

The New 'Old' Work Force

BY LAURA C. MICKELSON¹

Well, the Baby Boomers are at it again—changing the world, destroying conventions, rewriting the 'established' wisdom. This time, however, the impact is a little more subtle with no marches, sit-ins or loud demonstrations.

Hard as it may be to think about labor shortages in this rather bleak economy, as the Boomers retire, they will take 308 MILLION centuries of accumulated knowledge and experience with them.² Some chilling facts and projections emerge from the November 2007 report from the U.S. Bureau of Labor Statistics³:

- 77 million baby boomers make up a quarter of the Nation's population
- only 42.8 percent of the baby boomers will still be in the labor force in 2016
- the 55-years-and-older workforce is expected to grow by 46.7 percent by 2016, more than 5 times the growth projected for the aggregate labor force

Paula Norbom, president of Vallon LifeScience, LLC,⁴ a provider of experienced, senior contract resources for the life science industry, believes that the impact of the Boomer departure will be felt everywhere, but the top levels will be especially hard hit. As Ms. Norbom sees it, "That sucking noise is the sound of the air being pulled out of the corporate boardroom as the experience escapes to a well funded and active retirement. Competi-

tion for the remaining talent will be fierce and expensive with the revolving door to the boardroom spinning ever faster as the battle for executives intensifies. Corporations that do not rethink their senior level staffing may be road kill."

A large part of that rethinking will rest on the simple fact that the best and brightest of the Boomer army will not retire quietly and are willing to stay in the game, but only on their own terms. Those terms include flexibility, interesting work, fair compensation, and the opportunity to continue to make a difference while maintaining a healthy work-life balance. Boomers still want to contribute and feel that sense of accomplishment that only comes from a job well done.

Now that we understand why a senior-level Boomer wants to keep working, let's consider why a corporation would want to retain one on an interim, contract basis instead of recruiting a permanent executive or training a subordinate. Ms. Norbom is convinced that the Boomer demographics present an opportunity for corporations to thrive in a fast moving, highly competitive, change-driven environment by taking advantage of what the Boomers bring to the table. "Interim executives are like tempered steel, emerging from the fierce fires of the marketplace with diverse skills, a fresh perspective, and the knowledge of what it

takes to get things done, drive innovation, and reenergize an organization." She goes on to say that, "Effectively using interim executives will require innovative, non traditional recruiting methods and a rethinking of roles." She believes that, "Employing 'just in time' executives will become an integral part of the staffing plans of forward-thinking organizations. It is like just in time inventory management, but with key personnel."

Successful corporations will carefully weigh the cost-benefit of various senior-level staffing options including permanent hires, interim executives and consultants.

Direct Hire vs. Interim

The basic decision is based on cost and long term need. If the task is a one-time project requiring specific skills that are not of use in the long term for the corporation, it makes more sense to use an interim executive. Consider also the costs of recruiting, retaining and replacing senior executives who are highly marketable, heavily recruited, and very ambitious. Also, when they leave, it is very expensive to replace them. The Saratoga® Institute, a human capital benchmarking and research organization, reports that the cost to exit and replace senior executives can range between two and three times the individual's salary.

Interim executives present a number of cost efficiencies:

- No costs to recruit or develop

- No training or ramp up time
- Can hit the ground running
- No benefits or health care costs
- High value
- Lower variable costs
- Cherry pick talent with specific skills that would be too expensive to hire just for a specific project or for a short time

As a general rule, interim senior-level resources are most effective in short-term, strategic engagements such as:

- Opening a new division
- Launching a product or service
- Guiding start-up businesses through initial hurdles
- Opening up a new country, region or market segment
- Ensuring operational success through temporary transitions such as major reorganizations, downsizing, mergers, acquisitions or successions

In addition, interim executives are seasoned and know how to get the jobs done unburdened by the same concern for long term consequences as direct hire employees.

After all, they just leave when the job is done. This can be especially important in an organization undergoing significant change. There are also 'soft' advantages to using interim executives:

- Highly skilled mentors and more likely to want to share what they have learned with someone who is not a corporate rival.

continued on next page

The New 'Old' Work Force *continued*

- Not tied to any part of the organization so they are flexible and capable of moving within the organization as needs change.
- Not interested in competing with current management to advance within the company.
- Contractually obligated to accomplish the project in a timely and expeditious fashion.
- Committed for a relatively limited period of time, which makes it easier to stay the course. These executives understand the impact of both their arrival and departure, and value their reputation.
- Interim executives have their role and objectives clearly defined at the outset of their engagement, and are not influenced or hindered by politics, barriers, or personal loyalties which free them to completely focus on the job at hand.

Interim vs. Consultants

At first glance, it might seem that interim executives and consultants are in the same category, but a closer look reveals subtle but significant differences. Consultant and lecturer Cathy Fyock, SPHR, an employment strategist and workforce issues expert

based in Crestwood, Ky., notes that some companies “feel burned by previous experiences with consultants, who may be splitting their time and efforts among several clients and tending many pots. An interim executive is likely to be more in tune with the company’s needs, be more committed and have a greater sense of ownership of their role in the organization.”

Ms. Norbom agrees. “It has been my experience that interim executives bring a broad, integrated perspective to a problem or project.” Also consider the huge experience and knowledge gap between seasoned executives and the freshly minted MBAs who dominate the business consulting world. It is obvious who can bring the most value to a complex, strategic initiative. Youth may be worshipped in this culture, but the wise corporation relies on the honed, mature, practical, proven decades of real world success of the interim executive.

As the old saying goes, the one constant is change, and in this changing world, the solution for corporations facing senior-level staffing needs may well be the aging but still vital baby boomers.

Few Spots Remain for Women’s Leadership Roundtable for LifeScience Professionals

On October 9, LifeScience Alley will kick off its new Women’s Leadership Roundtable. There are still a few openings, for interested individuals. See this link for more information: http://www.lifesciencealley.org/programs_events/detail.aspx?id=258.

This group will meet monthly and will provide professional leadership coaching as well as a forum for both sharing insights and working together to solve the challenges posed by its members.

The introductory luncheon for this program, held on September 18, featured an inspiring keynote address from Lois Quam – the former CEO of UnitedHealth Group’s Ovations division, who now leads Piper Jaffray’s Strategic Investments, Green Economy and Health. In her view, leadership circles have

great relevance for not only encouraging, but pointing the way toward forward motion, as opposed to “retreat.”

“For women leaders in the life sciences, this is a chance to build your ‘go-to’ network in the industry and deepen your leadership skills,” explains Dana Boyle, LifeScience Alley’s Vice President of Business Development. “These circles provide the opportunity to meet new people – outside of your organization but within the life sciences – and work on your professional growth in a new environment. We are fortunate to have partnered with two dynamic leadership coaches – Janet Polach and Jacqueline Byrd – to facilitate the meetings. Our aim is to offer the most valuable three hours you’ll spend each month.”

BioBusiness Alliance of Minnesota Launches Interactive BIOMAP

The BioBusiness Alliance of Minnesota is proud to announce BIOMAP, an online tool that displays over 2,000 unique bioscience capabilities including private, academic and public sector resources throughout the state of Minnesota. It is a simple, but powerful marketing tool for Minnesota’s biobusiness capabilities and economic development that can be used to help connect bioscience companies to the resources they need to be successful in Minnesota. BIOMAP provides an easy way of quickly demonstrating the depth and breadth of Minnesota’s bioscience companies. BIOMAP is now active and growing. Check out this exciting, new tool at www.biobusinessalliance.org/biomap! Contact: Jeremy Lenz, jlentz@biobusinessalliance.org.

¹ Laura Mickelson is an attorney and free lance writer with over 25 years of experience in management, education, and public relations in a variety of industries. Contact her at lauramickelson@aol.com.

² 77 million baby boomers x 40 years / by 100 years

³ *The U.S. economy to 2016: slower growth as boomers begin to retire* by Betty W Su (<http://www.bls.gov/opub/mlr/2007/11/art2full.pdf>) and *Labor force projections to 2016: more workers in their golden years* by Mitra Toossi <http://www.bls.gov/opub/mlr/2007/11/art3exc.htm>

⁴ Contact Ms. Norbom at paulanorbom@vallonnllc.com. For information about Vallon Life Sciences go to <http://www.vallonlifescience.com>.