

Catalyst: How to Find, Attract and Retain

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In 1993, IBM was mired in its own past glory. Its PC had become a commodity with hairline margins and nimble rivals, and its mainframe business seemed almost prehistoric. Then it underwent one of the most spectacular turnarounds in business history. What happened?

It brought in a Catalyst.

IBM brought on Louis Gerstner, known for his success at McKinsey, American Express and RJR Nabisco. Gerstner had no computer industry background, but he launched a business transformation that saved the iconic company. He drove the company to refocus on highly profitable services. As a Catalyst, he was the kind of change agent a firm needs in tough times. And in stable ones.

Today, with the economy staggering and challenges in almost every sector, including professional services, such talent is worth more than ever. Firms that invest in Catalysts are virtually buying growth and the ability to gain market share.

And, according to Richard Baird, a Global Partner with PricewaterhouseCoopers, “this is a fabulous time to find them.” As the opportunity landscape has changed, so has their openness to offers.

So it’s worth looking carefully at Catalysts: who they are, what they can do, and how you can attract them.

What to Know about Catalysts

Catalysts are a rare breed but well worth the effort for a firm to find, attract and keep.

BENEFITS OF A CATALYST

“Talent that adds something new and helps you take the firm in a direction it needs to go is a big strategic advantage in the long term. A Catalyst helps you achieve more but also develops and creates new opportunities for people already inside the firm.”

– Michael Poulos,
Partner at Oliver Wyman

“There is nothing like everyone seeing a successful role model – to learn from, to draft from their results, to get coaching from. There are all kinds of positives to a Catalyst, well beyond the individual’s book of business.”

– Steve Deedy
Managing Director at AlixPartners

“Catalysts are legacy builders, creating behaviors that survive long after they are gone. The force multiplier associated with their behavior, passion, and motivation is what transforms an organization over time.”

– Richard Baird
Global Partner at PricewaterhouseCoopers

What to Know about Catalysts

HOW TO SPOT ONE

“[Catalysts] are driven, market oriented and they have a lot of ideas. They are highly flexible and creative risk takers. They have a natural enthusiasm that excites other people.”

– Ford Harding,
Sales Training Consultant and Author at
Harding & Company

“There are three big things that you need to do to be a real Catalyst. One is develop people, be a good leader inside. Two is to have great content and delivery. Three, is to win work, create customers. A Catalyst also needs to have substantial energy and drive.”

– Steve Deedy
Managing Director at AlixPartners

“[Catalysts] see emerging patterns before others do. They thrive on ambiguity and love to create order and functionality out of chaos. They have a relentless passion for creating legacy behaviors – behaviors which outlast their tenure. And, they are trusted.”

– Richard Baird
Global Partner at PricewaterhouseCoopers

Catalysts have special qualities. They are not simply good at their jobs. They give the firm a new dimension and competitiveness. They open doors that others didn't know existed.

In a nutshell, they are: market studiers, creative risk-takers, and legacy builders.

First, they seem stethoscopically attached to the market. They are excellent networkers, moving throughout the marketplace and listening to it carefully. Since the market usually holds the answers to a firm's problems, the payoff from these skills can be significant.

Catalysts are aware of and able to seize new market opportunities. “They move to the light very quickly,” says Ford Harding, a sales training consultant and author of *Creating Rainmakers: The Manager's Guide to Training Professionals to Attract New Clients*. They seem to have an inborn sense for adapting to novel, unmet needs and market shifts.

Second, Catalysts are inventive and risk-tolerant. At the most basic level, they are intelligent. They absorb facts readily, seeing patterns and constellations where others just see stars.

But they are not just bright. Catalysts have the confidence to spin off an array of new ideas and a willingness to let the lesser ones go. They know that a habit of expressing ideas makes the mind more fertile. The goal isn't an increased batting average but a high number of hits. Hence, they float a variety of notions without feeling attached to them.

Similarly, they would rather try and fail than not try at all. Catalysts understand that risk avoidance can be the biggest risk of all. In fact they thrive in uncertainty. “They love to take ambiguous situations and create order and functionality out of them,” says Baird.

Partly because they see upward paths where others see mere cliffs, Catalysts are optimistic. “But they are always questioning the status quo,” Baird observes. They know that good enough never is, and they often press for improvement when others see no need.

Third, Catalysts build the firm out, with lasting positive effects. Their mere presence has an elevating impact. People imitate them, learn from them, and soak up their knowledge and drive. Their patterns of thought and action can spread contagiously and transform the organization.

As team builders, they lift all boats at the firm. Yet they also transcend that role. Baird calls them “legacy builders.” They teach others, think ahead in pay-it-forward terms, and foster cultures that persist.

And the upshot, according to Steve Deedy, a managing director with AlixPartners, is that “true Catalysts create customers, deliver outstanding service, and take care of their people. They bolster revenue, performance, content, and cooperation.”

But, while the downturn has more than doubled unemployment, very few of these individuals are sitting by the phone waiting for job callbacks.

“It’s always hard to hire them,” notes Deedy, “because they create a lot of stickiness where they are. And usually firms don’t release their best talent. In fact they hold them more tightly.”

Even so, Catalysts may be receptive to offers.

What to Know about Catalysts

HOW TO ATTRACT ONE

“You have to paint a picture of opportunity, and not just economic opportunity. You must describe the next stage in their career – the interesting problems they will work on, the caliber and likeability of their colleagues, the compelling context in which they will be working at the firm.”

– Michael Poulos,
Partner at Oliver Wyman

“These individuals can go anywhere and command high compensation. But, the issue isn’t so much their availability as their receptivity. The money must be competitive but at the end of the day, you attract based on values and culture and competitive excellence.”

– Richard Baird
Global Partner at PricewaterhouseCoopers

“These kinds of people tend to be highly confident so it’s about selling them on the fact that your firm is different and has the kind of environment where they would be happier and more successful.”

– Steve Deedy
Managing Director at AlixPartners

More than one firm has faltered, and many of these high performers may believe that better opportunities for their skills now lie elsewhere.

The key is in understanding how to interest them.

What to Know about Catalysts

PITFALLS TO AVOID

“You can bring people in who have a fresh perspective but it’s another thing to be entirely counter-cultural. Then you are doing a disservice to the firm and the individual. You should have a clear view of the ideal mix – do you want one in ten of your senior people coming in from the outside? If you get more than one in three, you start to put your culture at risk.”

– Michael Poulos,
Partner at Oliver Wyman

“You should never expect someone to bring direct work, whatever their prior situation was. It’s a bad recipe. It would also be a huge mistake to dramatically change corporate policy or culture to satisfy an incoming individual.”

– Steve Deedy
Managing Director at AlixPartners

“Integration issues can be huge. You have to have somebody who is very intellectually curious about what the firm has done and respectful of the talent the firm has. They better be a team builder.”

– Ford Harding,
Sales Training Consultant and Author at
Harding & Company

“There is this idea of the opportunity to create. Be careful to ensure that the notion is not empire building. It is market transformation.”

– Richard Baird
Global Partner at PricewaterhouseCoopers

Compensation is a given. Catalysts know they can get paid well almost anywhere.

But two other qualities are harder to find: opportunity and happiness. Catalysts relish challenge and respond to a vision of intriguing, important quests they can throw themselves into.

They also want to advance and appreciate a compelling picture of the next stage in their careers. And, they like the assurance of a platform. They want to know that the firm values improvement and will support them in pursuing it. They will definitely shun the bureaucratic jungle.

Catalysts also seek pleasant work environments. Since they can be selective, they typically see little reason to lower their quality of life. So it is vital to emphasize the fit, the likeability and caliber of colleagues, and the firm’s esprit de corps. No one wants to enter a backstabbing war.

Remember, it’s not always necessary to hire a Catalyst. One may already exist in the firm, out-performing others and waiting for recognition. It is important to reward such internal talents. Ignore them, and the message gets around.

In today’s world, retaining Catalysts may be just as important as recruiting them.

Many of the same motivations matter here too. For instance, a firm should give these individuals engrossing projects and cultivate a stimulating work climate. It should also reward them for their achievements with recognition and fast-track promotions.

Once aboard, Catalysts often start making a difference quickly. They introduce fresh thinking, even a disregard for the status quo, and as Richard Baird says, they often have “a ‘lead, follow, or get the hell out of the way’ sort of impact.” Results tend to appear within a few months.

Yet the long term is the true yardstick. It rarely makes sense to hire any senior level individual for just one economic cycle, and almost no one can build a legacy that quickly. Real Catalysts can contribute over decades.

However, their swift impact highlights a basic tension: A change agent is worthless unless the firm bends to some degree. Yet the change agent may be worthless if the firm has to bend too much.

“You can’t just glue these people onto the side,” Harding says, and in some cases, as at IBM, the company is willing to morph significantly. IBM recognized that it needed the talent, and improved remarkably because of it.

On the other hand, even IBM did not change fundamentally. It remains distinctively IBM. Michael Poulos, a partner and the head of the North American financial services practice with Oliver Wyman, says, “Over time, waves of immigrants have shifted the center of gravity in America, but ultimately we have recognizably the same culture as in 1800.”

What to Know about Catalysts

MANAGING A GOOD TRANSITION

“You don’t need to hold their hand in the organization but you do have to provide assimilation. You have to recognize that they have to learn what your culture is.”

– Richard Baird
Global Partner PricewaterhouseCoopers

“We coach and mentor and try not to smother them with processes and procedures. We give them someone to buddy with to help start making things happen. We give folks their space so they can make their style work. And, we get them involved with clients early on. There is no better way to understand a firm than to actually deliver a project so we try to make that happen as early as possible.”

– Steve Deedy
Managing Director at AlixPartners

In the same way, he notes, “Catalysts renew companies, but their cultures have usually developed for solid reasons and rapid overhauls tear the fabric.”

The right balance depends on the company and the person. The two have to mesh.

Otherwise, it is possible to go very wrong with these hires. Most organizations benefit from a fresh perspective but not a revolutionary one.

Harding notes, “These people can turn on a dime and change direction with the market. Not everybody in a firm can -- and that can create friction.”

And, occasionally, Catalysts lose their sense of scale, grow distended egos, and swallow every hint of praise about them. These traits can sabotage team building and may require hard talk and prompt action.

This is especially true in professional services where individuals need the inflow of trust from a wide circle of people, and need to be able to trust them in return. “An individual who is stunningly successful in the marketplace but bad for the firm should leave,” Steve Deedy says.

Of course, whatever the adjustments from hiring a Catalyst, not hiring one may be worse. As Ford Harding says, “This kind of talent puts a firm out in front of competitors. It changes the basis of competition. It can keep a firm alive.”

Without them, the best case may be simply stasis, opportunities lost. “The worst case,” says Poulos, “is that you become irrelevant over time, living in some sort of nostalgia for a golden era while the world passes you by.”

So, just as Gerstner shook IBM back to life, a Catalyst can make all the difference to a firm now and for years to come.

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