

VIEWPOINT

David Nosal

David Nosal is founder, chairman, and chief executive officer of Nosal Partners LLC. He has conducted numerous executive search assignments across multiple industries throughout North and South America, Europe, and Asia on behalf of FORTUNE 1000 companies, as well as small- to mid-sized organizations. Mr. Nosal was formerly with Korn/Ferry International, where he was head of the firm's CEO practice. He also led Korn/Ferry's West Coast board practice. In addition, Mr. Nosal was managing director for Korn/Ferry's central and northwest regions, overseeing the firm's San Francisco, Silicon Valley, Seattle, Denver, Chicago, and Minneapolis offices. Here in an interview with Hunt-Scanlon managing editor Dale Zupsansky, Mr. Nosal discusses starting his own firm and his strategic approach to executive search.

Q & A**DAVID NOSAL DISCUSSES OPENING HIS OWN FIRM**

ESR: Since the launch of Nosal Partners in October 2005, how has the firm grown in terms of recruiters on the staff and number of searches handled?

Nosal: During its first year in operation, Nosal Partners LLC experienced strong and steady growth. We now have seven offices and approximately 17 recruiters in North America. In addition, we just booked our 100th project, which represents a very significant milestone for a company like ours.

ESR: How did Nosal Partners fair in its first year of business; what do you expect moving forward?

Nosal: Nosal Partners has fared very well. The firm has been cash flow positive since opening its doors. More importantly, we have executed successfully on our assignments in both the executive search, as well as the executive development verticals. We have conducted some tremendous CEO, board and C-level work on behalf of clients ranging from large, multinational corporations, to small- to mid-sized companies, both domestically and internationally. Our expectation is that, in our second year, we will see continued growth and an even more comprehensive global strategy.

ESR: What led to you leaving a large executive search firm and creating your own?

Nosal: A key reason for leaving was the desire to create a model whereby the executive search firm can truly make use of its global resources for the betterment of a client organization through quality service and outstanding execution. Competition within the major search firms for clients

and candidates alike has become fiercer than ever before. The resulting lack of true collaboration, coupled with the cultural single-mindedness about driving revenue, made it easy to decide to go out and build a better model for clients, candidates and employees.

ESR: During your time with Korn/Ferry were there any things in particular you felt were missing from the search process that you felt was important to provide clients?

Nosal: The days of allowing partners in search firms a platform to just sell business without putting any real teeth around their accountability to clients and to each other should be over. Unfortunately, this mentality is still quite prevalent in a number of firms. As I mentioned earlier, internal competition amongst consultants for candidates and clients, as well as relentless pressure to drive revenue, rather than to execute well on existing business, was a huge factor in my decision to leave Korn/Ferry. I was the company's largest biller, and the vast majority of my business came from repeat clients, because my focus was then, and still is, on delivering world-class talent through a world-class process. This value has now been institutionalized at Nosal Partners, where the overwhelming majority of our projects come from repeat clients.

ESR: What are the advantages to organizations using a smaller firm like Nosal Partners opposed to a larger firm?

Nosal: There are significant advantages to utilizing a mid-sized global firm. The old school belief that bigger is better needs to

be dispelled. The notion that an organization with 400-700 partners provides a better delivery system than one with 20-40 partners is a myth. The key to outstanding search work is having a culture of quality delivery built within your organization, consultants that support that culture and the leadership within that organization to propel and nurture a philosophy of true collaboration, teamwork, accessibility and delivery. If I can get all of my partners truly focused on clients and candidates - not only on their own assignments, but also on the company's assignments - we will deliver an exponentially higher level of performance and satisfaction than those organizations that preach, but are challenged to deliver on, a global platform. In addition, as a mid-sized firm, we don't struggle with the extensive off-limits issues around candidates and clients that hamper the larger firms. The industry needs to be shaken up in a way that holds all firms accountable for world-class results. If you don't have this accountability built into your governance system as a company, you tend to more consistently provide mediocre results, versus world-class results.

ESR: *Your firm describes its services as "Executive Leadership Solutions." Can you explain what else this includes other than the typical executive search services generally offered by firms?*

Nosal: Our whole strategy around Executive Leadership Solutions is driven by our clients asking us repeatedly to help them sort out a wide variety of executive leadership issues. Our services include, of course, executive search, but it also has a lot to do with helping small, medium and large corporations deal with other issues through coaching, assimilation, executive team alignment and organizational alignment. Our strategy is to build true strategic

partnerships with clients, as opposed to tactical one-off relationships. Nosal Partners' board, CEO and other C-level clients depend upon our partners to support them with a much broader set of expertise and higher level of thought leadership than a traditional search firm would provide. Another key component to our offering is our recently-introduced integrated assimilation services for searches of a certain level. When you evaluate why many senior executives have historically failed, in many cases, it was not because of lack of technical competence, but rather, lack of a comprehensive assimilation strategy to support their onboarding experience. We believe strongly that this type of support not only ensures far greater chances of long-term success for the executive, but also promotes a higher level of overall performance for the company. As a result, a full-time Nosal Partners executive development partner works closely with the search partner, selected executives and appropriate management team members to develop a comprehensive assimilation/onboarding roadmap.

ESR: *Explain the relationship between Nosal Partners' recruiters and heads of HR (or a search committee) at the firm's client companies.*

Nosal: As I mentioned earlier, quality service is paramount to us. To that end, we guarantee focus through limits on the number of search assignments undertaken by each consultant. Throughout an engagement, we emphasize analytical rigor to achieve insight into candidates and organizations. And in keeping with our philosophy of cultivating long-term advisor relationships with our clients, we provide custom, multi-disciplinary solutions to address clients' true underlying needs. We also hold our search consultants accountable for the quality of their work to a much

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*— David Nosal
Founder,
Chairman and CEO,
Nosal Partners*

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greater extent than one finds in most retained search firms.

ESR: What kind of relationship does Nosal Partners retain with its clients after a candidate is placed?

Nosal: As I mentioned earlier, we believe that our relationships with both the client and the candidate is much broader and deeper than those of many traditional search firms. We have a sense of long-term ownership and involvement. In almost every instance, we have an ongoing dialogue with clients and candidates and a much higher level of communication than most firms in our industry do.

ESR: What industries and locations does Nosal Partners mostly recruit for?

Nosal: Nosal Partners is delivering Executive Leadership Solutions services to a broad spectrum of clients, ranging from advanced technology, to consumer/retail, industrial, financial services and life sciences companies. The scope of search assignments includes board/CEO/COO positions, as well as executive roles across a broad range of functional areas. In addition to delivering Executive Leadership Solutions services across North America, we have been conducting a significant amount of work in most parts of Asia and have had some good exposure to a number of European markets, as well.

ESR: Does the firm plan to add any industry practices or new office locations in the near future? Does the firm expect to add additional recruiters? If so, in what areas?

Nosal: It is our expectation that over the next 24-36 months, we will grow Nosal Partners to a total of 50-75 partners. Our focus will be more on attracting the best partners in the industry in both executive search and executive development

without too much concern for their geographical location. The best partners in both of those verticals tend to work with clients across the country, if not the entire globe. As a result, we are focused on finding the best talent with the best reputations, and who are willing to travel to their clients, wherever their clients may reside. This strategy enables us to offer global reach along with all of the advantages associated with a mid-market firm. The key for us is therefore not the number, but rather the quality of the partners associated with our firm. As for industry and functional competencies, we will continue to build out our team across five key industries, including technology, financial services, retail/consumer, industrial and life sciences. Today, our partners include recognized leaders in doing the highest level of work for positions ranging from boards directors, CEOs, COOs, to functional leadership roles, such as sales, marketing, finance, IT, human resources, supply chain management and manufacturing.

ESR: What are some of your best search placements and why? What are some current searches that Nosal Partners is engaged in?

Nosal: We have conducted a number of CEO and high-level management searches that have leveraged the global resources of our firm to both attract and ultimately select the right candidate for the clients in question. Collaboration from the entire partnership, as well as the fully-integrated delivery system between our executive search and executive development verticals were instrumental in our timely and successful delivery on these projects. Our current engagements include searches for a chief executive officer for a video surveillance solutions company, a board member for a privately-held services procurement software company, a chief operating officer for a \$2.9B+ wireline telecommunications equipment company, a president for a

\$34B+ telecommunications services company, a chief technology officer for a venture-backed security configuration management solutions provider, a chief information officer for a \$1.6B environmental services company, a president for a poultry processing company, a chief financial officer for a privately-held electrical power and data infrastructure systems provider, a chief marketing officer for an on-line services provider, a chief investment officer for a \$9B+ global telecommunications equipment company and a chief operating officer for a global professional association.

ESR: What traits do you most commonly look for when placing an executive with a client? How do these traits lead to building a great workforce?

Nosal: Characteristics that we look for in CEO candidates as opposed to board candidates or other C-level candidates tend to vary according to the client organization. But the one common denominator is world-class leadership ability. To that end, in executive candidates we look for a track record inspiring broad and diverse groups of people and – in so doing – delivering a very significant level of result for the companies for which they have worked. Additionally, there is a certain amount of integrity, humility, as well as empathy that we believe is required in any leadership position. Finding the right technical skills is often the easy part. What is more challenging is finding someone who can, through personality and style, adapt to completely new environments and be successful from one culture to another. In many instances, individuals are unable to adapt. To me, an inability to adapt does not lend itself well to great leadership competencies. We look for executives who understand how to work in diverse environments – who are not of a single culture.