

# Developing your company's talent acquisition capability:

A guide for tech startups

people

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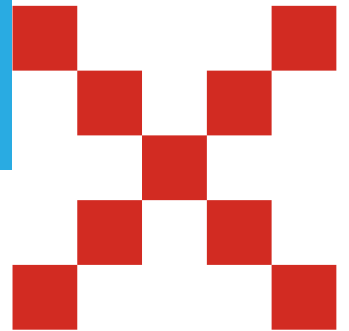
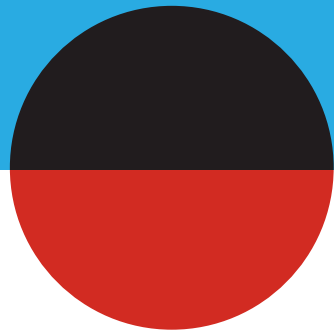
# Developing your company's talent acquisition capability

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# Introduction



## INTRODUCTION

### The war on talent

As a startup, attracting and competing for talent can be particularly difficult as an unknown brand. Each company wants to hire the best talent - but not every company is uniquely enabled to do so. Recruiting is hard and one of the top mistakes made by startups is not devoting enough time to it.

We know that time is a luxury for your startup. However, not devoting enough time to hiring the right people can lead to poor hiring decisions and even more headaches in the long-term.

Coined by McKinsey in the late 90s, "Talent Management" is designed to help organisations best utilise their human capital to meet the company's vision. It involves the practices of:

- Workforce Planning
- Engagement & Retention
- Learning & Development
- Leadership Development
- Performance Management
- Data & Analytics
- Rewards & Recognition
- **Talent Acquisition**

Hiring top talent is competitive - and even more so for companies in the technology sector. Bersin by Deloitte cite **Talent Acquisition** as the most important of all Talent Management disciplines – this is what this playbook will be focusing on.

Having a talent acquisition strategy is just half the battle – it can easily erode your budget and can lead to an expensive process with poor results.

This playbook will outline best practices and strategies to help you budget for, define, and execute on your talent acquisition capabilities.

## INTRODUCTION

### Talent acquisition vs. recruitment

The term **talent acquisition** is often used interchangeably with **recruiting**.

Recruiting is actually considered a subset of talent acquisition, and includes the activities of sourcing, screening, interviewing, assessing, selecting, and hiring.

Talent acquisition also includes:

- recruitment strategy and planning
- process excellence
- marketing and social media
- employment brand
- sourcing channels and models
- candidate assessment centers and psychometrics
- talent communities
- technology
- data and analytics
- targeted hiring, design, and onboarding

For some, Talent Acquisition can be broader and also include:

- recruitment planning
- succession planning
- building talent pipelines

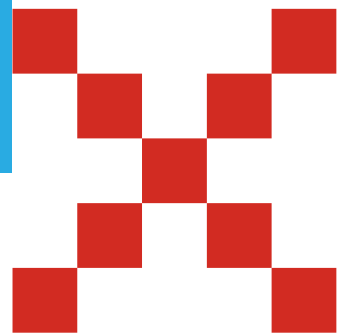
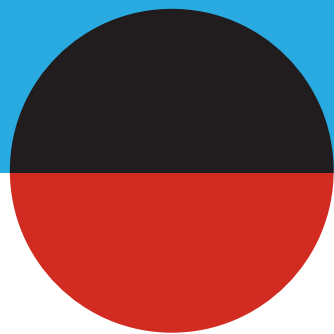
**As a startup, you want to focus your efforts on what will give you the best return on investment - factoring in your cost, time, and results.**

The reality is, that you probably won't have sufficient time or budget to invest in all disciplines of Talent Acquisition. This guide will educate you on what has worked for some of Ireland's successful startups and cites experiences of some well-known Irish tech founders.

The global recruiting services and technology industry is worth \$450B annually; there is no shortage of solutions for you to avail of.

For the purposes of this book, we cannot discuss every platform or solution - but rather, we will highlight tried-and-tested successful methods for startups in the technology sector.

# Recruitment strategy and planning



## STRATEGY & PLANNING

### Fail to plan; plan to fail

Poor recruitment planning is one of the biggest money and time wasters in hiring. You've budgeted for the hire and invested time and money in the process - only to realise you're looking for the wrong person or should have hired a different business critical need.

Success does not mean hiring multiple roles and hitting a target number, but rather, filling the right roles at the right time – ones that are business critical (meaning: if you do not hire them, it leads to failure of a software release, customer delivery, or a product launch). Knowing what is business critical is one of the key steps to building your recruitment target.

#### // CASE STUDY: INVEST IN THE PROCESS

*Ronan Perceval, founder and CEO of Phorest, a successful software platform for the salon sector, maintains that hiring is one of the two most important things you do when building & growing a company.*

*It becomes even more critical to have a robust process in place as you get bigger, as you will have less control over whom you hire. Because of this, it's worth investing in a process to ensure you are hiring the best people for your company.*



## STRATEGY & PLANNING

### Types of roles to hire for

Understand that one size does not fit all. Each role is not equal; therefore, your approach to hiring will differ depending on how critical the role is. Roles can be divided into four categories: Strategic, Executive, Core or Support.

- **Strategic roles:** vital for achieving your strategic goals and “keeping the lights on” in the business. If you are a SaaS business, generally developers, software engineers, and quality control analysts are key strategic roles. If you are also focused on product innovation, designers and product managers may also be considered key strategic roles.
- **Senior Executive roles:** this becomes more relevant as the business grows and the CEO / founder has too many direct reports. A formal org structure is developed and senior leaders are hired to close the gaps where relevant.
- **Core roles:** these relate to operational excellence, and include roles such as sales, operations, and marketing.
- **Support roles:** these keep the internal operations running smoothly. Depending on your company's focus, this could be operations, HR, administration, and finance.

According to the Human Capital Institute, there are 10 – 15% of strategic roles that add the most value, referred to as “never out jobs.”

These jobs are the most critical to executing your strategy. Titles and level within the business do not matter in determining which roles are strategic - rather, it is the roles' relation to the business strategy.

If you are hiring multiple strategic roles, it is worth investing time in a recruitment plan for these hires. Depending on your hiring capability, you may need to outsource strategic and senior executive roles, or hire a dedicated resource or RPO provider.

Developers and engineers are highly sought after and will need the best sourcing channels available to you in order to attract passive candidates to your company.

Both core and support roles should be hired directly by the company. It is unnecessary to outsource these hires to a vendor. These roles can be hired directly through advertising channels, social media, and your network, where you will find plenty of active candidates.

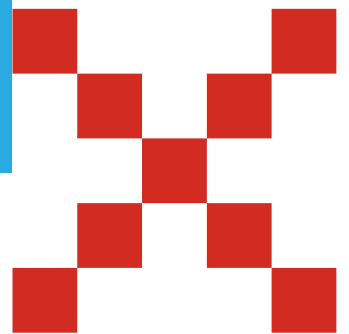
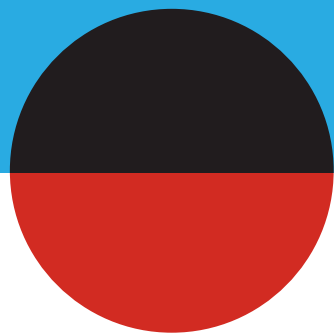
**STRATEGY & PLANNING**

A - Z for startups

Start with the business	Develop your process	Know your brand
<ul style="list-style-type: none"> <li>• What are the most business critical roles you wish to fill?</li> <li>• Have you defined the strategic roles that are required to execute your company's strategy?</li> <li>• How many people do you plan on hiring?</li> <li>• Is there a business scenario that could peak this volume?</li> <li>• Is the talent you wish to hire available in short or plentiful supply in the market?</li> <li>• What is your deadline to hire these people?</li> <li>• What is your recruiting budget?</li> </ul>	<ul style="list-style-type: none"> <li>• Do you have an interview process?</li> <li>• Are you or your key decisions makers / hiring managers experienced at interviewing?</li> <li>• Have competencies been developed for each critical role?</li> <li>• Do you have job-specifications for each role?</li> <li>• Do you know what the benchmark salaries are in the market for these positions?</li> <li>• Can you afford them?</li> <li>• Have you decided on what sourcing channels you will use for different types of hires?</li> </ul>	<ul style="list-style-type: none"> <li>• Have you determined who will be responsible for hiring?</li> <li>• Are employees willing to be brand ambassadors?</li> <li>• Do you have an employment brand?</li> <li>• How will you differentiate your brand from others?</li> <li>• Have you spent time learning why others joined you in the first place?</li> <li>• Can you communicate your vision to potential candidates?</li> <li>• Why will your product make a difference?</li> <li>• Are you prepared for candidate pushback?</li> </ul>

# Talent acquisition disciplines:

What really matters for  
your startup



## TALENT ACQUISITION DISCIPLINES

### Telling your brand's story

Storytelling through the right channels is a very powerful tool. Look at all factors that can attract potential hires. Put yourself in their shoes and think about what would attract your target audience and what makes your company a compelling place to work.

When building your employment brand, there can sometimes be a misconception that you need to compete with the larger corporates; however, quite often, candidates joining are doing so because they want to be a part of something different.

What makes your business and the job opportunities different? Be authentic and work with the facts.

Some potential questions to help you build your brand's story:

- **The job:** What is different about the role(s) we are seeking to hire?
- **Work you do:** Will they make a difference by working here? How so?
- **How you manage:** Will their voice be heard? What sort of autonomy do they have?
- **Innovation:** Is the company doing innovative things? In what ways?
- **Colleagues:** Who works there? Why did they

join and why do they stay?

- **Environment:** What do we do for employees?
- **Scale:** Can you offer international exposure or career progression as you grow?
- **Corporate responsibility:** Will they make a difference by working here? How does their work matter?

## TALENT ACQUISITION DISCIPLINES

### Brand-building with social media

A presence on social media is one of the most basic fundamentals in the hiring process.

An employment brand can do two things, depending on the platform you use:

1. it is a place for candidates to learn about you
2. it is a place to source candidates

#### 1. Informing candidates of your story

When you manage to attract candidates to your company, whether through referrals, direct sourcing, direct applicants, through an agency, or alumni, one of the first things they will do is research your company online.

The most common platforms they will check will be your company website, LinkedIn page, and Glassdoor. Make sure that those accurately reflect the exciting team and thriving company culture you are building. As a startup, the more a potential hire can learn and like about your company, the better the odds are that you can attract them to your brand.

Two of the biggest challenges when hiring as a startup are lack of brand recognition and candidate concerns about the success or failure of your company. You can help alleviate these concerns by developing an authentic employment brand to demonstrate professionalism.

#### 2. Sourcing potential candidates

It is very important that you develop your own company website to reflect your team oppor-

tunities. At the very minimum, you should have a careers page or a career site. This should include an overview of careers available and provide an insight into what you do.

You do not necessarily have to share values and culture - but do share your vision and why your product is going to make a difference. One of the main reasons people join startups is because of their belief in a product and the feeling of being able to make a difference.

The likelihood is that, as a tech brand, you will already have a presence on a variety of social platforms to market to your clients. Be efficient with your time and resources and leverage these existing platforms for your employment brand. If you have a marketing team, delegate this task to them.

One of the simplest things you can do is create a recruitment video - sharing insights into your company and what it is like to work there. These can be shared across the variety of social media channels you already use.

Examples of some Irish startups with different, but equally effective, approaches to their recruitment videos:

- PageFair
- Phorest
- NewsWhip

## TALENT ACQUISITION DISCIPLINES

### Best platforms for your employment brand

#### Glassdoor

Glassdoor is one of the fastest growing recruiting sites. Glassdoor holds a growing database of millions of company reviews, CEO approval ratings, salary/interview reports and questions, benefits reviews, office photos, and more.

Unlike other job sites, all of this information is entirely shared by those who know the company best — the current and former employees. This will be one of the first places a potential candidate will seek out to learn more about your brand.

Ronan Perceval, Founder and CEO of Phorest, maintains that keeping an updated Glassdoor page is a **must** for all startups. If you have at least 10 employees, ask each employee to rate your brand on Glassdoor. It is anonymous, so they can give authentic reviews, listing both the pros and the cons of the company. It is also completely free!

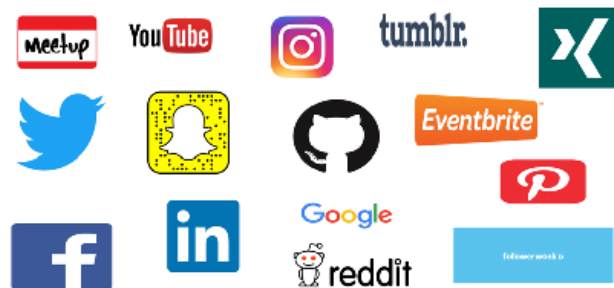
#### LinkedIn

At a minimum, I would suggest a presence on LinkedIn. One of the first actions someone will take if they see a job advertisement they like or have been approached about a role, is to check out other employees of that firm. The quickest way of doing this is on LinkedIn, so you need a respectful LinkedIn page. If you or any of your employees have a large following on LinkedIn, ask them to be a brand ambassador and share jobs with their network as they arise.

#### Twitter

If you do have a large following, then leverage it. It is much easier to engage and build relationships via Twitter with potential candidates that you don't know, in comparison to LinkedIn. However, if your target talent pool does not exist on Twitter, then you may be wiser to invest your time in a different platform.

There is no shortage of information on social recruiting - in fact, it can be overwhelming. Before embarking on an employment branding campaign, do your research. Two good companies with extensive knowledge and information on this topic are [socialtalent.co](http://socialtalent.co) and [Booleanblackbelt.com](http://Booleanblackbelt.com)



## TALENT ACQUISITION DISCIPLINES

### Sourcing channels

When it comes to sourcing channels, research the most cost-effective ways to attract the right person and analyse your ROI. If it is not working, stop doing it.

Below are the five most common channels of recruiting:

1. Direct Applicants – company website and job boards
2. Employee Referrals
3. Direct Sourcing – in-house recruiter or strategic networking
4. External Solutions - agencies and Recruitment Process Outsourcing (RPO)
5. Talent Communities – social media, network, meetups, university/company alumni, associations

#### 1. Direct Applicants

Direct applicants have proven to be the least effective of all five sourcing channels. Lever, a US-based recruiting platform, found that only 1 in every 152 direct applicants are hired. However, they found that 1 in every 16 referred candidates are hired, making referrals **almost 10 times more efficient** than direct applicants.

According to Bersin by Deloitte, only 14% of applicants apply directly through company websites and 18% on job-boards, which leaves almost 70% of the market searching or being approached through other channels.

#### 2. Employee Referrals

Candidate referrals generally come through your current or former employees. The reason referrals work well is because they come pre-referenced from an employee's point of view. The candidate knows someone working there, so if they join, the likelihood is that they will stay and the cost of the referral fee is minimal in comparison to external recruitment fees.

You do not have to be a massive company to use this channel. Once you make an awesome tech hire and they are securely onboard, work with them closely and leverage their professional networks to identify additional candidates. **See page 19** to learn more about referral programs.

#### 3. Direct Sourcing

Direct sourcing is when you have a dedicated internal resource who solely sources and/or recruits for your open roles. Some startups may not be at a mature enough stage to warrant a dedicated resource. However, if this something you are ready to consider, **see page 46**.

When you are a small startup with a limited budget, one of the best ROI's for hiring is your own network (strategic networking). This is not about sending out a mass email – it is about being strategic with your contacts and connections.

Start with people whom you trust and believe to have sound judgement. Help prompt their thinking; develop a list of the type of companies these candidates may be working in, along with the skills and experience you are seeking.

If emailing them, include a quick overview in the email describing the role and 1-2 lines about the type of person you are seeking. **Make it easy for them to help you.**

If you have LinkedIn, look at your first and second degree connections. If there is an interesting second degree candidate, ask for an introduction. We would advise emailing that person, as not everyone checks LinkedIn regularly and they may not have it synced to their primary email address.

Strategic networking is a grind, but worth it if you put the effort in. Where most people taper off is after they have reached out to their direct connections and contacts with no result. Take it one step further and ask your connection/contact to give you three people they believe you should speak to regarding this role. This person may not be the perfect candidate, however, they may know someone who knows someone, and may also be willing to spread the word in their network.

**You need to follow the trail!** Perseverance will get you results, there are no shortcuts.

#### 4. External Solutions

- *Traditional Recruitment Agencies:* Generally, you award the job(s) to the most qualified ven-

dor. They will charge a percentage of the first year's salary, which can range anywhere from 15 – 25%. This is awarded to them on a success or 'contingent' basis only. If salary ranges are quite broad, you may agree a flat recruitment fee rather than a %. When there is large-scale recruitment project, many companies will structure their business terms through a PSL (Preferred Supplier Relationship). They may be able to agree more favorable rates, especially if the agency knows they are only 1 of 2 preferred suppliers, increasing their likelihood of success.

- *Executive Search:* Search firms "headhunt" and work on a retained basis only - they are mainly retained for senior executive level roles. Fees range from 25% - 33%, depending on the size and scale of the search firm you use. 33% is split into three tranches; for larger search firms, this is paid on day 30:60:90 of the search. For smaller boutique firms, they may offer more flexible terms or what is referred to as 'Retin-gency' search- the first tranche is charged on retaining their services, the second on presentation of a shortlist (approx. 4 – 6 candidates). and the third on successfully placing the candidate.
- *RPO – Recruitment Process Outsourcing:* RPO is a form of business process outsourcing (BPO), where an employer transfers all or part of its recruitment processes to an external service provider - meaning that you have dedicated recruiter(s) onsite or offsite. RPO was originally designed with larger corporates in mind; however, service providers now flex this and will provide resources for smaller companies too. Companies that do this include Zartis, Harvey



Nash, Korn Ferry, Alexander Mann, Morgan McKinley, and CPL, to name a few.

- *Online Recruiting Platforms:* One of the more successful companies in this space is *Hired.com* in the USA, who match the best in-demand tech and sales people with companies online.

## 5. Talent Communities

Of the five sourcing channels listed, this is the channel least used by startups. It remains on the founder's or CEO's "wish list" - the reason being is time.

The idea behind a talent community is developing a large pipeline of candidates, so that you can meet the demand for your current or future hiring needs. However, this takes time to develop and time to maintain. You need to understand why you are developing it in the first place, and this means pinning down your line managers and asking them to plan ahead, so that you can develop a pipeline of candidates. This is taking a proactive, instead of reactive, approach to recruiting.

A talent community is cultivated through your former and current employees, past and prospective candidates, industry peers, your network, and a variety of other networks (such as university alumni and associations). It is maintained through both offline and online channels.

This talent community can be an online hub where candidates can follow interesting content you post, engage in discussion with other

community members, and learn about trends in the market. This can be done through your website, LinkedIn, Twitter, and many other platforms.

Offline channels include university alumni events that you may sponsor or attend, meet-ups to discuss relevant topics to this talent pool, and hackathons.

### // CASE STUDY: DIVERSIFY YOUR HIRING CHANNELS

*Sean Blanchfield, co-founder and CEO of Dublin-based Frontline portfolio company PageFair, states that 'the war on talent' in Ireland is more competitive than ever before. 10 years ago, he was co-founder and CTO of Demonware, a successful tech provider acquired by Activision Blizzard.*

*At the time, Demonware hired and scaled the 'old-fashioned' way - through internships, university alumni, job boards, and direct applicants. Today, Sean advocates that this approach simply won't cut it.*

*If you want to hire top software engineers and developers, Sean insists that founders:*

1. *devote more time to their hiring process*
2. *have structured interviews*
3. *pay more attention to the candidate experience and different channels of sourcing.*

*He identifies four sourcing channels: direct sourcing, referrals, agencies, and inbound (all of which we will discuss later in the book). PageFair thinks about each channel differently and identifies how they can feed each funnel for hiring.*

**TALENT ACQUISITION DISCIPLINES**

Which channels provide the best ROI?

Measure → Source ↓	# of candidates per role	# of hires per role	Time to hire	Cost to hire	Quality of hire	Candidate retention
<b>Direct Applicants</b> Company website Job boards						
<b>Referrals</b> Employee referrals Your network						
<b>Direct Sourcing</b> In-house recruiter Strategic networking						
<b>External Solutions</b> Agencies / RPO						
<b>Social Media</b> LinkedIn, Twitter, Facebook etc.						
<b>Talent Community</b> Meetups, university and company alumni, associations, etc.						

## TALENT ACQUISITION DISCIPLINES

### Deep dive: building an employee referral program

The benefit of employee referrals is that all of your employees are incentivized to recommend top talent - at a lower cost than sourcing through agencies. Recruiter.com, a US-based ATS, states that companies who use employee referral programs have average retention rates of 46%, compared to the 33% retention rates of organizations that only use career sites.

Similar to any other sourcing channel, it is important to plan your approach. Below are factors you should consider when planning your employee referral program.

- **Scale of the program:** Will you run this as an internal employee referral program? Or will you also run this externally and include former employees, friends and family, peers, and your larger network?
- **The required skillset:** Are you seeking engineers only or will you consider all functions? One company found that when they rolled out their referral program to include sales, their sales staff spent less time focused on their day job and more on referring inadequate sales candidates. They quickly halted this program and instead focused their referral program on technical candidates only.
- **The process:** Keep it as simple as possible to incentivise your employees to actually do it. Some applicant tracking systems allow this functionality. If your ATS has this, invest time in training employees on how to use the system and refer the candidates. If your ATS does not/ you don't have an ATS, it can be as simple as encouraging employees to email you the referred candidate's name and contact details so that you can manually record it.
- **Educating your employees:** To avoid receiving inadequate candidates, spend time educating your employees on three elements: the technical skills, the soft skills, and cultural requirements of the role. The cultural requirements will apply to all hires at your company - however, the technical and soft skills will vary depending on the role.
- **Manage expectations:** What timeframe will it take for referrals to hear back, regarding whether they are qualified or disqualified? This is important to know from a 'candidate experience' point of view. It is embarrassing from an employee's perspective if they encourage their friend to apply, and then their friend does not receive feedback from the company.
- **Incentives:** Some companies do not award money, but just give recognition. This assumes

everyone values public recognition, which is unlikely. Other companies will offer time-off or additional annual holidays. Generally, the best results are seen when there is a referral fee. There are many different ways you can approach this - however, it is wise to hold out some of the reward until after the new recruit passes their probationary period. This can be split 50:50 – 50% upon start-date and 50% after their probationary period. Whatever you decide, it is important to communicate all of this to your employees and manage their expectations.

- **Cost:** The more difficult the role, the higher the cost. This ranges in the market from €1k – €20k - however, the upper range is excessive unless it is a senior executive hire. The attraction of hiring through this channel is that you are saving money on recruitment fees. Recruiter.com states that 69% of companies with employee referral programs offer employees, who bring in culturally and functionally-qualified candidates, between \$1,000 and \$5,000 in cash incentives.
- **Measure:** As with any new sourcing initiative, it is critical that you measure the results. This will help you adjust the program to yield better outcomes.

# The recruitment process, simplified



## RECRUITMENT PROCESS, SIMPLIFIED

### The step-by-step guide

- 1. Define the role(s) you wish to hire** – both technical and soft skills needed for the role. Involve all decision-makers at this point to ensure no surprise objections at the end.
- 2. Create a job spec** and ensure you have developed an employment brand (even if basic) before distributing it through your chosen sourcing channels.
- 3. Choose the right sourcing channels** for the role(s) you wish to hire. Are they strategic, core, support, or executive roles? Pick the relevant channel(s) for each role.
- Once chosen, **identify and attract** the best talent through these channels. Know your brand and how to attract the right candidates to it (your USP).
- 5. Evaluate the candidates** through screening and in-person interviews, technical assessments, and personality profiling where relevant. Do not exceed more than six interviews for any role.
- 6. Improve the speed** of the process and make it lean - remove any unnecessary interviews and encourage 24-hour feedback from your hiring managers. **See page 36** of this guide for more.
- Invest time in both **informal and formal referencing**. Encourage them to reveal the candidate's development areas and learn more about how to best engage, manage, and motivate them in their role. Validate the candidate's technical ability, soft skills, work history, and culture fit.
- 8. Select the best candidate and deliver the offer.** Ensure you have **pre-closed** \* the candidate before making the offer. This is one of the biggest mistakes made in recruiting. To avoid surprises at the end, validate the candidate's interest at every touch point that you can.

*\* How to pre-close: Ensure the candidate is clear on the role expectations, decision-making timeline, compensation parameters, reporting structure, and current gaps/flaws in the business. Reassure them on the opportunities both the role and the company will provide them (your USP) and your vision/mis-sion for the company (why they will buy-in).*

## RECRUITMENT PROCESS, SIMPLIFIED

### Hiring technical candidates

#### Hiring for fit

One common mistake that most companies make when hiring engineers is hyping up their brand to sound like bigger tech companies. Somewhere along the line, it was forgotten that people, no matter what their role, are individuals and have their own drivers, motivations, and personal circumstances for accepting a role. Instead of trying to appeal to the masses, the best approach is to attract the best talent and seek to hire those that share your passion for your vision and product.

Be authentic throughout your process, sharing the facts and why you believe your product will make a difference. Help potential candidates understand how they will be a part of that journey and where they should expect to be as the company grows. If they join and find things are as they expected, then there is a much stronger likelihood of them staying, rather than if they join to find that they have been sold a lie.

#### Hiring for technical competence

There are many variations of how technical interviews are conducted. Below are three common interview approaches taken by companies when hiring engineers:

- First: general interview; second: technical whiteboard interview; third: final interview

- First: technical assessment (using codility.com); second: in-person interview; third: technical in-person interview; fourth: final interview
- First: interview involving deep discussion about a technical problem; second: general interview; third: final interview

Artomatix, an AI/ML startup for the computer graphics industry, introduce technical interviewing at the second stage and use their first point of contact with candidates as an opportunity to share their vision and passion for their business.

Their technical testing is demanding of candidates' time, so they believe it is best the candidate buy into what they are doing before making this commitment. Their technical test involves the candidate solving a recent technical problem they faced and solved. This allows them to compare the candidate's output with their approach and learn more about their problem-solving ability.

Throughout the interviews, you want to learn four things about the candidate:

1. Their technical knowledge & skills
2. Their communication style and overall fit
3. Their approach to problem-solving
4. Their learning agility

### **Hiring for personal qualities**

Some common traits to look for include:

- Problem-solving
- Accountability
- Learning agility
- Self-motivated
- Collaborative
- Passionate
- Intellectual curiosity
- Results-driven
- Self-awareness

interact in group settings, poor relationship management, conflict-adverse or too confrontational, and closed-minded. There is no such thing as “the perfect candidate” for any function or role, but if you observe more than one or two of the above behaviours, think long and hard before making this hire.

### **Red flags during the interview process**

#### Inflated ego or arrogant attitude

Look for commitment throughout the process. Do they show up to calls on time? Do they attend the interviews when they say they will? Do they have an inflated view of their worth from a monetisation point of view (regardless of market range)? Founders who ignored these signs and hired candidates anyway admit that this was a hire they lived to regret.

#### Low emotional intelligence

Behaviours to look for include: lack of self-awareness, rigid or inflexible, impulsive, inability to handle change, don't pick up on social cues, cannot



## RECRUITMENT PROCESS, SIMPLIFIED

### Hiring sales candidates

Ronan Perceval, CEO and founder of Phorest, is a strong advocate for Topgrading's approach ([Topgrading.com](http://Topgrading.com)). He finds that if they follow their interview process rigidly, they have an 80% success rate. Part of this process involves investment of time, in both informal and formal referencing. Have references contact you rather than the other way around. If the reference bothers to contact you, this tells you a lot about the person that you wish to hire.

Unlike technical candidates, you cannot test sales candidates' experience through assessments. The only way around this is to invest time in both formal and informal referencing. Informal referencing can be done at the strategic sourcing stage. If someone recommends a candidate through their network, take this opportunity to learn more about them at this early stage of the process.

#### Hiring for technical experience

Spend more time understanding the type of sales person they are. The tech sector offers different types of sales skills and variations. To simplify it, we will break it into four areas:

- **Sales Management:** Also known as hunters or rainmakers, they know how to win the sale from either cold or warm leads.
- **Account Management:** Also referred to as 'farmers,' their strengths lie in account man-

agement and winning business through existing clients.

- **Partnership Sales:** These folks develop alliances and strategic partnerships with customers and analogous businesses.
- **Business Development:** Not as tangible in the near term, BD concerns implementing growth opportunities with your customers.

Some questions you can ask during the interview process to help you better understand:

- Do they sell in the B2C or B2B market?
- What is their annual sales target?
- Did they meet or exceed their target?
- What is their average sales cycle?
- What type of sectors /clients have they sold to recently and throughout their career?
- What was the average value of each sale?
- Did they make multiple 'small ticket' sales or few 'large ticket' sales?

#### Hiring for personal qualities

Some common traits to look for include:

- Ability to build networks
- Communicates effectively
- Persuasion and influencing skills
- Resilience
- Drives results
- Customer-focused
- Interpersonal
- Savvy

**Red flags during the interview process**

- Avoids disclosing their revenue target and whether they met or exceeded that target: You need to work with the concrete facts when interviewing sales executives.
- Makes excuses for failings: Look for this pattern of behaviour throughout their career.
- Uses pretentious language, corporate speech, or jargon: This is used to intimidate and distract the interviewer from the facts.
- Charming the interviewer: If the candidate is using excessive flattery as a means to gain favour with you, be cautious.
- Controlling the interview / turning the question around to suit their agenda

## RECRUITMENT PROCESS, SIMPLIFIED

### Hiring senior executives

#### Hiring for fit

When hiring senior execs for your business, fit is everything. The likelihood is that you will reward them with equity in order to attract them to your organisation, so it is not a decision you want to make lightly. The difference when hiring senior executives is understanding their strengths as a leader. If you are hiring a senior leader, they should be doing just that – leading and inspiring teams.

Ensure your future executive can manage ambiguity. This is vital for startups, given the ebbs and flows they experience along with changes in strategy and direction.

#### Hiring for technical experience

Each senior hire will bring their own different set of questions to determine if they have the expertise you require. Below are some broad questions to consider:

- Do they have experience in your sector or an analogous sector? Do they bring sector expertise or knowledge of target clients?
- If hiring a CFO or CEO, do they have prior experience selling a business?
- Will this person be involved in raising funds; do they have experience doing this?
- Will they be involved in large-scale hiring? If they are inexperienced at hiring, this will put a halt to growth.
- Will you be expanding internationally, if so, will

they be a part of this and do they have international experience?

Important: If your company is scaling, ensure that any senior leader you hire has the bandwidth and experience to effectively lead and manage the challenges of growth.

#### Defining the role

- Define the most business critical needs for this hire (technical requirements).
- Examine the current gaps and strengths on your leadership team. When a business is at an early stage and everyone is spread thinly, you do not want to duplicate skills that already exist in the business.
- Align all stakeholders & relevant decision-makers on the technical and leadership attributes required for the role.

**One of the most common reasons for a recruitment process to fall apart at the final hour is for a stakeholder to object to a hire because they were not a part of this conversation to begin with. Ensure this is a part of your planning process.**

## RECRUITMENT PROCESS, SIMPLIFIED

### Leadership competency examples

The functional area that you are hiring for will determine what leadership competencies you decide on.

When deciding on what is important for your role, choose only seven leadership competencies that are important for your role and business. If you choose more than seven, then you are trying to hire a unicorn!

Below are three different companies with three different senior executive hires. Each competency was chosen because it was essential for the success of the role.

**Company:** Tech company with 15+ employees

**Role:** CEO

#### Leadership Competencies:

- Drives Results [*will drive and scale the business*]
- Build Networks [*is an external facing role*]
- Strong Decision-making [*strategic skills required*]
- Strategic Mindset [*strategy development required*]
- Customer Focused [*will spend time with enterprise customers*]
- Collaborative [*will work closely with the co-founders*]
- Situational Adaptability [*will manage a company currently in flux*]

**Company:** Tech company with 100+ employees

**Role:** COO

#### Leadership Competencies:

- Ensures Accountability [*lack of accountability in the company*]
- Manages Complexity [*company is international and scaling fast*]
- Plans and Aligns [*team restructuring required*]
- Builds effective teams [*large-scale hiring involved*]
- Resilient [*tough decisions required*]
- Persuasive [*will need to influence & persuade to get things done*]
- Manages conflict [*will need to make difficult changes*]

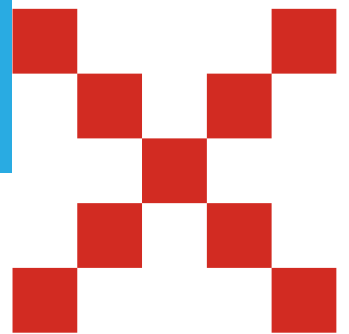
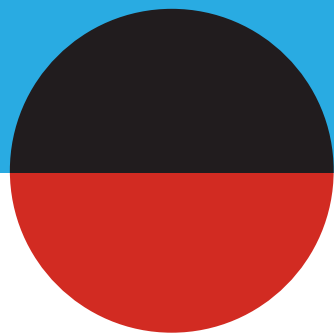
**Company:** Tech company with 25+ employees

**Role:** VP Sales

#### Leadership Competencies:

- Business insight [*market knowledge required to penetrate new and international territories*]
- Strategic mindset [*required to develop a sales strategy*]
- Customer focused [*will interact with customers regularly*]
- Ability to build networks [*mandatory for sales*]
- Persuasive [*will need to influence*]
- Resilience [*required to sell to new markets and manage set-backs well*]
- Results-driven [*mandatory for sales*]

# Before, during, and after the interview



## BEFORE THE INTERVIEW

### Budgeting

There are several budget considerations when it comes to interviewing:

- **Agencies/third-party recruiters:** This can range from 15% - 25% for the first year's guaranteed salary. The fee usually depends on how many roles you award the agency, how difficult the role is to fill, and whether they need to search internationally. For an RPO arrangement, they will structure it on a project fee basis or on a month-to-month retainer.
- **Employee referrals:** This ranges in the market from €1k – €20K, depending on how fast the company is ramping up and how difficult the talent is to find.
- **Travel:** This will depend on whether you are sourcing candidates internationally. If you are, then you will need to factor in costs for travel and accommodation for interviews, as well as relocation packages.
- **Background checking:** If you conduct references only, this should cost you nothing. Costs are driven up when educational, credit, and security checks are conducted.
- **Technical and psychometric assessments:** Some companies use coding tests for engineers, whereas others simply ask them to solve a problem on a whiteboard. One is more demanding of your time, and the other, a direct expense. For senior exec hires, you may want to invest in psychometric assessments, which vary according to the tool you select. If you retain a search firm, they may build it into the overall price for you.
- **Professional networking sites:** If you are seeking to engage with passive candidates, then LinkedIn Recruiter Lite license will cost you approximately €900 per year; LinkedIn Recruiter Corporate will cost you €6,900 per year. The biggest difference between the two is 30 IN-mails per month versus 150 INmails per month. At the early stage of scaling your business, a Recruiter Lite license should be sufficient.
- **HR / Applicant Tracking Systems:** These start from €500 yearly for one licence, and up to as much as €20,000 ++ per year. Screening tools such as Sonru can cost approx. €20 per candidate - however, if you are screening multiple people for multiple roles, these costs add up.
- **Job search aggregators / job boards:** This can range from €99 - €800 for a single job posting, depending on the job board. Indeed.com is free.
- **Advertisement / marketing:** Depending on how social media savvy you are, you can do this for free.
- **Internal people costs:** Depending on the experience of your in-house recruiter, this can range from €45,000 + package to €80,000 + package. You will find people who cost in excess of this, however, they are generally working for larger corporates and/or leading a team.

## BEFORE THE INTERVIEW

### Choosing an ATS

Whether you choose to source directly or use external agencies, there will come a point when recording candidate data manually will no longer suffice. At this point, it is wiser to invest in a good ATS. Depending on your budget, you can choose from multiple options and price-points in the market.

When choosing an ATS, you need to consider the following factors:

- **What functionality do you want?** Systems such as Bamboo also act as HR enablers. They have a phone app which allows managers to approve holidays and see absences in their department. It also provides the option to have add-ons such as performance management. Other systems can also provide employee referral portals.
- **Is it cloud-enabled?** If not, then it may require maintenance on your part. For smaller companies, it is best to choose a cloud-based system. On this note, ensure the company does not have a history of outages.
- **Is it user-friendly?** This may sound obvious, but some systems require intensive training which defeats the purpose for startups that have limited time. Choose a system that requires minimum training.
- **Does it provide a great candidate experience?** Clunky experiences lead to high candidate drop-off rate. Ask for a guided tour through the application process and judge for yourself.
- **Does it have social networking capability?** Many now provide additional access to social networks and will automatically cross-post your job there too.
- **How much does it cost on an annual basis?** Confirm how many employees can access it for this price. Companies such as Recruiterbox offer more flexible payment terms and cater for smaller companies.
- **How would you rate its reporting functionality?** Ask to view this and check to see how clearly presented and easy-to-read it is.
- **Does the ATS provider offer support and training as part of the price?** Confirm if support staff are available 24/7, especially if located in a different time zone.
- **How long is this provider in existence?** You do not want to purchase a system to find the company cease trading a year later.
- **Are similar-sized companies using it?** What is great for a corporate may not be great for a startup – ensure that they cater for smaller companies.
- **Is it well-liked in your peer group?** Ask for references from companies similar to your size that are using it and get their perspective on all of the above.

## BEFORE THE INTERVIEW

### Sourcing international candidates

The science of sourcing, whether locally or internationally, is something that is widely taught and spoken about. Given the magnitude of this topic, we will focus on some quick and helpful tips to get your started.

When sourcing international candidates, your approach will depend on the type of candidate you want to hire and your chosen sourcing channel(s).

If using external vendors, it is important to understand their ability to recruit internationally with a track record of making international hires in your desired field. The same applies to hiring an internal resource or using an RPO provider.

This all assumes that you cannot source the talent locally and need to search further afield. The visa reform for Ireland's tech sector has made it easier to hire talent from outside of the EU.

While not ideal, it may be necessary to search internationally. Thankfully, we live in an age where multiple tech solutions can help us do that. Social networks make it easier to find great candidates internationally. You can find candidates on forum discussions, Twitter conversations, blog posts, and multiple other online platforms.

#### // CASE STUDY: IDENTIFY WHERE YOUR CANDIDATES ARE

*When recruiting interns, Artomatix researched the best universities for the type of candidates they were seeking to hire and posted those positions at that particular university.*

The most important step when embarking on an international sourcing campaign is upfront planning:

1. Decide what type of role(s) you need to source internationally; ensure that you have saturated the local market first.
2. When you have decided on the type of candidate you are seeking, research where there is more supply. What countries or cities will you focus your search on?
3. Find the best social media channels to source and post your jobs on. What are the most popular sites for candidates in the country you are targeting? Xing has a strong foothold in Germany, whereas Viadeo has a very strong presence in France.
4. Upon choosing the best platform(s), you will need to develop a presence on those platforms before engaging with candidates.
5. Design a job spec that is universally friendly and removes any cause for apprehension. Include perks such as relocation package, assistance with visa application, and company social events (so that the candidate knows they



can get to know people in their new country).

6. Create an information pack about your country. This should include everything the candidate needs to know, such as cost of living, the culture, and the pros and cons of the destination. For example, check out Frontline's Irish tech guide.
7. It may be wise to invest in targeted advertising for users who are located in your chosen countries. This can be done on platforms such as LinkedIn, Xing, and Glassdoor, amongst others.
8. Research the culture of the countries you are targeting. This will help inform your communication style with the candidates you engage with and also help you understand certain nuances you may encounter.
9. If you engage with an international candidate, do check if they will be moving with a partner or family. It is important to have this conversation early. There are many frustrating tales of candidates moving to offer stage, only to learn that their partner cannot get a job in their chosen country or is unwilling to move. If they have children, schooling will be important, etc. All of these factors need to be considered and ironed out as early in the process as possible.

## DURING THE INTERVIEW

### Why does your candidate experience matter?

The candidate experience touches all parts of your process - this is why it matters most.

No brand can ignore this, it is what will help or hinder you most in a really competitive market, as the evaluation process is a two-way street. Every touch-point a candidate has with your company forms part of their decision-making process, on whether they wish to join or not.

Interviews provide a real window into how your company really operates. Ensure you take this opportunity to sell a positive image of yourself and your company and treat candidates with respect. While you cannot or do not want to hire every candidate you meet, you do want them to leave wanting the job and feeling excited about the opportunity to work there. While they may not be right for your role today, they may be a candidate in the future or they may be willing to recommend your company to a friend.

Just as you would tell your friends and family about a poor restaurant experience, so too would you tell them about a poor candidate experience. Eventually, word spreads in the market that certain brands are "time wasters," their interview processes are inefficient or too long, employees are disrespectful of candidates' time, or are disorganised or too traditional in their interview approach.

#### // CASE STUDY: ENHANCE THE CANDIDATE EXPERIENCE THROUGH EFFICIENCY

*Asavie, a successful Irish IoT company, shortened their interview process to 3 interviews with mandatory feedback required from line managers within 24 hours. This enhanced the candidate experience and because of this, external agencies funnelled more candidates to them, knowing that the likelihood of success was much higher and that candidates could be guaranteed a positive experience.*

*Frontline portfolio company PageFair transitioned to a one-day interview and hire process which, in turn, enhanced their candidate experience. This led to an increase in their employee referrals.*

## **DURING THE INTERVIEW**

### Assessing and enhancing candidate experience

Apart from surveying your candidates to measure their experience, it is hard to know where you stack in relation to your competitors.

Do not leave things to chance - if your employees are not experienced at hiring, invest in interview training to ensure they ask appropriate and informed questions, and know how to provide an excellent candidate experience. Left to their own devices, employees may be prone to candidate bias or assumptions where they lose qualified candidates due to poor judgment or a flippant, inappropriate comment.

Ensure that your employees are asking situational questions that focus on the candidate's experience and competencies, not on "trendy" industry questions.

You can get quick and simple feedback on your candidate experience by reading feedback from candidates on Glassdoor and by asking candidates directly, 'Would you recommend working here to a friend? Why so?'

This will provide valuable feedback, while also opening up the conversation for future candidate referrals.

## *In Action: PageFair The One-Day Interview*

Not surprisingly, software developers are the most difficult to acquire and subsequently the most in-demand in the market. The IDA's success in Ireland has made the Irish market an even more competitive one, with startups finding it hard to compete with Facebook, Google, and other large multi-national tech companies now based here.

Feeling this crunch in the hiring market, Frontline portfolio company PageFair had to re-imagine how they sourced and hired engineers and developers.

Firstly, they took a realistic approach to where they could find tech talent and for their business, this meant looking outside of Ireland. (See page 32 to learn more about sourcing internationally.)

Secondly, they addressed their sourcing channels, identifying how to feed each channel for a better ROI. For their direct sourcing channel, this meant partnering with Zartis, who provided an external outsourced resourced dedicated to their hiring needs.

Thirdly, they re-configured their interview process and introduced a one-day interview. This, maintains Sean, was critical to their success. It had a positive impact on their employee referrals because existing staff were more likely to refer people if they felt the likelihood of them being hired was strong. Because of this, referrals are now one of their strongest sourcing channels.

It also had a positive knock-on effect on their candidate experience, enhancing their employment brand and incentivising candidates to apply, knowing that they will not have to enter into a long, drawn out interview process.

## *In Action: Asavie The Lean Recruitment Process*

Irish company Asavie scaled their business from 30 to 120 people over the course of 2015 and 2016. They needed to fill 90 positions over the course of 18 months, which left little room for error and time-wasting. They knew their process had to be efficient and their dedicated in-House recruiter did just that - implementing a lean recruiting approach and leveraging his lean consulting background to ensure they ran a seamless process.

With the pace of hiring they were experiencing, they needed to eliminate the wrong type of candidate reaching their in-person interview stage. One time-saving initiative they introduced when hiring both technical and non-technical candidates was a screening tool called sonru ([sonru.com](http://sonru.com)).

Candidates answered their screening questions through a video. Each video lasted 15 minutes and helped determine their technical suitability, while also giving the hiring manager a quick glance of their interpersonal skills through video. It encouraged candidates to apply, because they could conduct the screening video at their own discretion and, for international candidates in different time zones, this was definitely an added benefit.

It also helped their hiring managers, as they no longer had to conduct late-night interviews with international candidates. Instead, the hiring manager could filter through the screening videos in their own time, rather than during their valuable working hours.

The next stage of the process involved evaluating the sourcing process and leveraging the sourcing channels that returned quality with speed. With the

current pace of hiring, Asavie identified that they need to use external agencies. They started with 12 agencies and measured their results over a three-month period. They then retained the top five agencies that produced the best quality and agreed a flat rate across the board so to not deviate on rates for any supplier.

The most critical step was encouraging their hiring managers to be more engaged and respond with feedback on potential candidates within a 24-hour time period. When they interviewed, the same rule applied – 24-hour feedback. This discipline was vital to their success and their ability to hire candidates across engineering, professional services, customer delivery, technical operations, and product management.

Another piece of the process involved implementing an internal referral system, which produced 10% of candidates hired.

The final piece related to converting the candidates to actual hires. Asavie found that targeting and attracting candidates who did not aspire to work in a multi-national environment yielded better results. These same candidates appreciated what a smaller company could offer them – a greater chance of promotion and recognition, particularly given the pace of growth that Asavie was experiencing.

## **AFTER THE INTERVIEW** Dealing with a bad hire

You hope that, if you follow a rigorous process, you will get it right - however, we know this does not always happen when it comes to hiring.

One of the greatest learnings a tech founder can make is to recognise their mistake and act on it fast - **fail fast when you realise you have got it wrong.**

To protect your business, implement a structured / disciplined probationary period of six months minimum, with a structured review every two months of that period.

For every new employee, irrespective of rank, avoid carrying a non-performing new starter beyond the probationary period.

For longer-serving employees:

- Do not be afraid to be honest with people who were part of the first stage of the company's lifecycle who cannot make the jump to take on the challenges of rapid or sustained growth.
- Have these discussions as soon as you recognise what is going on, whether it is to accommodate them at a less senior level or to facilitate their departure.

# Assessing your current hiring capability: How do you stack up?





## ASSESSING YOUR HIRING CAPABILITY

### The value of data

If hiring developers is key to executing your strategy, then your inability to hire them can mean missed milestones, customer dissatisfaction, and lost revenue.

Be honest with yourself and collect data on your hiring process. Some questions to ask:

- What is the cost of not having business critical hires in place?
- What is the cost of lost opportunities or dissatisfied customers?
- What is the cost of not getting the best candidate available?
- How much of your time and your employee time is being spent on sourcing, reviewing profiles, screening candidates, interviews, background checks, assessments, travel costs, admin costs, and advertising/marketing costs?
- Do you know which sourcing channels yield the best results?
- Do you know how long your interview process takes in comparison to the industry average?

This type of data is critical in understanding what part of the process is working and what is not. This can be done either manually or automatically through a good ATS with strong reporting functionality.

The absolute minimum that companies use to measure talent acquisition are: **time to hire** and **cost of**

**hire**. However, these are measures of efficiency, not effectiveness. Both retention and effectiveness of the employee need to be measured to understand if you are recruiting the right people for your organization. **See page 18** to take this assessment.

Whilst large corporates have greater technology and resources to analyse data, smaller companies can readily analyse what is working and what is not, and also take a much faster and nimbler approach to making necessary changes. This is an even bigger advantage for startups who are not wedded to a particular process and may be more open to trial-and-error to find the right approach for their business.

## ASSESSING YOUR HIRING CAPABILITY

### Industry standards - where does your company stand?

According to Lever, 1 in every 100 candidates is hired; however, for smaller companies (<100 employees), **1 in every 94 candidates is hired.**

Not surprisingly, the number is greater when hiring engineers, with 1 in every 134 candidates being hired; however, 1 in every 64 sales candidates are hired.

The origin of engineering hires was split across the following channels: 37% were sourced directly, 20% were employee referrals, 38% applied directly, and 5% applied through agencies.

Sales differed slightly: 15% were placed through agencies, 46% applied directly, 16% were employee referrals, and 33% were sourced directly.

Although the number of applicants outweighs the number of referrals by origin, Lever do state that, while direct applicants represent a large component of candidates, referrals are still 10 times more efficient than applicants, with 1 in 16 referral candidates being hired versus 1 in every 152 direct applicants.

This is valuable information for startups when trying to understand what recruiting channels to invest in. Direct applicants, whether through

their website or job boards, had the least success in comparison to referrals, agencies, and direct sourcing.

Finally, the duration it took to hire was an **average of 34 days**, which increases to 38 days for engineers and decreases to 26 days for sales candidates. On this note, agencies were the fastest channel to hire with an average of 26 days.

## ASSESSING YOUR HIRING CAPABILITY

### What do I measure during the talent acquisition process?

Lever found that the average number of interviews for salespeople was 4.1 and the average for engineering is 5.4. In total hours, this equated to 3 hours for sales and 5 hours for engineers.

The maximum number of interviews that a company should conduct for any given position is 6 interviews totaling 6 hours. If it is any greater than this, it leads to interview fatigue for candidates, resulting in a higher drop-out score.

From a time perspective, most startups focus on 2-3 channels instead of all 5, investing time in those channels that provide the best results.

#### // CASE STUDY: ITERATE ON YOUR HIRING PROCESS LIKE YOU WOULD YOUR PRODUCT

*Bart Kiss, co-founder and COO of Artomatix, views recruiting as one of the most important things a startup can do. He takes an experimental approach to hiring.*

*He rigorously analyses what is working and what is not every 3-4 weeks for each different functional role Artomatix is hiring for. If something is not working, they eliminate it; if it is yielding results, they invest more time in it.*

*At a minimum, standardised interviewing is something Bart believes is important to their hiring success, conducting no more than 4 interviews per role. They are not afraid to ask potential candidates across both technical and non-technical roles to complete a one-day test to understand their problem solving abilities. Rather than detract those interested, he believes that those who are really committed will persevere; the harder it is to join a company, the happier the candidate is when they join.*

## ASSESSING YOUR HIRING CAPABILITY

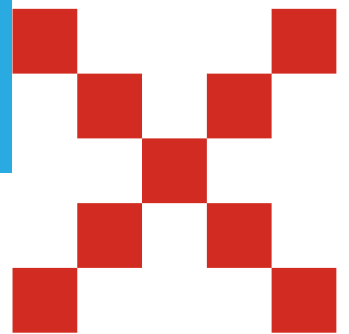
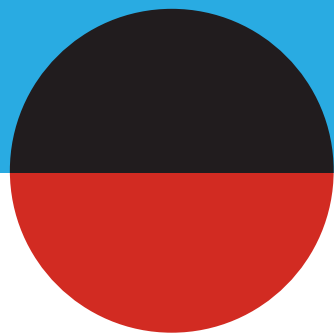
### What to review and improve

This table has been designed to help you understand what sourcing channels provide the best ROI and the overall effectiveness of your talent acquisition process.

Define + attract	Sourcing channels	Candidate processing	Interviews	General reporting
<p>Effectiveness and perception of your employment brand</p> <p>Strong presence on your website and social media</p> <p>Clear expectations of type of hire</p> <p>Defined technical and leadership competencies for each role</p> <p>Standardised job spec</p>	<p>Recruiting sources that provide the best candidates / employees</p> <p>Defined relevant sourcing channels for different roles</p> <p>What % of candidates do hiring managers deem unqualified?</p> <p>What % of total hires come from employee referrals?</p> <p>External vendor spend?</p> <p>Have ineffective recruiting methods been discontinued?</p>	<p>How effective is your pre-screening?</p> <p>Are you / your key decision-makers experienced at interviewing?</p> <p>Do you have a standardised interview process that hiring managers can follow?</p> <p>Do you invest in technical assessments?</p> <p>What is your average time-to-hire?</p> <p>What is your average candidate-to-hire ratio?</p>	<p>What % of new hires remain in the company 12-18 months later?</p> <p>How many interviews are there in your interview loop?</p> <p>What is your interview-to-offer ratio?</p> <p>What is your offer-to-acceptance ratio?</p>	<p>What is the cost of each vacancy?</p> <p>What is the cost of each hire?</p> <p>Do you know what the benchmark salaries are in the market for these positions?</p> <p>Do you know your competitors' compensation packages?</p>

# Defining what you need for your business:

Are you ready to bring it  
in-house?



## **BRINGING IT IN-HOUSE**

### Reasons to consider building an internal capability

During the earlier stages, recruiting and hiring is something that founder(s) should manage themselves. However, once the company begins to grow and time is even more scarce, it may no longer be an option.

- The business is scaling rapidly and overloaded with job vacancies that are draining your time. You need someone who is constantly scouting and attracting the best talent to your company.
- Hiring managers are overloaded with job vacancies and you are not delivering the desired results for business-critical roles.
- You plan on making multiple hires over the coming year; particularly if they are niche or 'in-demand roles' in the market.
- A large part of your budget is spent on external solutions and you wish to save money by increasing your direct sourcing.
- External recruitment agencies are not delivering results - this can happen when the hottest talent are filtered to the highest bidder, either in salary or agreed recruitment fees. An internal resource would mean someone is dedicated to your requirements only and knows the company better than any external provider.

At this point, you make the determination that you need to develop a talent acquisition function, hire an in-house recruiter, or perhaps engage a RPO provider. The advantages of an RPO is not only a dedicated resource, but also that you can out-source both the function and the management of it.

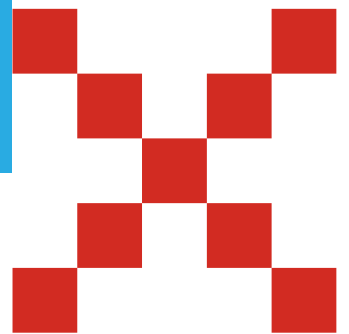
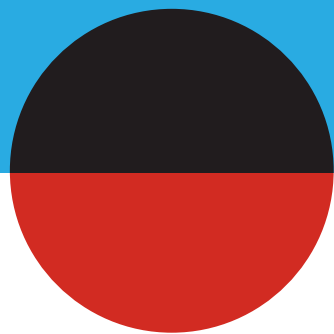
## BRINGING IT IN-HOUSE

### Questions to consider before starting the search

- Have you developed a recruitment strategy and plan? **See page 10** if you need help.
- Have you conducted requisition planning? Before making this decision, know what the requirements are and deadline to reaching that goal. If you are scaling at a fast pace, hiring a dedicated resource may not be the only solution, as it may be too tall an order for one person. Or, you may only need someone for a specific period of time, which may mean hiring a contractor or a dedicated resource through a RPO provider.
- Have you created an employment brand? If this is something you would like them to do, be clear about this when hiring them and ensure you target the right type of level when making this hire. **See page 50** for more on understanding the different types of recruiter profiles.
- Do you have the right systems and processes in place? Ensure that this is not something they have to tackle when they join. This may be something you wish them to do, but remember to factor that into the type of person you wish to hire. The less systems, processes, and planning that you have in place before this person starts, the more time they will spend on building infrastructure and the less time they will spend sourcing candidates.
- Have you tried and tested different sourcing

channels? It may be the case that your referrals and agencies are providing great results, but if you do not measure this, then you will make an uninformed decision. Measure the data to understand what is working and what is not. **See page 18.**

# Defining your first critical talent acquisition hire





## **YOUR FIRST TALENT ACQUISITION HIRE**

### Is this the right decision for your business today?

It may not be necessary to hire a dedicated internal resource. What is right for one company may not always be right for another.

Just as you would find variations on different types of engineers and developers, so too will you find variations in types of recruitment professionals.

Making this decision depends on the scale at which you are hiring. For other startups, hiring a dedicated talent acquisition resource has been vital in allowing them to hire at a fast pace.

There are variations in how you can approach this. One startup put a recruiter on a retainer with incentives for every successful hire. Another company only hires contractors to meet the demands of hiring peaks. Others will utilize the many existing RPO services that are gaining momentum across recruitment services globally.

Part of making this decision is understanding what you need this person to do.

- Will they manage your employment brand? Is this even necessary? This can be delegated to your marketing team. Be efficient with your resources.
- Will they manage HR policies, employee relations, employment contracts? This may indicate that you are seeking a HR manager and not a talent acquisition resource.

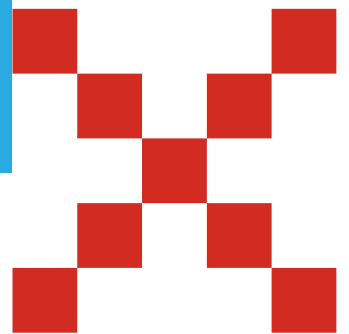
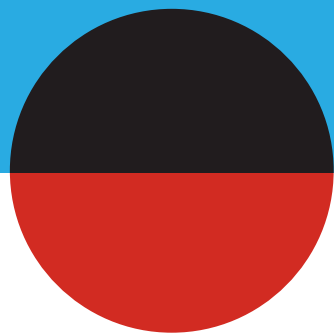
## YOUR FIRST TALENT ACQUISITION HIRE

A guide to varying levels of experience in the market

<p><b>Sourcing Recruiter (in-house):</b></p> <ul style="list-style-type: none"> <li>• Sources technical/non-technical candidates - specialism depends on size of organisation they work for</li> <li>• Identify candidates through Boolean, LinkedIn, and social media searches</li> <li>• Works closely with hiring managers to understand requirements of roles and regularly shares recruitment activity with them</li> <li>• Generally highly KPI-focused</li> <li>• Sources 20-40 roles per year, depending on resources available to them</li> </ul> <p><i>If hiring this type of candidate, their role will predominantly focus on sourcing candidates for you.</i></p>	<p><b>Recruitment Consultant (agency):</b></p> <ul style="list-style-type: none"> <li>• Partners with a variety of companies sourcing candidates through their network, database, and social media searches</li> <li>• BD duties: cold-calling, networking, personal marketing</li> <li>• Measured on revenue per year, determined by how many roles they fill</li> <li>• Sources multiple roles yearly, but will only be measured on those they fill</li> <li>• May manage staff, depending on the number of years experience they have</li> <li>• Focus on specific industries/specialisms</li> </ul> <p><i>If hiring this type of candidate, they may be best suited to a sourcing role initially to allow time to transition into an in-house role.</i></p>
<p><b>Talent Acquisition Lead (in-house):</b></p> <ul style="list-style-type: none"> <li>• Responsible for full life-cycle recruitment from attraction to exit interviews</li> <li>• Can also include: sourcing/screening strategies, interview training, recruitment strategy &amp; planning, recruitment processes, policies, procedures, and onboarding</li> <li>• Additional duties can include: assessment centres, psychometric assessments, employment branding, building talent communities</li> </ul> <p><i>If hiring this type of candidate, be aware that they probably enjoy a broader role and may get bored if they spend all of their time sourcing.</i></p>	<p><b>Onsite / RPO Recruiter (in-house and agency):</b></p> <ul style="list-style-type: none"> <li>• Agencies provide a fully-trained recruiter who will dedicate 100% of their time to sourcing</li> <li>• Heavily KPI and metric-focused to ensure they are providing ROI, meaning you should receive a weekly influx of new, relevant candidates</li> <li>• Can be offsite or onsite</li> <li>• May be more expensive: however, the agency will manage the recruiters and are accountable for their results, leaving you to focus on interviewing</li> </ul> <p><i>If using this option, the management of the candidate will not be under your control - this will be the responsibility of the provider. They may also work offsite, which means less visibility for you.</i></p>

# How to hire a recruiter:

## Competencies to look for



## HOW TO HIRE A RECRUITER

### Hiring proactive recruiters

We have learnt so far that top talent in the tech sector are likely **passive candidates**: passively looking, happy to keep their ear to the ground, open to hearing about opportunities, and perhaps not looking at all. What we also know is that the best talent is less likely to apply for jobs directly or through job boards.

A hyper-growth startup in Boston realized they were not having success with their in-house recruiters. They had hired these recruiters from larger, well-known traditional brands with a strong reputation in the market.

Following analysis of their sourcing process, they learnt that their 'traditional' recruiters were being reactive in their candidate sourcing. They were used to receiving in-bound applicants and sifting through CVs, rather than proactively reaching out to the best talent available in the market. Their direct sourcing was weak, which meant they were still heavily reliant on external agencies - defeating the purpose of hiring an internal team.

The company knew that they needed a different solution and quickly set about hiring more pro-active recruiters. They did so by focusing on those candidates who had experience head-hunting. They

sought out candidates who knew how to leverage their network and attract passive candidates. These candidates are results-driven, proactive, and innovative with their sourcing methodologies. As soon as they changed their approach, the company noticed direct sourcing increased by 30% in the space of 6 months.

This is a scenario startups need to avoid when building internal recruiting capability. What works for more traditional sectors does not work for tech and will most definitely not work for an unknown tech startup.

Do not hire an order-taker or a reactive recruiter who will merely sift through applicants for you; this is not a good investment of time if the likelihood is that your target candidates are passive.

Ensure whomever you hire is a proactive self-starter with a track record of hiring 'in-demand' candidates and can demonstrate resourceful and innovative ways of finding the best talent for your business.

## HOW TO HIRE A RECRUITER

### Where to find the best recruiters

- **Your preferred agencies:** You already have personal relationships with agencies and can see the results for yourself first-hand. They know your brand and culture. For some, this is a 'no go' given the relationship. However, most agencies view this as a positive move, and an opportunity to cement the agency/client relationship further with "one of their own" joining your business.
- **Your network:** Ask your network to consider recruitment professionals they know from both corporates and agencies. If you ask 10+ connections to do this, the number of recommendations will multiply five-fold.
- **Retained executive search companies:** This is a hidden gem and the most overlooked. Although they predominantly focus on executive-level roles, the mentality here is always on head-hunting and seldom relying on active candidates. Look for candidates that have spent time in both contingent and retained search with experience of recruiting at all levels. If you are seeking someone to source only, ensure you do not recruit researchers who may be shy about getting on the phone.
- **Competitors:** If looking at any of the larger corporates, be wary of candidates who have only ever worked for large companies. They will be used to an environment with vast resources and teams of like-minded recruiters to bounce ideas off. Look for a varied background – a mix of some startup / smaller company experience or some agency experience. Visit [Techireland.org](http://Techireland.org) for the most up-to-date list of multinational and indigenous tech companies in Ireland.
- **Irish Diaspora:** Now is a good time to avail of many Irish returning home. A disadvantage might be their lack of network on the ground to begin with; however, the inverse of that is the international network they may offer, especially if you are seeking to hire niche people that are thin on the ground here.

## HOW TO HIRE A RECRUITER

### Considerations when sourcing a startup recruiter

- Have they hired for technology positions previously in their career? If so, have they hired engineers, developers, and sales executives? These are the most common and in-demand roles for startups.
- How do they source and attract 'high demand' talent? Look for innovative approaches to recruiting. Seek to understand if they have sourced internationally, as this is particularly important for technical hires, where there is a short supply of Irish candidates.
- What are their current goals and targets? One recruiter in a UK startup was measured by the saving they made on their overall remuneration in their first year. For someone focused on sourcing only, their target would be considerably higher.
- If they have an agency background, are they a hunter or a farmer? A hunter is excellent at winning the work, but may be less excited about the delivery. They measure deliverables from a financial sense and are probably best suited to an agency environment. A farmer is more of an account manager and usually better at candidate management, less inclined to generate sales and generally enjoys recruitment delivery. They may be more motivated by building an organisation piece-by-piece and, because of this, may have a better career working in-house.
- How do they cultivate their network? Ensure they do not rely too heavily on LinkedIn to recruit unknown candidates. It is important that they know how to readily access their own network and yours.
- Are they happy to recruit or do they want a broader role over time? If not, can you provide this career development for them?
- Do you expect them to take care of other HR elements across the business? Be mindful of this, a well-known startup hired a 'Recruitment Ninja', only to spend more time delegating HR duties to her, which swallowed up her time and led to her outsourcing her recruitment responsibilities to external agencies. This is a common mistake made by smaller companies and brings you back to where you started in the first place.

## HOW TO HIRE A RECRUITER

### Core competencies to look for

One of the top traits you should seek when hiring for a startup is ambiguity tolerance. This is not only important when hiring recruiters, but also across all new hires at the early stage of growth.

#### Hiring for personal qualities

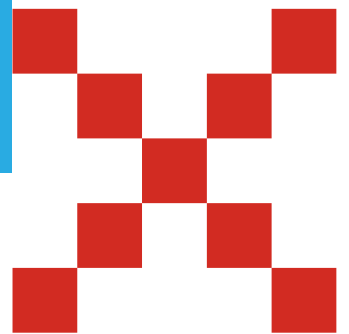
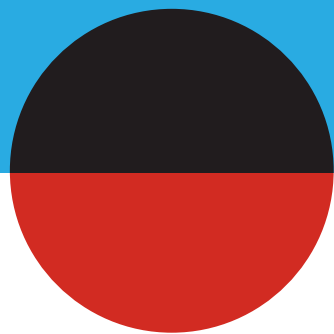
Some common traits to look for include:

- Drives results: the ability to attract the best talent to meet your current business needs and achieve results even under tough circumstances
- Resourceful: know how to get the most out of limited resources, particularly in a startup environment
- Strong Decision-maker: skilled at making good and timely decisions to keep the recruitment process moving forward
- Organised: can plan and prioritize work to meet commitments aligned with the company's goals
- Strong communicator: know how to develop and deliver multi-mode communications to different audiences both inside and outside the organisation
- Persuasive: ability to win support or buy-in from others and can negotiate skilfully in competitive situations
- Builds networks: effective at building formal and informal relationship networks inside and outside of the organisation.

#### Behaviours to look out for are:

- Ability to adjust to unexpected situations in real time
- Can readily cope with change
- Can make decisions without the whole picture
- Doesn't get upset when things are 'up in the air'
- Can comfortably handle risk and uncertainty
- Remains composed under pressure
- Can deal with paradox

# Setting the direction for your new hire





## SETTING THE DIRECTION

### Onboarding and team integration

The risk a recruiter takes a lot of risks when joining a smaller company:

- They are often left with little or no direction
- They don't have a large team of like-minded individuals to bounce ideas off
- They are expected to attract talent to a brand that may be unknown in the marketplace
- Review all open positions with the hiring managers and prioritise the business-critical hires that need immediate attention.
- Arrange lunch or meetings with all newly-appointed hires so they can learn why they joined, their impression of the recruiting / interview process, their impression of the company since joining, and any other relevant information.

Because of this, it is important to invest time in onboarding the recruiter, giving them access to key stakeholders, allowing them time to build relationships, and ensuring they feel like a valued member of your team.

#### Steps to onboarding and integrating your new hire:

- Arrange for them to observe a staff meeting as quickly as possible where you can make broad introductions.
- Ensure they meet all key hiring managers.
- Have them observe as much of your recruitment process as possible – listen on a screening call, learn the technology, systems, and key recruiting processes, observe hiring managers interviewing, provide overviews of all assessment tools used in the hiring process, walk them through the A-Z of your recruiting process, etc.
- Inform them of what is working and what is not across the entire process.

## SETTING THE DIRECTION

### Providing the right environment and defining success

One of the most common mistakes made is not setting a clear direction for your new hire. This is why it is important to ensure your new recruiter is clear on what the end goal is, how many hires need to be made, and what metrics they need to hit.

Some questions to consider:

- How many hires would you like to make in Year One and how would you like that distributed across Q1 / 2 / 3 / 4?
- How many of these roles would you like them to hire directly?

Companies that strive for direct recruiting aim for 80% direct sourcing and leave the 20% niche roles and senior leadership hires to external agencies and search firms. The more niche and senior the roles, the more time they take to source, which could consume all of your recruiter's time, leaving them ineffective at their day job.

Encourage standardized interview documents across the company - you need to have some documentation in place to ensure that the process is repeatable.

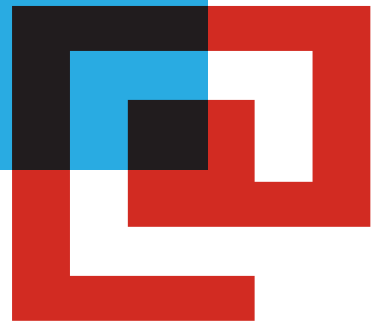
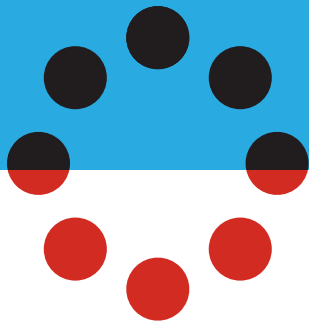
Define what you would like to delegate to this new person – Employment branding? Onboarding?

Arrange interview training for all hiring managers – Is this something your new hire can manage?

Once they are up and running, provide autonomy; many recruiters are used to running their own desks. Nurture this, don't remove it.

As time passes, check in with them periodically and see how they are doing. Build this into your schedule. During these conversations, get as much feedback as possible and help remove obstacles for them.

Provide opportunities for progression. If you hired well, this person is likely someone who can take on multiple challenges and possibly enjoy a broader role. A startup can provide boundless opportunities for those joining at an early stage, use this to your advantage!





### About Frontline

Frontline is an early-stage B2B venture capital firm powered by people - the ambitious founders we invest in, our strong networks of industry experts, and our own passionate team of ex-operators.

Frontline is based in London and Dublin, but back companies throughout Europe. We bridge the technical and the human, providing both capital and expertise to help shorten our founders' learning curves. We strive to unlock the power of collective intelligence through our innovative platform.

Frontline invests time and money into building the relationships needed to fast-track your expansion into the US - from investors to recruiters to other founders. We've also built a wealth of knowledge and content around international expansion, so that we can help you reduce the friction.

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### About Nikki Rooney

Nikki Rooney is a Talent Advisor to the Tech sector and offers a wealth of international experience having lived and worked in North America and United Kingdom.

While working internationally, she was a member of Korn Ferry's Board & CEO practice, advising companies on Board & CEO appointments, C-Suite Recruitment & Succession Planning, Executive & Leadership Development and Talent Assessment.

Upon returning to Ireland, Nikki spends her time working with startups and growth companies in the tech sector and partners with them on 3 key areas:

- 1. Educating and advising companies on hiring challenges:** how to implement appropriate processes and structures to enable growth
- 2. Executive coaching and leadership development:** strengthening management and leadership teams
- 3. Executive and flexi-search:** advising, evaluating, and sourcing leaders for growth companies

**Frontline**