

Who really has a “Competitive Edge”?

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Due to current economic conditions, the concept of gaining a competitive edge has taken center stage in discussions of general business strategies, and more specifically, talent acquisition and retention strategies. Statements regarding gaining a competitive edge are abounding, but a precise definition is elusive. Search the web for the term “competitive edge” and you will find definitions that include:

A clear advantage over your competition in terms of one or more element that is valued by potential customers or employees.

A factor giving an advantage to a company in competitive terms.

An important concept in strategic management. It defines the ‘uniqueness’ of an organization vis-à-vis its competitors for new clients and new employees.

Performing a function or service, or utilizing a service or strategy not easily duplicated by ones competition in the delivery of business services or attraction of necessary talent.

If we apply one or more of these definitions to most talent strategies, most companies do not have a competitive edge. This does not mean that they do not do things well – they may have strong processes, experienced staff, and some excellent capabilities, but the latter do not add up to a true competitive edge.

In order to apply the principals of developing a true competitive edge in our talent acquisition strategy, let’s first understand the three basic areas that truly give you that competitive edge. Detroit Free Press writer Michael Porter summed this up in his article entitled *Competitive Edge – Creating and Sustaining Superior Performance*. Porter states that in order to truly have a competitive edge, an organization must (1) be able to deliver the same benefits as competitors at a lower cost (Cost Advantage), (2) deliver benefits that exceed those of competing products (Differentiation Advantage), and (3) employ resources and capabilities superior to competitors (People Advantage).

Applying these three simple principals, ask yourself a few questions: First, is your talent acquisition strategy distinctive enough to differentiate yourself from your competitors? Second, could you tell what the company name is from the underlying talent acquisition strategy? Most organizations, if really honest with themselves, will answer no to one or both of these questions.

The problem facing us today is that the actual function of talent acquisition looks the same from company to company across the globe. The company itself may have a different look and feel, the employee value proposition may be different, but the truth is that the ‘functions’ look the same. We use the same resources, processes, and people as our competitors do and expect our results to be better! Someone once said that the definition of insanity was doing the same thing over and over and expecting a different result – have we all gone insane?

In business, organizations have realized that they must have all three key areas: Cost Advantage, Differentiation Advantage, and People Advantage to get ahead of their competition. Technology and automation can help reduce costs and streamline delivery of products and services, new products and services not yet being offered by your

competition can differentiate your organization from others, however it's the people and what they do with these tools that make the real difference.

As cited in Leadership Brand by David Ulrich and Norm Smallwood of the Harvard Business School Press, return to shareholders for top talent firms is 22% higher than those rated as having average talent. In addition, they went on to note that up to 45% of an organization's performance is due to differences in leadership (people). If we get these principals in a general business sense, why do so few organizations apply these same principals to the function of acquiring this important talent? If we look at the talent acquisition function of our organizations in the same manner we look at our overall businesses, it sheds new light on how many organizations really have an advantage in this area.

Cost Advantage – Most organizations today utilize technology to automate the talent acquisition process in order to reduce overall costs. Although technology has reduced the administrative burden of talent acquisition, creating efficiencies and lowering cost, is your organization the only one using this technology? Does your talent acquisition strategy really have a Cost Advantage?

Differentiation Advantage – As I attend conferences, webinars, tradeshow etc., I am shocked at the number of tools that are touted as the next solution to all of our talent acquisition needs. We now live in a world of web 2.0 where LinkedIn, Twitter and other social networking tools and tricks are all the rage. Let's remember one thing, the pervasiveness and cost effectiveness of these tools is giving you access to the same candidate population that your competition has! Does your talent acquisition strategy really have a Differentiation Advantage?

People Advantage – Almost daily we read reports published about the importance of having the right people, in the right seats, using the right talents, in order to gain a competitive edge over the competition. What we fail to realize is that the people advantage begins with those who are responsible for identifying and recruiting the right talent – our recruiters! Does your talent acquisition strategy really have a people advantage?

Organizations must realize that in order to take full advantage of a Cost Advantage and Differentiation Advantage, they must have a People Advantage. Without the right talent acquisition professionals, the tools which we spend millions of dollars annually on are rendered at best, ineffective and at the worst, useless. In today's talent acquisition organizations, the People Advantage will determine whether or not your organization truly has a "Competitive Edge" when approaching the market for the most talented candidates.

So what can you do today to start creating your competitive advantage within Talent Acquisition?

1. Write a paragraph describing your organization's talent acquisition strategy: Does it look and feel like every other company you compete with for talent?
2. Determine what is the real driver of your talent strategy? Does it begin with Cost or is Cost a by-product of quality tools and exceptional people? Be Honest.
3. Identify your organization's top 3 most pivotal roles: Are you focusing on the right positions for the organization?
4. List all of the 'sourcing' tools that you use and their individual effectiveness: Are you using the same tools as each of your competitors? Are you focusing on those tools with the greatest result? How do you measure source effectiveness when the effectiveness is determined by how the individual recruiter uses each tool?
5. Take a hard look at your talent acquisition team competencies: Do your recruiters possess real sales ability or do they "post and pray"? Are your recruiters focused on quality of hire and customer (internal/external) experience? Have you provided your recruiters with too many tools?

In order to truly have a competitive edge in your talent acquisition function, start with the right people, give them the right tools, and provide them with the technology that allows them to focus on what makes the real difference in recruiting – relationships!

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