

## **Description**

Finding and hiring the right people is an important aspect of a company's growth, and it has a direct influence on future success. A company's development and output will undoubtedly suffer without the right people. Without addressing these concerns, a company can't stay afloat in this competitive market.

In today's podcast, Kit invited Debra Young of Sheer Velocity, a global retained executive search firm focusing on the lower middle market with connections in private equity. She shares the importance of acquiring the right people with the right skill set, culture and personality. Debra discusses how we should find talents and leaders using a proven model and the factors that we should consider. She also shares some case examples and stories about her job and the lessons and wisdom she got from it.

If you're interested in learning more about organic growth, growth by acquisition, or the increase of capitalization of your company, this will be interesting and useful for you.

## **Key Takeaways**

- Our Guest's Work about Merger and Acquisition Market
- How does Transitioning and Selection of Leaders of an Organization work
- Finding Talents in this Times and the Talent Search Process of Sheer Velocity
- Some Success Stories and Case Examples Shared by Our Guest
- The Market Competition Around Talent Search or Human Resources
- Some Lessons, Wisdoms, and Takeaways from our Guest

## **Quotes**

*There are a lot of people who are looking to move, but they're moving for the wrong reasons and they're not the right ones to hire or have the right motives for that particular role - Debra*

*We look at candidates from a complete 360-degree perspective, utilizing some proprietary tools to assess them not only in technical skills but also if cultured-fit and have a leadership personality. - Debra*

*One of the most important things to remember, especially when recruiting prospects, is to always have at least two individuals ready to step into the job in case one doesn't work out. - Debra*

## **Featured on this Episode**

### **Christopher Lisle**

Growth strategy advisor for the ecosystem of investors, IBanks, and the companies they work with (middle market).

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## **Techs and Links Mentioned in the Episode**

Hogan Assessment Test -> [www.hoganassessments.com](http://www.hoganassessments.com)

INAC Global Executive Search -> <https://inac-global.com>

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## Chapters

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**This podcast was produced by [Heartcast Media](#).**

## Transcript

**Kit Lisle:** Welcome to Strategic Growth Council, a podcast about strategic growth and mergers and acquisitions for the middle market. If you are interested in learning more about organic growth, growth by acquisition, or the sale of your company, this show will be interesting or useful, or maybe both for you. Thanks to our sponsors Acclaro Growth Partners, a strategic consulting firm serving middle-market mergers and acquisitions. You can visit [acclaropartners.com](http://acclaropartners.com). Our other sponsor, of course, is Strategic Growth Council, not the podcast, but the Peer Advisory Council slash virtual roundtable slash mastermind group for senior execs and business owners. Contemplating an acquisition, a sale, or just strategic growth? Strategic Growth Council collaborates with participants in the M&A ecosystem, such as private equity groups, lenders, investment banks, and relevant service providers. Visit [strategicgrowthcouncil.com](http://strategicgrowthcouncil.com) to learn more. Now, in every episode, I interview an expert or at least a participant in the world of strategy, growth, or mergers and acquisitions. And today, I'm joined by Debra Young of Sheer Velocity, a global retained executive search firm focusing on the lower middle market with connections in private equity. Talent is hard to retain and recruit for today. So very relevant. Debra, welcome. Thanks for being here.

**Debra Young:** Thank you, Kit. It's great to be here to appreciate the invite.

**Kit Lisle:** Yeah. I'm looking forward to this topic and I'm sure our listeners will get a lot out of it because as I said, it's a relevant topic. So yeah, maybe if you could just take 30 to 60 seconds in terms of the background on yourself, that would be great. Sure.

**Debra Young:** So I've been doing executive recruiting for almost 20 years now. I'm a music major by trade in college but ended up through the course of the way. Life leads us in different directions, finally into executive recruiting and starting out opening up an office for a boutique firm. I did that for four and a half years. I built that business here in Denver and then got recruited to a top-five global firm. At the time, that is where I met my business partner. We worked together for close to four years. I think it was before we left and started our firm in 2012. Share velocity and we are now listed in Hunt Scanlon, which is the largest single source of information in the human capital space as one of the top recruiting powers in 101st countries.

**Kit Lisle:** That's great.

**Debra Young:** Years.

**Kit Lisle:** That's great. Well, congratulations on that. And I'm going to take a little bit of a left-hand turn and back up to music major in college. Do you play any instruments today?

**Debra Young:** I haven't touched my flute. That was my major. I can play the piano. I kind of live through my son, who's a phenomenal musician and has a band. So.

**Kit Lisle:** Oh, wow, fantastic.

**Debra Young:** But now it formulated a large part of my life. And how I manage my work is, you know, there's a lot of transferable skills, I guess.

**Kit Lisle:** Yeah. I mean, what you do is probably equal parts art and science and at least the art aspect. I mean, music is art and science, so it is relevant. So our listeners are, as I said earlier, focused on organic growth and acquisitions, divestitures, and sales of businesses. And as you said, you're listed as one of the top resources for private equity groups. How does your work tie into mergers and acquisitions?

**Debra Young:** Sure. So we do work in all three areas, organic growth, M&A, and divestitures in subsequent businesses. So we're often brought in if a firm is looking to buy, they bought a new company. They're looking to swap out the founder, owner, and CEO, which usually happens sometimes within, of course, of either a year or two. And then, you know, they flip and bring in a CEO to help grow the company, which is a very different individual than someone that we would place in a mergers and acquisitions scenario, for example. I mean, like, you know, your CFO is a very specific talent, and M&A, you know, they have, you know. They have to understand the potential risks in the due diligence process and all those things. So understanding where the company is and what kind of driver is going on, whether it's organic M&A divestiture, the different skill sets of talent at the leadership level is needed if a search firm were able to identify and understand the skill sets for all three of those.

**Kit Lisle:** Yeah. And I just want to add maybe two-point clarification on that. On the acquisition front, I never really thought about this before, but any sense of how frequently a private equity group already has a successor in mind? I mean, when does the search for a new CEO take place? It's as you said, it's quite common for that founder, owner, you know, the family dynasty to remain in place for some time. And then there's a transition that occurs. How often is the successor already sort of planned out in advance?

**Debra Young:** Well, it depends on, you know, one of the things that we tell people that own business is, say, a family or business, you need to plan your leadership talent team several years before you sell your company because you need to have them in place to, you know, get the best return on the sale of your company. So you need to have strong

leadership talent. Lots of times that talent will then stay on. To be honest with you, you know, the huge. Turnover that's going on in the market right now. I mean, it's very volatile. And CEOs are, you know, hopped on the bandwagon in the boom of, you know, trying to find greener pastures. So as of right now, the the fill rate for a private equity firm for CEOs, you know, can be up to 73% throughout the life of the firm. So there's a lot of turnover going on. So having a stable buy in a business that has a stable leadership team already, I think is to your advantage. And then maybe years down the road swap out to bring in someone who can take that organization to the next level.

**Kit Lisle:** Yeah. And Debra, we talked about this earlier. We talked about this the very first time you and I spoke. But it's been a while. And I'm sort of curious and maybe that maybe I should have led with this question. This is a great resignation. Right? So there's this and as you said, this carries over up to the CEO level. C-level executives are actively looking for new opportunities. We've never really experienced a period like this before in human capital. Is this a great time to be in your position or is it a challenging period for you? Or is it both?

**Debra Young:** Is it a little bit of both? I will tell you, though, that we have such deep roots within our firm and in our networks of everyone within the firm and all different industries that we have this very rich database of contacts. If you don't have that and you just put up with shingles and want to go recruit, you're not challenged to find candidates. There are a lot of people out there. But there aren't if that makes any sense. There are a lot of people who are looking to move, but they're moving for the wrong reasons and they're not the right ones to be hiring for a position or have the right motives for being not I shouldn't say for looking, but for that particular role. So it's a very good market for recruiters right now where, you know, seeing record numbers in the number of searches that are being executed. But if you don't already have a deep rich network, you're going to struggle to find talent.

**Kit Lisle:** Yeah. You talked about this deep-rich network. And I wonder, is that your primary differentiator? And if not, what is how you differentiate in today's market?

**Debra Young:** Sure. That's one of the things that differentiate us, for sure. But the other thing, too, is, you know, p e firms right now, number one priority for them is in the wake

of COVID, is there's this transformative shift that's happening in their emphasis has new drivers right now on there are on culture diversity and DEI and engagement. So they aim to find new sustainable ways to enhance value ideas, growth results, and returns. So they're falling short, though, on getting the right talent into the right roles. And part of that reason is that they're moving too slowly. Mm-hmm. So our firm's sheer velocity, speed with transparency. We look at candidates from a complete 360-degree perspective, utilizing some proprietary tools that we have in our tool belt that get not only at technical skill sets deeper than the resumé and interviewing, but also cultural fit culture. And because every leader has a certain belief system or value system that they emanate whenever they're in an organization, and if it's not in alignment with the current team leadership team, there's going to be that rub there. So then, you know, there's that cultural piece and then there's the leadership personality piece, you know, how do they perform under stress? What are their real hours? What are their bright sides? And so on. If you look at our search process in that 360-degree view, utilizing a strong data-driven toolset, there are tools, I should say, assessments, whatever, in conjunction with deep-dive interviewing behavior, interviewing you know, focusing upfront for technical fit. I will tell you, that's really where the search process just starts, is when you find a technical skill set from there. What's more important are the people skills at the leadership level. And private equity firms are starting to recognize this and realize that because at the end of the day, you want engagement out of your people. Because when you have engagement and leaders that lead with emotional intelligence, when you have engagement, that's when the magic happens in an organization.

**Kit Lisle:** Absolutely. So you said a lot there. I'm going to try to summarize for our listeners. I mean, you've got the toolbox, you've got the skills, you've got, you know, the quality of interviewing the network. You went into some detail describing ways that you differentiate. And you also mentioned diversity, equity, and inclusion, and kind of led me to think about this conversation from the viewpoint or the of the listener, right? So if you're running a business or if you are on the board or you own a business and you're considering using an executive recruiter or executive search firm, you know, what should you be thinking about? What should you be considering when you're evaluating service providers? And it's not just those differentiators that you rattled off, but I'd say, you know, you mentioned DEI, you know, is where does that fit into the strategic objectives of that particular business? For example, does it start with big picture goals? I guess it depends on the higher the level of the recruit. Right. That was a bit of a muddled question, Debra. I'm sorry. I mean, I think that got it.

**Debra Young:** I think when you're looking for an executive search firm, particularly in the private equity space, there are a couple of things that you need to focus on. One thing I do have to say, and DEI is another thing, but everybody hones in on, you know, the deep industry, you know, an experience that you have, that, you know, the industry that the organization, you know, their products and services. You have to look a little bit deeper because you can hire an executive search firm that, you know, all they do is a certain industry, but they don't talk about the blockage problems that come with being so niche. Because when you can't recruit from your clients and when everyone in your niche is your client, where do you go to find your talent? So after we've kept pretty much industry agnostic and so we can go into companies that some of these niche search firms can't touch. Mm-hmm. And so that's number one. Credibility and connections are very important. We have a 93% success rate, 92% client satisfaction, and a 90% repeat clientele base. So we've learned to develop really strong relationships. And our capacity to grow with organizations, with firms, and do work in multiple portfolio companies is really important. You have to have full transparency in the talent search process, which we do by getting back to diversity, equity, and inclusion. I do want to say this. I think at the end of the day, you can try to have a mandate of having, you know, so many diverse people, leaders in your organization. But if you are doing it just to check off the box, you're doing it with the wrong motive. And so you want to do it so that it's the right thing for the organization. And not just to say you have this percentage of, you know, diverse candidates on your team. The thing is, is if you put a diverse candidate into a role where they may not have a good chance of succeeding, it's not only disruptive and expensive to your organization when you have to replace them, you also are, in a way, derailing their career path, because that's not fair to them either.

**Kit Lisle:** And that's a really good point. And I've experienced this firsthand with you and your experience and wisdom and your willingness to push back and say, well, let's think about the big picture. Very helpful. And you know, something else that you mentioned, you know, you talked about capabilities and relationships and credibility and transparency. You also mentioned industry agnosticism, if that's a word. And in reality, I mean, you know, people might hold that against you being industry agnostic. But the truth of the matter is, when your focus is on the lower middle market, you don't have a choice because there are so many obscure niche sub-segments that it's impossible to say. You know this is the industry that we focus upon to some extent. You've chosen private equity as an industry, and by definition that involves several different, weird, obscure niche subsegments of big industry. So I get it.

**Debra Young:** Because.

**Kit Lisle:** I'm curious about whether there is a success story that you could share with our group that might be enlightening, sort of a case example, particularly one that relates to growth or merger and acquisition activity that I think that helps kind of where the rubber hits the road as an example.

**Debra Young:** Sure, I'm going to lead the company name out because they're, you know, clients, but we have a client in Indiana in a very small town. And I think it was in 2015, we placed five executives, including a president of a new division of a \$100 million p e backed company. And they were in a pretty niche space. So there weren't a lot of competitors to recruit talent from. And, we had to relocate five executives to a small town in Indiana. So right there out of the gate, you know, you've got huge challenges. We put all five candidates through our search process, which, as I mentioned, it's a 360-degree view. Certain tools that we use to make better fits. Information is power. Doing your due diligence, dotting your eyes, crossing your TS, taking your time to make the right hire. And our client did. So all five executives are still there. The company just bought a \$1 billion organization to add to the company and they were bought. Now they were public and now they went private again by a very large investing firm.

**Kit Lisle:** That's great. Well, that is a good story. How long ago was it that you initially searched for them?

**Debra Young:** 2000 and. 15.

**Kit Lisle:** Oh, I think you said that.

**Debra Young:** Yeah, good. I believe it's 15 or 16, but over a year and a half, we filled in five very key roles. And I know that the president got promoted to the holding company president. So there were a lot of promotions. And I do have to say that I talked with their

H.R. director two years after all the searches were done, and everybody was, you know, still there. And I asked her, I said, so what did you what do you think of the five people that, you know, we ended up you guys ended up hiring that we helped place. I just want you to know that I know what they're going to do before they do it. The information that you provided us about these candidates was so thorough and so accurate about behavior, and culture, that she says it's just been a true blessing to have had that insight in that knowledge to help guide and develop their careers within the organization and their teams.

**Kit Lisle:** Yeah. So, you know, that was a good story for sure. And it's only fair. I think it is interesting and fun to kind of flip the tables on you and ask for an example of a situation that did not go well. But before we do that, you and I haven't talked about this before, but I am just curious today if you're ahead of h.r. And, you know, when your example was a \$100 million revenue business, but even if we went all the way down to, say, a 15 or \$20 million revenue business, my question is there are so many tools available to h.r. Directors do executive search all by themselves. And my question is, are you seeing an increase in competition from essentially your client base trying to do it themselves? Or has that time come and they've learned some lessons and realized, well, it just didn't work out the way we'd hoped. We need to go back to somebody like Sheer velocity. Is that a fair question, Debra?

**Debra Young:** I think it is. I think. Okay, take into account the last, you know, two-plus years since.

**Kit Lisle:** Right.

**Debra Young:** March of 2020. And I had to just really step up. And so I think they have learned to appreciate the value of having a good search partner and the ability to look outside of the organization while they're busy trying to create a safe place for these people to work. And all the other nuances and dynamics that go along with being an A leader besides recruiting, take that off their plate. They are they've just been in, I think the last two years have made that even more apparent. And the fact that having a third party is unbiased. Individual or team looking and looking out in the marketplace for you is critical. The other thing I like about a good H.R. The leader is their bench strength.

And if they've got people lined up with private equity, that's a little bit harder. You're not a big, large organization where you have, you know, several layers to pull from throughout a person's career. So a lot of that work has to go out outside. And there's believe it or not, it's a busy, busy process and a time-consuming process, and it's building relationships with people, getting their trust, selling your company and your client's company positively so that they feel comfortable and excited about an opportunity.

**Kit Lisle:** And I realize we didn't talk about this previously, but I'm just curious and I want to add a kind of a follow-on to what you just said. So hypothetically, a private equity group is your client and they own a portfolio company and maybe they just lost their CFO at portfolio company number seven. Is it the private equity group that is your client and do they lead the process? Is it the portfolio company CEO or head of HR? Is it both? Is it all over the map?

**Debra Young:** It is all over with. We get hired by the portfolio company. We have a search. We placed a CFO that we got hired by the PE firm for a Denver small Denver-based company just this last year. And now we are doing their head of business development and sales. In that part the PE firm is not as involved as the CFO is now we just placed so we work at many levels throughout there. We have a client that, you know, their h.r the PE firm's h.r leader, you know, oversee some of the searches along with the portfolio companies. So we've done a lot of different scenarios. But, you know, it is about how you develop your relationship with your client, whether it be the PE firm, whether it be the portfolio company level.

**Kit Lisle:** And you have to maintain connections and credibility with all of the above. I get it. So that makes sense. Now back to the case example because this is fun, but I'd love to hear a story about something that went awry or a mess and what happened.

**Debra Young:** Sure. So we used the Hogan assessment. I'm certified in Hogan. And how is the only leadership personality assessment on the market that's designed for the selection of leadership talent? So I've been using Hogan for 20 years and we use it when we get to the end of a search when we have our top three candidates for I don't care what my need is and it's the number one predictor of behavior in them in the

workplace. So. We had a stretch where it was a very niche, niche company. There were maybe, you know, three people in the nation that did what these guys wanted to do. And we were able to engage with this individual and get them on board. And then we and the client fell in love with them, and wanted to hire them instantly, but we still needed to put them through Hogan again. We put them through Hogan. And I will tell you, this person should never be in a leadership role. That's all I'll say.

**Kit Lisle:** Can you give us not a literal example, but what would be a reason that you would assess them that way? They should not be in a leadership role.

**Debra Young:** They would create a toxic culture through their behaviors, their boldness, their excitability, and their skepticism. All these other traits are identified in the Hogan. I counseled my client not to hire this individual as hard as it was to find them. I just did it at the end of the day, this was a president position and this person really should just be an individual contributor.

**Kit Lisle:** Yeah. Interesting.

**Debra Young:** And. Not even six months later, I got the call. We let him go. We have to redo the search.

**Kit Lisle:** Yeah, well, you called it. And yeah. The good news is that that demonstrates their trust in you, but also your knowledge of your craft. And you did it in a delicate enough way that presumably it wasn't in your face. I told you so. So that's good. That's a good story. And so any other, you know, sometimes and there may not be, but sometimes our guests have some other wisdom or insights or lessons learned that didn't come out in the natural course of this conversation. Anything else that you'd like to share with our listeners?

**Debra Young:** Well, one of the critical things, especially with this challenge of getting candidates, is to always have, you know, at least two people ready to step into the role

because if one doesn't pan out, I had a candidate who was ready to take you to sign the offer letter and they get a call the night before saying they didn't want to move because their wife didn't want to leave their book club. So. You know you can only make people suffer. At the end of the day, people are not widgets and they will do what they want to do. As much as you try to predict behavior and outcomes for your client. You know, clients that don't understand that being in the people business, it's not a guarantee, does not guarantee that that ball bearings are going to last, you know, 500 million miles on that car. You know, you can't guarantee this person's going to stay for, you know, five years. You can do your best. And that's what we're good at. But it's interesting when you're dealing with people and getting back to that original point about having, you know, a stable of candidates because you never know if someone's going to pull at the last minute and you don't want to be starting from scratch again. Your client doesn't want you to be starting from scratch again. So as hard as it is right now in this tough candidate market. If clients like someone, they need to move quickly.

**Kit Lisle:** Yes. Advice not only moves quickly but, as you said, has backups. And I will add my key takeaway from this conversation. I never thought about this before, but it's fascinating. You know, as I come from the world of consulting and we always talk about it's a people business, but it's a service business and you can be good at what you do. But at the end of the day, your service business is not about a deliverable. It's about a person that can make a decision that completely throws a wrench into the works. And I thought that was interesting. The way you describe that you can go through the process and use best practices and be very good at what you've done and find the right person and negotiate. And at the end of the day, they can just sort of change their mind so that that shows our listeners, I think or demonstrates the value. And, you know, having a pipeline and having backups and trusted relationships on an ongoing basis, makes sense. So sheer velocity, a global retained executive search firm that serves this world that we live in the ecosystem of middle-market mergers and acquisitions. How Debra, how can our listeners find you? What's the website?

**Debra Young:** Sure. It's w w w dot sheer velocity. That's S-H-E-E-R velocity. V-E-L-O-C-I-T-Y dot com

**Kit Lisle:** Great. And I always ask, is there anything we can do to help you? How can we or our listeners support Sheer velocity?

**Debra Young:** Sure. If you have any talent needs, obviously we'd be welcome to go over that with you. I will tell you one thing about our firm: we're not afraid to say, you know what, we're not the right ones for you to fill that position, because if we don't feel we're going to be set up for success. It doesn't do anyone any good. Your client doesn't do any good. It does. It doesn't do any good for our firm. So it's I think it's just really important to be, you know, that honest and that transparent as a search firm, because you can take people's companies' money and know that you, you know, you're not able to do the work as well as you could. So. So I also want to mention one other thing about our global affiliation. Global Executive Search does rate a top 40 global executive search firm for three years in a row, and we've been the sole U.S. partner for them for the last going on nine years. So we prefer an exchange business in 35 countries around the world. So if any of your clients need any help opening offices across the country or have offices that you know may need some leadership talent, please feel free to reach out. We can make those connections as well for you.

**Kit Lisle:** And was that Inc? Is that the acronym?

**Debra Young:** Inc. I-N-A-C.

**Kit Lisle:** Right. Okay. So that's good. I thought of a client that I'll introduce to you shortly. Thank you, Debra. No. So, Debra. Sheer Velocity. Keep her in mind. But in addition to Debra, thank you very much for your time and your input. This was a fun conversation. In addition to sheer velocity, please think of our sponsors Acclaro Growth Partners, a strategic growth strategy consulting firm serving the middle market of mergers and acquisitions, and strategic growth council dot com which is they run peer we run peer advisory councils for C-level executives and business owners follow us at strategic growth council dot com to find other past episodes and please do review us click on a rating and thanks for listening.

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