

How to avoid an ugly mess

Not every management assessment is the same. Picking the right assessment approach could mean the difference between having an outstanding investment return and having to explain an ugly mess to your partners. Different options answer different questions, so you need to figure out what you most want to learn.

Talent and Skills Assessment	Pratchco Methodology
Method <ul style="list-style-type: none">• Develop detailed job description and required skills• Typically ask detailed job history questions to assess skills• May use behavioral interviewing to learn how candidate acted in past• May also use online or paper-and-pencil testing	Method <ul style="list-style-type: none">• Identify business goals and key requirements for position• Use several different approaches to personality assessment• Behavioral interviewing to assess relevant competencies for position
Results <ul style="list-style-type: none">• Understanding if the candidate has the defined skills	Results <ul style="list-style-type: none">• Understanding if candidate has defined skills or potential to develop them• Understanding the candidate's ability to cope with change• Developmental feedback for the candidate• Advice to investors on how to get most out of candidate.

What you might like to know

Has he done it before?

This question is good to ask when you know what you want and are sure it isn't going to change. A good way to answer this question is with a talent and skill assessment. Search firms, many assessment firms, and many psychologists focus on past achievements. They document if the “candidate has done it before in a compelling fashion.” Typically, they use behavioral interviewing to understand how and when the candidate has “done it before.”

If you plan to exit the deal in three to five years, and know that the company won't change and the world won't change in that interim, and that there will be no unexpected opportunities and no unexpected problems, then this could be a good approach – for your needs.

How will he cope with change?

Will he capitalize on opportunity? Can he do something no one has ever done? How much do you care about how well the candidate will perform under new or unexpected conditions? You can pick someone who seems like he fits the bill but the world changes for better or worse. When it changes for the worse, you see how adaptable he is. But you may not know when it changes for the better, because the executive doesn't take advantage of the change until the competition does.

In faster-moving or more uncertain markets, expecting the unexpected makes sense. You need someone with skills but ability to cope – which requires raw cognitive capability and a stable information-seeking personality much more than specific pre-defined skills – is also critical. Talent and skill assessments don't address these at all. An approach like Pratchco's – aimed at understanding active coping capabilities as they will be needed for the business challenge – fits well here.

How can you get the most of the executive?

Sometimes a candidate brings a lot but isn't perfect. That introduces the other party in the interaction -- you. How can you act so you capitalize on the executive's strengths and proactively protect against his weaknesses as a leader? Talent and skill assessments won't shed any light here; Pratchco's approach to understanding personality as part of the assessment will.

How will he cope in a private equity environment?

The pace is fast and CEOs have to cope with having investors challenging their thinking. If they've been in a private equity environment in the past and you know the investors they worked with before, a talent assessment is adequate. If they've never been in a private equity environment or you don't know the other investors, you should use Pratchco.

Are incumbents worth keeping, even though the strategy is changing?

You are inheriting a management team. They know the business and losing them would be a big loss. But they haven't done what is being called for next, even if they thought of it (similar to founders' problem with startup), so they will all fail a simple talent assessment. But they might very well be keeping if you could supplement them with your skills or add a team member at the right time. If you assume they can't do it, you will have to hire a new team, which will lack the understanding of the company the original team had.

What's in it for the executive?

Executives don't generally relish the opportunity to be assessed. Putting them through a painful assessment that provides no value to them won't be a great way to start a relationship and might even be a way to end one.

Talent and skill assessments document what the executive says and usually provide no value to the executive. Assessments like Pratchco's that find underlying themes can help executives understand themselves better and can provide guidance that the executives can use to improve how they interact with others (including but not limited to you).