



# The Advisory Alliance 60-Second Email™

## ***Is Your Company Heading for Talent Bankruptcy?***

*March 15, 2011*

*In this month's 60-Second Email™, cash may be king, but how far behind are your people?*

"If businesses managed their money as carelessly as they managed their people, most would be bankrupt."

That's how Bill Conaty and Ram Charan start their recent book "Talent Masters: Why Smart Leaders Put People Before Numbers". And it's hard to argue with them. Depending upon where you work, it will be true to varying degrees. But there certainly aren't many places where it isn't true at all.

So how did we get here? How is it that so much more time, effort, and resources are invested in managing a company's finances than managing its talent?

Here are some answers:

### **It's More than a Bus Ride**

It's much easier to talk about getting the "right people on the bus and the wrong people off the bus" than to actually do it. Making decisions about people's talents, skills, capabilities, and potential is not a one-time, afternoon exercise. It should be a demanding, rigorous, well-thought-through, and ongoing process that, in part, defines what leaders do.

### **It's Important but Not Urgent**

If there's a fire in your organization, and you don't deal with it, you'll be vilified, and possibly prosecuted. But if you don't deal with the slow burn of not developing your

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people or not developing a succession plan, it's unlikely someone will find out. That is until a one of your key employees leaves, and there's no one to replace him or her.

### **Who's Ever Taught This Stuff?**

You can go through high school, college/university, and even grad school, and you will never be taught how to develop exceptional talent. You may read interesting articles and books on leadership and management, but no one will take you by the hand and say, "Here's how you build great employees."

### **We Don't Keep Score**

Imagine if the folks in finance didn't keep track of the finances: "Hey Frank, what are sales this quarter?" Frank: "How should I know; I just work here." Finance has numbers for everything. In fact, it's virtually impossible to separate finance from numbers. So who's keeping score for your talent? What numbers are you tracking? What numbers are important?

### **No One's Accountable**

You miss your sales goal: you don't get your bonus. You really miss your sales goal: you don't keep your job. You don't cut expenses like you said you would: you're brought in to the office to account for it. The project has cost overruns: inquiring minds want to know why. You didn't develop your people this year, and.....[crickets] nothing changes.

With companies running so lean these days, it's crucial that leaders develop the talent they do have. If finance produced zero returns on the company's financial capital, finance would be seriously taken to task.

So why should it be any different with a company's human capital? Surely it's reasonable to expect a return on that.

What kind of return will you get on the investment in your people this year?



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What are you doing to develop talent in your organization? Share your thoughts and examples with other readers on our [blog](#).

You can access all of our 60-Second Emails (TM), including the most recent issue, *What's Your Story? Why Should Anyone Care?*, via this [link](#).

Until next month,

*David*

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**The Advisory Alliance** works with Fortune 500 & Mid-Market companies to identify and develop exceptional talent. Specifically, we help them refine their Leadership Development, Selection & Promotion, and Succession Planning.

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