

STANTON CHASE NewsWire

Vol. 17
Belgrade office

Special edition: EMEA Meeting
2017





Your Leadership Partner

Dear Readers,

This September, Belgrade was the host of the Stanton Chase EMEA Meeting. It took place in Falkensteiner Hotel, on September 14th and 15th, with over 70 consultants (26 offices) from Europe, Middle East and Africa participating in active discussions and tackling various issues.

Given the importance of this regional meeting, the criticality of the EMEA Region to Stanton Chase and its global clients and the superior business performance of the Belgrade office, we used this opportunity to pose a few questions about the global trends in Executive Search and the position of Stanton Chase within the industry to a few prominent members of our organization.

Enjoy reading!

Your Stanton Chase Team

In this issue:

02

Interview – **Mickey Matthews**
International Chairman / Managing
Director, Stanton Chase Baltimore

06

Interview – **Gert Herold**
Regional Vice President EMEA / Managing
Partner, Stanton Chase Vienna

08

Interview – **Tamara Severi**
Regional Practice Leader EMEA for Life
Sciences & Healthcare / Partner, Stanton
Chase Brussels

10

Interview – **Miloš Tucaković**
Regional Practice Leader EMEA for
Consumer Products & Services / Managing
Partner, Stanton Chase Belgrade

13

Interview – **Franz Rois**
Marketing Director, Stanton Chase
International



Mickey Matthews
International Chairman/Managing Partner
Stanton Chase Baltimore

Could you tell us something about global trends in business and specifically executive search?

I am pleased to report very positively that business leaders are working against many of the geopolitical trends of protectionism, and as leaders of industry we are witnessing the opposite of this isolationism and instead are dropping borders economically, trending towards multiculturalism and, while it is taking a little more time to gain full traction, real progress towards diversity and inclusion. The global business community is, in fact, focusing on international mobility, cross border collaborations and is inviting and recognizing diversity as a business imperative.

The successful companies we see today are those that are innovative, agile and are collaborative across the matrix of countries, divisions, and functions. The best performing companies tend to be globally strategic but concurrently have excellence in local execution focused on client service to deliver what the market needs with precision. The trend in Executive Search is to recruit leaders that possess many of these attributes with a track record of success accomplishing these goals for their valued customers.

These global economic trends are cascading successfully down to the executive search industry where demand for top talents is elevating as optimism is pervasive. Supply demand currently favors the candidate with specifically Chief Information Security Officers (CISOs) are the top function with the most growing demand, and from an industry perspective, Technology and Healthcare/Life Sciences represent the two sectors experiencing the most growth in 2017.

Another trend we are witnessing, given the increased demand for top leadership talent, is that strong employer branding is becoming more important for attracting high-level executive talent. Executive candidates will be reluctant to join a company with an employer brand that differs from their leadership style, but even more reluctant to join a company that is a complete unknown. Given generational demographic changes ongoing with Baby Boomers retiring and Millennials moving into more leadership roles, successful companies must possess a purpose that unites and excites as a rallying cry that resonates for people and their employer brand.

We are also witnessing a new trend in “boomerang” executives returning to companies where they previously were employed and departed. Some companies prefer “the devil they know”, especially if that individual has a deep understanding of the corporate culture, industry and organizational hurdles.

How do you see Stanton Chase today?

Founded in 1990 on the principles of *Friendship + Trust = Business Development*, we have grown from 4 offices in 3 countries to 72 offices in 45 countries, while staying true to our original values. Deep relationships internally among our Consultants and externally with selected clients have stimulated our growth as a firm and as a family worldwide. We benchmark against other top global consulting firms (McKinsey, BCG, Deloitte and others) as our consultative, listening, entrepreneurial and continuous improvement best practices style we find mirrors theirs most closely.

2 years ago, we completed an 18 month global strategic planning exercise led by an outside consultant that included over 40 of our Consultants in addition to surveying clients and candidates. Feedbacks from this have informed our corporate business strategy going forward on every level with clients responding that the most important metrics they are interested in are sophisticated and results-oriented, for example (1) business performance of the successful candidate over time, and (2) tenure of the successful candidate.

A significant competitive advantage for Stanton Chase is that in the last five years diversity and inclusion has become a much more prominent business issue for our clients.



EMEA meeting 2017 – Belgrade

Lucie Kafková, Prague and Gerhard Swierzy, Frankfurt

We were several years ahead of this in launching our Diversity & Inclusion Practice, hiring Diverse Consultants and driving this discussion before it was “in vogue”, to where now we see that it ranks among clients’ top business concerns. Stanton Chase has been and will always be committed to diversity and inclusion and the value that diverse leadership teams provide.

Our core business is Executive Search, how do you see related services we offer – Board Assessment, Executive Assessment, and Executive Coaching?

Indeed our core business is Executive Search, and unlike many of our competitors who have multiple stakeholders, earnings challenges and The Street to keep happy leading to diversification of their service offerings (read: dilution leading also to poor service quality), the feedback from clients in our Strategy Planning survey was to stick to our core.

We have subtly deepened our offerings rather than broadened as Assessment has always been part of the search process and thus we have trained, certified and professionalized our people and process to elevate the quality of our evaluation offering.

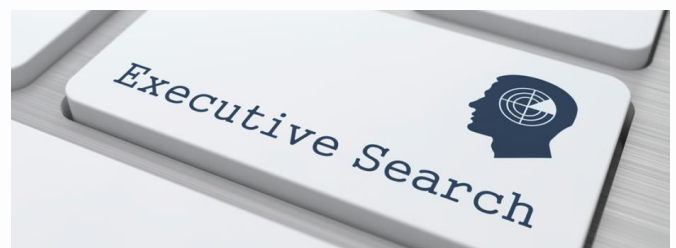
With our clients recognizing top talent as a differentiator Assessment as a Service is more vital and being able to deeply and correctly evaluate game changing executives who will master the fluidity of business, the dynamism of the markets, the values, beliefs and demands of the new generations and the rapidly changing and more localized customer requirements will determine our client's success. Transformation will be the norm instead of status quo thereby requiring leaders at every level of the organization, and not just the C Suite, to be entrepreneurial, flexible, decisive and inclusive, and being able to not just identify and motivate top talents, but for us to precisely and accurately assess executives towards these attributes is vital in our scope of services and client partnering.

How do you see the future of Executive Search business with regard to new technologies and digitalization?

Technology is disrupting businesses in every sector, in every geography, and this is something executive search firms both for themselves and for their clients need to be "in front of". At Stanton Chase, we deployed a global team, championed by myself, given the importance we see of this digitalization disruption several years ago and we have transformed our tools, processes and communications internally and externally to enhance responsive and provide excellence in client service.

Several trends exist around technology, adoption and also many insights. Our clients are focusing heavily on using big data and analytics to create more in depth talent-metrics for potential candidates. Big data, though, has the risk of being too big, or too fragmented. To help simplify and make the most out of data, today many clients are moving to one integrated platform for all of their HR needs. Operational metrics such as time-to-hire, cost-per-hire and source-of-hire remain relevant but more intelligent means of measuring ROI will be implemented by companies.

In conjunction with these trends toward technology enabling analytics, big data, metrics and common platforms, many organizations are shifting their talent acquisition strategies to become more aligned with globalization as well as wider business strategies. Technologies will become more sophisticated as the business world shrinks and greater accessibility to international candidates becomes commonplace. At Stanton Chase, we are deploying those tools and ahead of these trends as we look to blend these into the more traditional methods of connection and communication and maintain the personalized, confidential approach to executive recruitment that is the cornerstone of our firm and industry.



You have been in Executive Search for more than 20 years, looking back in the past, how do you expect our business will develop in the future?

I am excited about the future of our industry and the prospects for Stanton Chase. At the same time, the technology disruption is creating new ecosystems across sectors and borders where competitors can be anyone or anywhere with markets being redefined at greater speed. Workforce values are changing with the influx of Millennials and as they move into leadership roles which is accelerating with the aging demographics of the workforce lead by many Baby Boomers retiring, while at the same time, technology is redefining processes in every business globally, whether large or small and whether in manufacturing or services. These two forces will have a significant impact everywhere around the world while borders will continue to drop economically again in contrast to many of the geopolitical trends.

Everyone has a case study, but as an example of where our business is heading into the future, just this past week at Stanton Chase we closed a search for a US Headquartered Fortune 50 company, seeking an executive for a significant JV in Japan based in Tokyo and we found the executive in Switzerland who is a UK citizen. This will happen more and more and companies and leaders must be multi-culturally sensitive and recognize that as Friedman said “The World is Flat” at least economically.

Technology is rapidly transforming business to accelerate these trends making scalability easier. Whether it is in 3D or advanced manufacturing, in Artificial Intelligence or Augmented Reality the rapid automation and digital integration of technologies will only continue to escalate and savvy companies and leaders will invite this rather than let it disrupt them. And that best depicts how we at Stanton Chase are “riding this wave” of digitalization utilizing our collaborative, connected and customer centric entrepreneurial model for the benefit of and to bring value to our key clients.



*EMEA meeting 2017 – Belgrade
Stanton Chase EMEA team*



Gert Herold
Regional VP EMEA/Managing Partner
Stanton Chase Vienna

Could you tell us something about global trends in business and specifically executive search?

Over the last decades Executive Search has been established as a professional and valued service for both companies (i.e. employers) and candidates for managerial positions. Whilst there were a lot of miracles around the business in the early days, it has become an integral part of economic life. Individuals have become less sensitive over the years and while it was extremely difficult to receive a CV 30 years ago, nowadays this is everyday life. Managers are interested in building long term relations with their trusted Executive Search company whilst in the early days suspiciousness was the rule.

At the same time service has become much more professional and transparent, clients know what they are paying for and have clear expectations.

The most dramatic changes happened over the last decade when social networks became popular and platforms like LinkedIn simulate the perfect labor market for managerial positions.

Whilst in the past identification of candidates was the core part of our services, this has shifted to access to and evaluation of candidates.

Well positioned Executive Search companies offer access to the decision makers in the market and are trained in state of the art evaluation tools. This gives clients the confidence to choose the right candidates for their important positions.

What do you think will be the impact of GDPR on our business?

The GDPR will be a very important tool to protect sensitive information and thus the personal integrity of individuals. Nowadays some recruiting firms don't take confidentiality or the maintenance of personal rights too seriously. This will be terminated by the GDPR. At the same time companies will have to rethink their policies with regards to diversity in order to comply. We see this in a very positive way.



EMEA is a big region and there are differences between its sub-regions, how do you see them?

The beauty of EMEA is its manifold diversity. As a matter of fact this means that power of economies and ways to do business differ, the same applies for languages and cultures. The challenges for companies and candidates as well as for Executive Search companies is and will be much more in the future, to accept the challenge and utilize this immense diversity for the benefit of the economic growth in the regions. A huge pool of diverse talent is available, at the same time the population pyramid in Europe is opposite to ME and Africa. Companies will have to accept this challenge and act accordingly.

There are also discrepancies in fees for same/similar positions within EMEA. Why do you think companies are willing to pay much higher fees in some markets?

The fees of Executive Search are traditionally linked to the level of salary. Over the years this has proven to be a valid indicator to reflect the cost of our services. This in other words means that in general the fees are higher where salaries are higher. Another indicator is the availability or scarcity of specific talent. The more difficult it is to find and motivate appropriate candidates, the more expensive our services become.



*EMEA meeting 2017 – Belgrade
Gert Herold, Vienna*

You have been in Executive Search for more than 20 years, looking back in the past, how do you expect our business will develop in the future?

The trend goes from identification to evaluation of candidates. The big challenge for recruitment companies will be in the segment of specialists and lower to mid management, due to the availability of candidate information in social networks. Within this segment evaluation is less important. We foresee a shift to in-house recruiters who will replace external agencies mainly focusing on this segment. The classic Executive Search, focusing on higher to top management is less under threat as usually candidates for these positions are not accessible through social media and secondly the evaluation of candidates is much more relevant and important for a successful placement. This is where Stanton Chase is investing and focusing on.



Tamara Severi
Regional Practice Leader Life Sciences &
Healthcare/Partner
Stanton Chase Brussels

Could you tell us something about the trends in Life Sciences & Healthcare sector in EMEA?

What we see in general is that more and more biotech companies are rising and that they need a more consultative approach at the start than directly a need for search. It is important to be involved as from the beginning of the value chain to understand the content of the business, the philosophy or DNA it is creating and advising them on how to move from a pure start-up towards the next phase in evolution or growth.

Of course we cannot neglect our pure pharmaceutical dinosaurs trying still and even harder than before to diversify themselves from the generic attack, out of patents and the upcoming nice biotech players. In these companies, when it comes to recruitment, we feel that the decision power has been pulled away (more and more) from the local affiliates towards the headquarters, so it is key to be present there and have an impact and understanding of the business, the culture and the economic surrounding.

Stanton Chase has and will always strive for becoming a trustworthy partner and that is as well the setting our managers are looking for, they want to rely on our services, on our knowledge, our quality.

In which sector within your industry is the biggest lack of talent? Which positions are most challenging to fill within your industry on EMEA level and why?

Well it all depends on the type of business. Positions like Medical Access are always a hurdle as the economy and the governmental reimbursement setting is very specific. We feel there is a need for people with a good understanding of market access yet not neglecting the Health Economical aspect of it.



We see that profiles in governmental affairs are changing as well more towards a combination position of pure technical know how of the pharmaceutical field yet with a very strong political network or know how. Compliance may not be forgotten, compliance is more than legal it is nowadays a combination in between legal and regulatory knowledge.

Pure sales profiles are disappearing as well, commercial people need to have a better analytical know-how as hospitals are more and more into tender business and grouping activities.

Digital profiles will be rising as well, as mobile health is sneaking in.

Why is the industrial specialization important and what advantages does it bring?

- You can really become a trustworthy and long-term partner;
- You know and understand the market;
- You can bring knowledge to the table and advise your customer;
- You can show expertise – (certainly needed when talking to HQs).



*EMEA meeting 2017 – Belgrade
Şükran Tümay, London/Istanbul and
Tamara Severi, Brussels*



Miloš Tucaković
 Regional Practice Leader Consumer
 Products & Services/Managing Partner
 Stanton Chase Belgrade

Could you tell us something about global trends in business and specifically executive search?

Digitalisation. Consumers enjoy 21st century benefits and use non-traditional payment methods with increasing frequency, primarily contactless cards, smartphones and online shopping. For instance, 30% of the population in Great Britain finds the abolishment of money as a means of payment acceptable, while 29% say that payment with smartphones is far more convenient than other payment methods.

Renown brands use platforms such as Snapchat, WhatsApp and Facebook Messenger to monitor the needs of their clients continually and subsequently offer them an entirely different level of services from the one we are accustomed to. Personalised. Of course, technology enables brands to help consumers decide what to buy, see or eat, operating on a real-time response basis, i.e. triggering action within 30 minutes to 48 hours.

Speaking of trends in EMEA, I must emphasize the fact that significant improvements are quite evident in Africa, where the GDP is on the rise and the infrastructure is being enhanced, which has a considerable impact on trade development and on the establishment of better cooperation, particularly with European companies.

Products and ingredients originating from Africa are being used with increasing frequency there, and the trend of utilizing local ingredients also renders great potential for exports to Europe, particularly when it comes to gluten-free products.

Great Britain will be introducing a so called sugar tax next April. This applies to all sugar-containing products. Large companies, particularly soft drink manufacturers, are already searching for appropriate alternatives. A comprehensive campaign on the detrimental effects of excessive sugar intake is in full swing throughout Europe, while research shows that the percentage of those abandoning products that are harmful to the human body runs high in a number of countries (63% in Poland and Spain, 60% in Italy, 55% in France and 54% in Germany).

On the other hand, there is much talk about air pollution, prompting consumers in Europe to focus more on products manufactured by factories committed to atmosphere protection. Brands strive to be part of the solution, not the problem. At the Paris Summit, there was talk that states needed to demonstrate progress in this field over the course of 2018.

European governments will start implementing some of the agreed plans, such as the “urban greenery” plantation programme, bans on old cars, incitement of e-car purchasing and driving, and the use of construction materials that prevent air and environmental pollution due to their specific characteristics. Global brands of luxury body care products have been dealing with these issues for quite some time now, so that an expansion of campaigns on the harmfulness of pollution and its negative effects on body and hair may well be expected. Actually, such campaigns are already in progress, while ongoing research sheds light on the current level of awareness. In France, 41% of the consumers are aware of the harmful effects of pollution on the body. *Eat yourself clean* trends are currently popular in food and beverage consumption, as brands position themselves on the market with their super foods, promoting healthy, immunity-boosting diets.

In retail, discounting has become so ubiquitous and constant through ‘brand match’ initiatives that it has lost all meaning. But there is an opportunity to inject some urgency and some playfulness into promotional activity beyond diarised Black Friday or Amazon Prime campaigns. Retailers can introduce ‘happy hours’ and countdown discounts in response to everything from the weather to political or cultural events to engage consumers through some unscheduled serendipity. This has the potential to appeal to the 27% of UK consumers, 21% of Spanish, 20% of Italian, 13% German and 12% of French consumers who have bought luxury branded items in the past 18 months and would be interested in smartphone marketing relevant to them and their location at the time. And this isn’t limited to the physical world.

Unfettered access to the internet has meant that people have any number of review sites at their fingertips, but this can be crippling. In order to free people up, we will see websites introduce more time-focused frameworks or offers that can reduce the amount of research that can be done before a decision needs to be made.



In which sector within your industry is the biggest lack of talent? Which positions are most challenging to fill within your industry on EMEA level and why?

Lack of people dealing with digital strategy, digital communication and e-commerce is felt in all sectors. In saying this, I mean positions demanding highest levels of expertise in areas ranging from IT to traditional customer relations. Then there is a lack of good brand and marketing managers from mid to higher level management, executive positions in production and innovation, where I primarily mean executives responsible for the development of new business models.

The situation is more or less the same on the global level as well. Research we have conducted on the global level this year also indicated this. It primarily pointed to positions in sales and marketing, general managers, directors of research and development and executive positions in human resources.

The great attention devoted to diversity should also be pointed out. For instance, 47% of the marketing director positions are currently occupied by women, which has never been the case in the past. Only the issue of unequal pay still remains, as women earn 17% less than their male colleagues in the same positions.

Why is the industrial specialization important and what advantages does it bring?

The answer somehow comes naturally, because that is exactly what distinguishes *Executive Search* companies. Consultants come to clients with their expertise and knowledge of the market.

When this is coupled with specialisation for specific segments, in this case consumer goods or specialisation for certain positions, you have the opportunity to be the right collocutor for your clients. You are fully able to understand the clients' needs on the one side, and be a credible advisor on the other, someone whose opinions and suggestions have substance and who provides added value to the services they render.

Apart from specialisation in specific industries, we at Stanton Chase also a breakdown into sub-sectors and consultants heading expert teams in these fields. Hence, we have specialist consultants for luxury products, travel and the hotel business, consumer goods stores and distribution, consumer goods production, and advertising and media. When I say team of experts, I am not talking solely about a team of people engaged in consultancy services, but rather about their prior experience which is highly respectable and stems from the economic sector and large international companies where they have occupied the highest managerial positions.





Franz Rois
Marketing Director
Stanton Chase International

How do you see the position of Stanton Chase marketing-wise and compared to global trends of marketing in Executive Search?

Today, marketing in the professional services sector is completely different than what it was only 5 years ago. Our clients and potential clients use totally different channels to get informed and educated themselves. They are much more selective regarding which information they consume and who they trust. In today's overflow of information through the Internet, it is vital to create a strong, long-lasting relationship with our clients.

Stanton Chase is fully embracing these new trends and is at the forefront of modern marketing activities in the professional services industry. As a trusted advisor to many of the largest companies in each market, we are working with the latest techniques like ABM (Account Based Marketing), content marketing and gamification.



What do you think about the use of digital media for marketing purposes in Executive Search business?

Digital media has become our main channel of communication with our potential clients. Digital media is the most convenient and fastest way for executives to get news and information vital for their business and personal career. Stanton Chase has extensive presence on the Internet with a top-notch website, and we share our updates through LinkedIn, Twitter and Facebook on an hourly basis.

Please name some of the most successful Stanton Chase marketing activities within EMEA region offices.

Personal, live, face-to-face interaction is still very important in our marketing mix. One of our most successful actions is the Talent Management Award, handed out by Stanton Chase Belgrade on a yearly basis, recognizing major achievements in talent development. Our office in Prague holds very popular Business Breakfasts on a regular basis, with top executives as guest speakers from all industries. And each year for Christmas our Helsinki office meets with various CEOs, handing out a business book as present and sharing ideas and trends.

STANTON CHASE

Your Leadership Partner

Stanton Chase International, Belgrade office
Blvd. Oslobođenja 75, 11000 Belgrade, Serbia

Phone: +381 11 3973 676

belgrade@stantonchase.com

www.stantonchase.com