smartest career moves you make.

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[1] "Read Yuval Harari's blistering warning to Davos in full", World Economic Forum website. Accessed January 24, 2020 at https://www.weforum.org/agenda/2020/01/yuval-hararis-warning-davos-speech-future-predications/.

[2] Global Talent Trends 2019, Mercer (Marsh & McLennan Companies), pp. 1 and 7. Accessed February 5, 2020 at https://www.mercer.com/content/dam/mercer/attachments/private/gl-2019-global-talent-trends-study.pdf.

[3] To minimize disruption and accelerate time to value, we recommend interventions be considered in this same order. That is, first look to see if the role itself can be reconfigured to make it more "doable" and if it can be complemented by introducing or upgrading other supporting roles, including direct reports, mentors and advisors. If these changes will not be sufficient, then consider bringing in an executive coach to work with the talented person on specific behaviors while they are occupying the role. Then if none of these interventions are viable, the most prudent thing to do is change out the talent to make way for a more suitable role•talent combination.

SANDY OGG is the founder of CEO Works and author of **/move**: *The CEO's Playbook for Capturing Value* and **/grow**: *The CEO's Master Playbook for Coaching Value into Existence.* From 2011 to 2016, he was Operating Partner in the Private Equity Group at Blackstone. Prior to that, as CHRO of Unilever, he spearheaded the change in the organization's framework and leadership system at the heart of the business's transformation.

SHEFALI SALWAN is a co-founder of CEO.works and head of the firm's *Talent to Value* capability-building services. A certified executive coach and global talent management expert, she has worked with and advised C-suite leaders in large and mid-size multinational companies through their on-the-ground leadership challenges in 45 countries on five continents. Her coaching conversations with C-suite leaders, while primarily talent-oriented, have often gone beyond traditional HR concerns to cover creating value for the organization as a whole.

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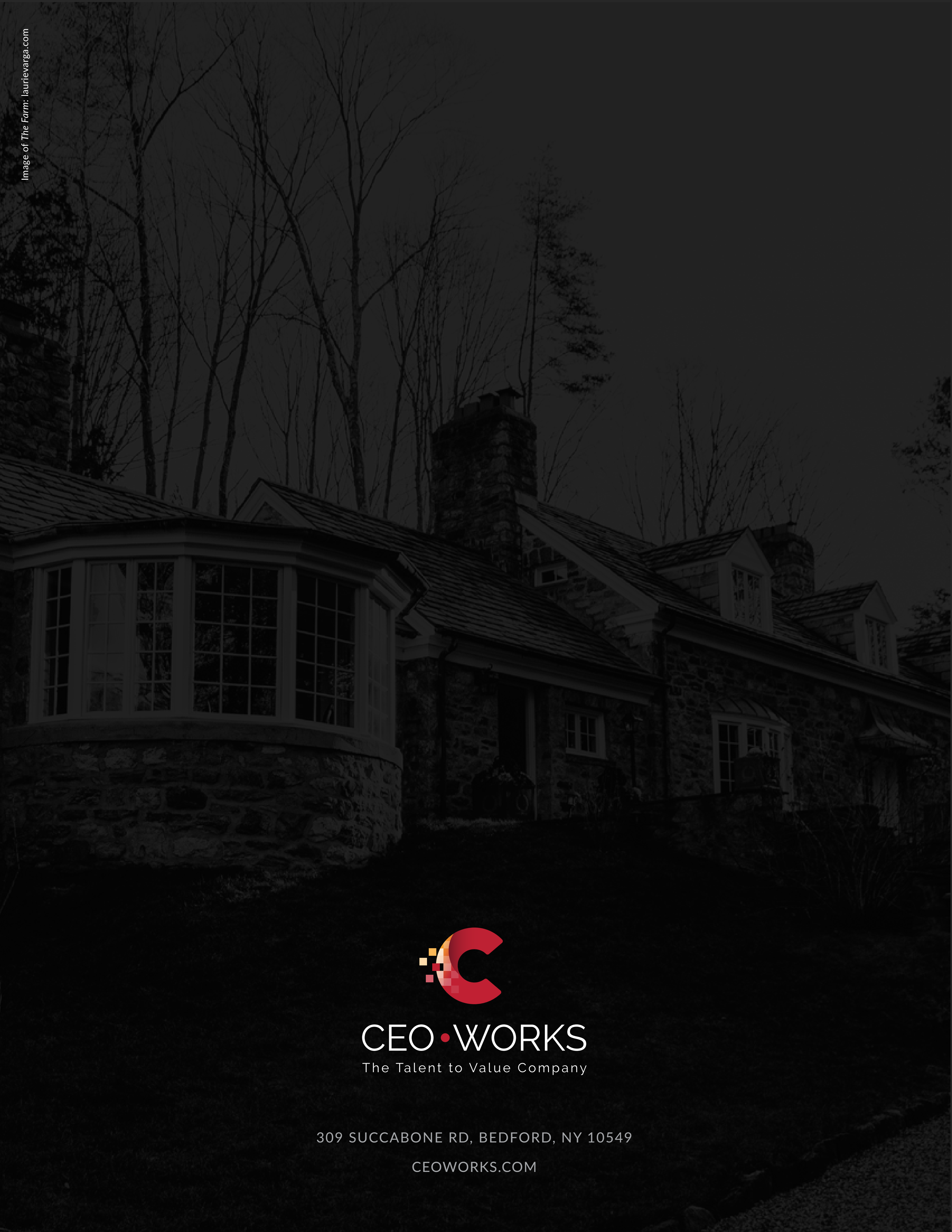

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The Talent to Value Company

309 SUCCABONE RD, BEDFORD, NY 10549

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