



Executive Search

Review

VIEWPOINT

LARRY IMELY DISCUSSES CURRENT STATE OF THE INDUSTRY



Larry S. Imely is the founder of highbridge associates and paul-lawrence associates. In the early 1990s he joined the executive search

firm of Christian & Timbers as a vice president, focusing on several practice areas such as engineering and consulting, financial services, technology and telecommunications. In 1995, having consistently been one of the firm's highest revenue producers, Mr. Imely was promoted to partner. In 1996, he joined StratfordGroup as business leader and vice president, chosen by the privately-held firm of AIM Executive to lead and build their executive search practice. In 1997, StratfordGroup, along with several sister firms, was acquired by the multi-billion dollar integrated human resources firm of Spherion Corporation and he was shortly thereafter named president of the business unit. In addition to managing a million dollar search practice of his own, Mr. Imely built StratfordGroup into the 13th largest U.S. executive search firm, with revenues in excess of \$20 million, over 55 search consultants and 15 offices nationwide. Here in an interview with Hunt-Scanlon managing editor Dale Zupsansky, Mr. Imely dwells on his executive search career and offer opinions about the industry's future.

ESR: What led you to executive search?

Imely: I was involved in managing a series of environmental engineering and consulting companies and had asked Christian & Timbers to assist me with some searches. I developed a relationship with one of the partners who asked me if I had ever thought of executive search as a next profession, possibly leading an engineering/consulting practice. The idea intrigued me, as it played to my consultative skills and my enjoyment of interfacing with people. The environmental business was waning and I joined C&T, where eventually I became a partner. I love it as my second career and have never looked back.

ESR: Explain how the two firms, paul-lawrence and highbridge associates, work together? What advantages does this bring?

Imely: The advent of the two firms comes from an HR focus group I engaged when president of The StratfordGroup. My consultants and I convened HR leaders from different firms across the country and met with them in cities where we had offices and asked them what they liked and did not like about executive search, and what they would change if they could. The HR leaders discussed the various needs search firms were not providing: assistance with mid-level managers, research and competitive intelligence support, on-site recruiting, recruiter training, etc. It led to us diversifying our service base, and when Spherion (Stratford Group's parent) sold us off, it led to the evolution of a new

human capital business concept. When we were sold, I felt the market needed a performance-based executive search firm (paul/lawrence associates) that could be differentiated from the primary competitors, but still have an 'apples to apples' comparison. But it also needed these 'unbundled' services offerings, which led to highbridge associates. The two firms are part of a holding company, share services and support, but broaden the service offering to our clients and help create a human capital service offering that seems non-duplicated in our marketplace. It allows us to offer our clients so much more and partner with them on a collaborative basis, rather than provide just a one-time, transactional service.

ESR: Who are your main competitors in the market and how do you separate yourself from them?

Imely: Our executive search business has the traditional large and boutique-type search competitors, and varies by search practice, functional and geographic focus. In our unbundled businesses, it varies by who conducts commercial research, recruiter training, outsourced recruiting, etc. It seems as though no one, particular organization has the same mix of service offerings that we do under one roof. We differentiate as an organization who is interested in what the client's human capital challenges are, and identify ways to build customized and menu-driven solutions for them. We know each of them have different issues and problems, and there are no 'cookie-cutter' answers.



ESR: Besides the obvious such as e-mail and so on, what sort of technology does the firm use to help the search process?

Imely: In my humble opinion, I believe our business is only as good as our foundational research, and my research team has been with me for a long time. We simply do not outsource research. They have access to multiple electronic and static databases, but how we process information we collect and analyze is somewhat proprietary and is as much art as it is science. Without outstanding research, regardless of what is in our databases or in our networks, our search success would be minimized. We also feel it appropriate to stay heavily tied into association, functional and industry-based programs that cast a wider net for high caliber, non-job seeking candidates.

ESR: How did your search business perform in 2005?

Imely: 2005 was our best year since our inception in late 2001. The success was equally divided between paul/lawrence and highbridge. I believe part of our success is due to our diversified service model, as well as the quality of the product. Over 85 percent of our work comes from repeat customers, and many of them are Fortune 1000 firms.

ESR: Which search industry practices are doing well/not well?

Imely: It was broadly a pretty good year across almost all lines of business for us. Our business mirrors the general health of the American/NAFTA economy, which may have been at its best since early 2000. We saw strength particularly in financial services, life sciences, manufacturing and consumer goods/retail. Our academic and high education practice is growing, but we see continued pressure on the universities and colleges to keep expenses down due to lack of state funding support and reduced endowments.

ESR: Does the firm plan to open any new offices, create any new practice areas or hire any new recruiters in 2006?

Imely: We are always seeking new and creative talent that focuses on broadening our service offering base, with less attention to location. Having stated that, we just opened Detroit in late 2005 with a focus on manufacturing as well as international/transplant businesses with a British national that speaks three languages. We opened Sarasota with a former Federal Reserve banker to focus on the tremendous growth potential in the southeast from the baby-boomer flood to warmer climates and the service industry chasing them. We are collaborating with Ohio State University's HR department and Fisher School of Business to build a talent management center there, in concert with an executive education series we have started around talent acquisition and retention. Our goal is to be a value-added service provider and trusted advisor to our client base. Again, our clients are driving where we expand next, and outsourcing some additional services seems to be a current theme. We hope to publish a book soon related to addressing the many needs of our client base in concert with The Ohio State University and two key HR professors/departments heads, Dr. David Greenberger and Dr. Rob Heneman.

ESR: There has been a lot of talk about shifting demographics in corporate America over the next few years with the retirement of baby-boomers. How do you think this will affect the talent pool for executive search?

Imely: I think many industry groups will be impacted by the baby-boom retirement, and the talent pool will shrink tremendously. How do we replace the loss of this intellectual quotient, particularly in key industry segments such as defense and energy? Some retirees may continue to 'consult,' but will want to do it virtually. Companies will need to be flexible in their thinking here and determine some best methods to capture loss of information and archive it. Firms will also need to do a better job of reaching deep-

er into the university student base and tapping and developing them earlier, but we will need to compete with countries overseas. We may no longer be considered the 'country of choice' when it comes to expanding new businesses and experimenting with ideas in R&D. China, India, Pakistan, the European Community and portions of Latin America will attract some of this pool of talent. Companies need to collaborate with state and federal governments to invest in the educational infrastructure, or we will be relegated to a second-class status in talent world-wide. Our graduating students are not afraid to look outside our borders for adventure and experience overseas. By the way, are we truly taking advantage of what our ex-pats are learning and bringing back from their overseas experiences?

ESR: What trends do you see emerging in the search business over the next few years?

Imely: Companies ebb and flow with whether they want to control and manage talent acquisition internally or outsource some or all of it. As long as companies stay indecisive in this area, search will survive, but it needs to change. I think search firms need to collaborate with staffing and other outsourcing firms to provide a more comprehensive service to their clients, and clients need to commit to working longer term with these comprehensive solution providers to allow some predictability to their revenue base. In my opinion, Exult and Aon are examples of those on the leading edge in this arena, but up and coming accounting/consulting firms (smaller than the Big Four) could step up and gain some ground here. I do think companies could benefit from an in-sourced executive search talent team, but they need to let them recruit, incent them properly and minimize their involvement with internal administrative. Many HR professionals do not relish the recruiting process (i.e., chasing the non-job seeking candidate), and would benefit from this kind of support. Are companies willing to support and pay for it is the question that begs an answer.