

*Reprint*

# How Not to Recruit

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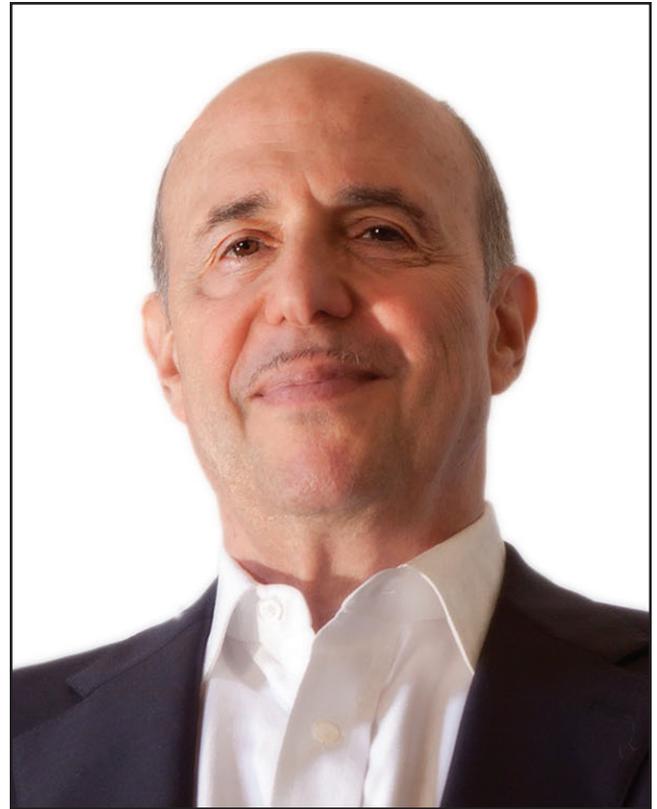
By Loren Smith

When harness companies experiencing growth have not been able to develop sufficient management talent internally, they might recruit from one of three basic pools: the corporate world, competitors or suppliers. Which is the safest bet?

The answer is none of the above because all three routinely fail, as I have heard repeatedly from CEOs and learned from my own experience as an owner. Let's briefly examine why the process is so challenging and then identify the most important steps to ensuring success for small and medium harness companies.

Corporate recruits from large companies are eyed warily in the private equity and venture capital world because veterans of corporate culture often have to unlearn many of their approaches to operate effectively in a small-company environment. I have experienced this frustrating phenomenon myself.

Recruits from competitors can be a disappointment for similar reasons. Competitor environments may seem quite parallel, making it appear that a recruit will hit the track running, but the learning curve is often much steeper than expected. In fact, the "this is the way we did it" at ABC company can be a real obstacle. In one case where recruiting a competitor's employee misfired for me, I had received glowing input about the candidate from a shared customer, but the recruit was wrong for my company.



**Loren M. Smith, CEO**  
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Recruits from suppliers know our business intimately, but from a different side. I once hired a buyer from a good customer to be my purchasing manager. This individual had a work ethic I had admired for a number of years, but he never became as effective with me despite continuing to work hard. It was almost as if he became a different person in my organization because the fit was wrong.

So how do we take out insurance? How can we minimize mistakes? I have two suggestions:

Don't fall in love with outward credentials. Knowing a potential recruit has achieved success in corporate America or with a highly regarded competitor can create blinders that lull us into taking our eye off the ball. A candidate who has luster because he or she appears to have been a star for 20 years might not be nearly the fit as someone who is just getting started or as a solid veteran who has never had the right opportunity to maximize his or her talent.

Match a carefully crafted job description to prospective candidates' attributes. When you do this, you might find that where you find candidates is less important than achieving that critical correlation. In fact, when we look at why conventional approaches have failed, we often realize the root is the lack of correlation between the needed attributes and what a candidate brought to the table.

The suggested approach may seem counterintuitive, and that may be the precise reason so many of us have found successful recruitment to be such a challenging endeavor.

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