

WWD

Panel Discusses Finding Talent

FRIDAY, FEBRUARY 11, 2011

By DAVID MOIN

NEW YORK — In a postrecession retail world, attracting top talent is becoming a fine art. It takes a flexible compensation package; a willingness to pay up and deal with rising costs associated with relocations, and a corporate culture that's progressive.

"At the high end of the recruiting spectrum, things like foreclosures, mortgages and the drop in the value of homes suddenly jumped on us," said Les Berglass, chairman of Berglass + Associates, kicking off his panel discussion last month on recruiting talent. Compensation packages should be based more on performance and enhancing shareholder value for bigger and more meaningful rewards, and less on money up front, Berglass said.

Recruiting is further complicated by the rise of e-commerce altering the criteria for qualified candidates. "Five years ago, the question was: Do we need a merchant or an operator? Now everybody says we need a leader who can run e-commerce and manage its effects on the entire business," Berglass said. "With e-commerce, everything changes. It's not enough to be a merchant who can pick colors or fabric."

"You have to figure out within your business model how to pay up for the best people in the best jobs," said Richard Zannino, managing partner of private equity firm CCMP. "Boards are ready to take that risk. People are feeling a little more optimistic about the future. Debts are lower. Cash balances have built a little." In the recession, "The last thing in the world boards wanted to do was change out the top of companies. There was a risk aversion."

Greg Scott, chief executive officer of New York & Company Inc., said he's looking for

someone who has creative, technical, business and analytical skills to run New York & Co.'s e-commerce operation and Web site. "It's every function. That is not an easy person to find." Outside that, "It's been about finding people with a taste level who also understand the value customer" and can step up so "I'm not on the front lines everyday making decisions. I can do merchandising, design and marketing, but I am not the best at it. I am always looking for someone who is better at it than me."

Melanie Hughes, Gilt Groupe's chief human resources officer, said she's seeking people with retail, e-commerce and consulting experience who understand the competitive landscape. "I call it 'the purple squirrel.' It doesn't occur naturally very often...It's not the company you worked at. It's that breadth of experience that creates the idea of an executive for us."

On retaining talent, "It's about the culture. People want it to be fun," said Hughes. "They want to work with people who are smart and interesting, and in this flat structure. We are very flexible. We give sabbaticals after three or five years so people don't leave to do something they want to do." At Gilt, "Nobody has an office. To be a leader in that environment requires a very different style, Gen-Xers and Gen-Yers don't want the bureaucracy and hierarchy you get in traditional organizations...Internal growth is the other piece of this. This generation doesn't want to wait three years for a promotion. They want it in a year."

According to Zannino, "Hire people compatible with your culture" and "identify people you absolutely refuse to lose and have a plan to keep them healthy, wealthy and wise."