

CASE STUDY - THE TREE PROJECT EMPOWERS EXECUTIVE RECRUITING for VENTURE CAPITAL PORTFOLIO COMPANIES

The client is Danotek Motion Technologies, a provider of generators and converters for turbines for the wind industry. Prominent venture capital firms such as Khosla Ventures and CMEA have invested in Danotek, confirming that the firm is a significant force in its niche.

The Challenge

Their recruiter, Tula International, sent them resumes for all these positions at once. As Andzrejewski, said, "At times it seemed overwhelming, even out of control (in a good way!)." Keeping track of people and positions was more difficult than you might think.

They realized that they needed a different approach to finding the leaders they needed.

For individual companies, understanding the talent landscape is essential for recruiting leaders. For venture capital and private equity firms, this same understanding is the key to nurturing a successful portfolio of companies.

For a while, Danotek conducted their executive searches in a conventional way. They knew they wanted to hire from competitors, like Switch, ABB, Converteam, Siemens, GE etc., and they also wanted "the best of the best," in the words of Amiee Andzrejewski, head of Human Resources. They would describe the talents they needed for a particular post, and after some research Tula would send them qualified and interested candidates.

Then Danotek's growth surged so rapidly that they had five significant jobs to fill simultaneously: a VP of engineering, several power electronics experts, electromagnetic mavens for their generator business, then a more general group that included sales and marketing and various other positions.

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The Solution

Tula identified the high level professionals who matched or exceeded the talents Danotek wanted, with a bio on every person, whether a resume or a Linked In profile, or some other source. The write-ups supplied some personal information about their career, whether gleaned first-hand by Vanderlande, or through second-hand reports by others. This was not a bare-bones view – the profiles included pithy observations about their leadership qualities, illustrated with examples.

An executive search should focus on building a management team from a *strategic* point of view, benchmarking key players in the industry. Before you plant a tree, you should know the lay of the land, the nature of the soil, the prevailing weather and water patterns. Otherwise you might choose the wrong tree or a poor site. The same is true for companies (and owners of companies).

Tula's CEO Bernard Vanderlande has long believed that companies must assess their competition's talents and strengths because they need to know at least as much if they are going to prosper. Similarly, venture capital firms must appreciate the entire talent landscape in depth to place the best leaders at their portfolio companies.

To Danotek, Vanderlande suggested a *comprehensive* view of the available talent, one that would allow Danotek to look at candidates in groups, instead of as a miscellaneous, interrupted series. For each of Danotek's competitors, he proposed a profile of the entire team working in the targeted specialties.

First, Vanderlande visited Danotek's Canton, Michigan headquarters and got to know them even better, interviewing many of their employees, steeping himself in the firm's culture and their values, as well as eliciting their expert knowledge of the leaders in their field.

Then the Tula team assembled the information. They organized the list of candidates into a professional family tree for each of Danotek's competitors, with profiles of all the top executives (hence the name, the Tree Project). Tula identified the high level professionals who matched or exceeded the talents Danotek wanted, with a bio on every person, whether a resume or a Linked In profile, or some other source. The write-ups supplied some personal information about their career, whether gleaned first-hand by Vanderlande, or through second-hand reports by others. This was not a bare-bones view – the profiles included pithy observations about their leadership qualities, illustrated with examples.

In total, these project files covered about 200 people, all organized by position and by company in two reports. Yet the approach was non-compartmentalized and holistic, giving a “helicopter” view of all branches of the tree. More important, it was all gathered into one place, to facilitate comparison and analysis.

Danotek is a believer in the Tree Project. Andzrejewski said, "I've been doing Human Resources for 20 years, much of it focused on executive hiring, and I had never seen anything like this."

The same techniques that clicked for Danotek Motion Technologies can have an even greater effect at a venture capital firm, where the quest for talent is unrelenting. The Tree Project suggests a way of making searches more methodical and effective, no matter who is doing the looking.

The reaction from Danotek? Andzrejewski later said, "The reports from Tula gave us competitive, strategic information on a level that we didn't think was possible. We got a sense of where our competitors were putting their resources."

With Tula's assistance, Danotek's management reviewed every single candidate, not in a hard-to-remember series spaced out over weeks, but all in a short time period. With these reports, Danotek could see immediately that some people were technically accomplished but not leaders, while others were too high level for a company of Danotek's size. They narrowed their search to 25 top picks, hoping that they could hire two or three people through the Tree Project.

The Value

The strength of the Tree Project was revealed during the recruiting itself. To date, Danotek has chosen several top-notch leaders through this initiative.

In fact, the information assembled in those notebooks continues to provide competitive value for Danotek Motion Technologies. They often open the binders and reacquaint themselves with some of the executives. Andzrejewski said, "We ask ourselves if we are we ready for them yet."

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ALTERNATIVE ENERGY, CLEANTECH
AND ADVANCED MANUFACTURING

Bernard Vanderlande,
Managing Partner
P.O. Box 550628
Atlanta, Georgia 30355
U.S.A.
(+1) 404.543.2835