Who Is Winning the Talent War?

Case studies of leading companies that are making the right talent decisions
Executive Summary

As the war for critical talent heats up and the need to translate business objectives into a comprehensive talent and recruiting strategy intensifies, you have to have full context. What constraints will impede the success of these initiatives, and where will you find the talent to overcome those limitations?

When executives ask why a certain decision is being proposed, you have the data and science to back it up.

In the process, the HR function evolves from a support function for the business to a trusted advisor—moving from simply responding to line managers’ hiring requests to influencing line managers’ talent needs and sourcing strategies, and from filling open requisitions to strategically aligning the organization’s talent profile with corporate objectives.

CEB TalentNeuron™ clarifies the right direction for complex decisions based on many interdependent variables—and strengthens talent planning with trustworthy, data-driven talent analytics and insights.

Find out how leading companies are winning the talent war by empowering their recruiting and workforce planning functions with real-time talent analytics and labor market intelligence.
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Misplaced Workforce Decisions Can Be Costly

Strategic workforce management is a different scene than it was 15, 10, or even 5 years ago. Organizations are recruiting for roles that were previously unheard of, such as 3D printing engineer, bioanalytical scientist, e-reputation officer, and digital marketer. The most in-demand skills are likely to be new ones, such as expertise in Hadoop, search engine optimization, and automotive connectivity. Recruiters are courting a new breed of college graduates, millennials who have entirely different values and expectations from their predecessors. Looking ahead to retaining top talent and selecting the correct business locations are key to maintaining a competitive and fiscal advantage.

Nothing is business as usual, with business unit leaders expecting more than ever. Talent decisions are therefore more complex than ever, and the costs of misplaced decisions are high. For example:

- **With inadequate talent planning**, a typical Bay-area business unit with 100 full-time hardware development engineers could lose $6 million a year. More than two-thirds of that cost is associated with high-performer attrition, recruitment, and indirect costs such as productivity loss.

- **If a wrong location is chosen** for a typical software product development office with 100 new employees, it could cost the company $21 million a year. Only 8% of that cost is associated with real estate; 77% is related to salary, benefits, and bonuses.

Making the right talent decisions requires insight, and that requires data—lots of it—scientifically used and applied with good judgment. It is not enough to know what is going on inside your organization, your industry, or even your hemisphere. The right answers might be found in novel recruitment strategies, unlikely locations, or adjacent industries.

What if talent decisions could be backed and informed by global data and analytic insights that span domains, without pressing your IT team to serve as HR’s personal data science team?
WHO IS WINNING THE TALENT WAR?

The Confluence of Big Data, Big Science, and Big Judgment

TalentNeuron™ is a workforce planning and strategic recruiting platform that provides data, analytics, and decision support to generate new levels of intelligence on location, talent, and the competition.

- **Big data:** TalentNeuron brings together more than 5.1 billion data points covering talent supply and cost. Data comes from public, primary, and proprietary sources representing 2,000 cities in 175 countries, more than 200,000 companies and 10,000 universities, and analysis of 35,000 skills and 11,000 occupational classifications.

- **Big science:** TalentNeuron includes statistical models and predictive analytics based on CEB research and best practices. Our proprietary algorithms provide statistical validation and cleansing of the data, data normalization (organizing the database for efficient processing), multivariate forecasts, and predictive capabilities.

- **Big judgment:** Users have secure, web-based access to interactive scenarios and dashboards. Log into a secure account to search and filter data across talent, cost, location, peer group, and current trends. Data can be downloaded into other applications for further analysis, reporting, and visualization. And users have access to an on-call team of data scientists for situation-specific insights and executive-ready presentations.

TalentNeuron provides the most comprehensive source of global talent demand and supply data, predictive analytics, and real-time insights to help you make smarter talent planning and recruiting decisions about:

- Strategic workforce planning,
- Strategic recruiting,
- Location optimization,
- Monitoring Competitors,
- Diversity Targeting,
- University hiring, and
- Intelligent budgeting.

“...Our HR leadership team has a high degree of confidence that they’re getting relevant and very recent data and insights in terms of what’s happening in different markets. It is reassuring that they find they have something that’s valid and informs decisions they need to make.”

Vice President of Talent Acquisition
US Enterprise Software Company

Analytical models complement the intuition and expertise of HR professionals. Data-driven answers can clarify the right direction for complex decisions that are based on many interdependent variables—and strengthen your planning exercises with trustworthy, data-driven insights.
Be Strategic in Your Workforce Planning

Most organizations do annual staff planning, but only one in 10 has a process for identifying and responding to strategic talent gaps that may have long-term implications. The result is a plan that addresses current needs without considering the eventual effect on business outcomes. Plans also often lack big-picture perspective on external labor market conditions, macro-level workforce trends, and other factors that may affect the business and talent pipeline.

Workforce planners need access to external factors such as competitive information, labor laws, and economic conditions for locations of interest. They need to identify skills that can be outsourced and compare global locations for outsourcing, based on multiple criteria. And they need to proactively attract and source the best talent to meet current and future business needs.

They also need to analyze what competitors are looking for, how they’re going about it, what skills are abundant or lacking in a market, what’s likely to happen with wages, where to uncover new sources of talent, and more.

In short, they need to plan with full context and deep insight.

A Telecom Giant Analyzes Competitor Hiring to Inform Its Talent Strategy

In the process of doing workforce planning for critical talent, a large US telecom service provider wanted to benchmark its talent with nontraditional competitors.

The company identified the top skills it needed to remain competitive, and then used TalentNeuron™ to analyze its competitor’s hiring trends as well as startup trends in its desired locations.

This analysis revealed two major findings:

- The company realized it was really having to compete with content providers, and not necessarily other telecommunications companies, for attracting and sourcing critical talent.
- There were existing startups in its desired locations that already had the type of skilled talent it needed.

As a result, the company decided to acquire a small startup in Silicon Valley to more cost-effectively close its skills/capability gap and remain competitive.
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A Credit Reporting Firm Gets the Perfect Score for Location Optimization

A US credit reporting firm had a large center in one of Brazil’s most expensive locations, São Paulo. Revenues were growing, but Brazil’s talent costs grew faster due to unionization and wage growth.

TalentNeuron™ data helped the company recognize that nearly 30%–40% of São Paulo’s talent had transactional type of roles that required them to be in the same country (due to government regulations and incentives), but these people were able to relocate to any city within the country.

TalentNeuron identified tier 2 cities such as Recife, Curitiba, and Salvador, where talent was sufficiently available at a much lower cost, for locating these transactional roles. The company projected saving $50 million over a five-year period as a result of relocating those roles to tier 2 cities.

A Telecom Giant Saves Big on Labor Costs

A telecom and networking company wanted to augment its R&D capability by setting up a large engineering division. The company already had an offshore operation in India, but it wanted to avoid growing that team due to operational challenges.

TalentNeuron analysis enabled a data-rich comparison of various geographies including North America, Eastern Europe, and Asia—based on the broader ecosystem and availability of talent with the required skills.

The findings? Due to government incentives in Canada, operations cost was only marginally higher than other countries in Eastern Europe. Canada’s flexible immigration and expat laws enabled a high-quality talent pool with the right cultural fit.

After consulting talent availability data from more than 300 cities, the company invested $2 billion in a large R&D talent expansion in Canada instead of Eastern Europe or Asia. The company projected a 20%–25% cost saving compared to building a talent hub in the United States, all while maintaining high talent quality standards.

Computer Hardware Company Optimizes Talent Across 100+ Countries

A US computer hardware company aimed to optimize talent and cost across nearly 200 operating centers in 100+ countries. It was an ongoing struggle to get access to refreshed data for these decisions. The company had to set up a team of five analysts to produce the high volume of reports needed to manage the optimization process.

The TalentNeuron platform streamlined the process, comparing various operating centers on an ongoing basis based on today’s supply of talent, forecast of future talent pools, and labor cost.

With TalentNeuron, the client gained a much greater volume of data and deeper insights than it would have received from a team of five full-time analysts. Ongoing cost and talent optimization led to some tough decisions about opening or closing operations in various locations, while leading the company forward toward business goals.

“We were successful in attracting talent from the target cities and relocating them to Seattle without wasting precious advertising dollars and recruiting efforts.”

Director
Global Talent Management
Large Aerospace Company
A Tech Company Targets Innovation Hot Spots

A computer software company wanted to expand in Eastern Europe. Company executives considered setting up a talent hub there to make use of the region’s potential for innovative talent.

TalentNeuron™ helped the team look at the count and geographic spread of innovators across Eastern Europe and recommended setting up multiple smaller centers across the region as a better way to access R&D talent with high innovation potential.

Instead of building a large center in Warsaw, Poland—where the concentration of competitors is high—the company decided to set up smaller, high-impact R&D centers in other locations, including Budapest and Bucharest.

Because the company decided to construct multiple centers instead of one large center, it was able to go close to the sources of innovation potential and ramp up the team faster than it could have in a single, centralized location.

A Software Powerhouse Spurs Global Expansion

A software solutions company needed to continuously track global markets and evaluate opportunities for expansion, optimization, and growth in several key hubs, including a data center expansion in Brazil, a professional services expansion in China, and a professional services optimization in Eastern Europe.

The goal was to hire top innovators in competitive markets (e.g., the Bay Area, Israel) and boost the company’s share in challenging global markets. The company also aimed to maintain its reputation for innovation and improve customer satisfaction by expanding service offerings in Brazil and China.

TalentNeuron data helped the company define its business strategy on investments and expansion. Initiative-specific reports helped express needs and provided the evidence-based insights to earn senior leader buy-in. The company ultimately achieved the growth it was looking for by using hard talent data to identify the best global expansion opportunities.
Reinvent Your Recruiting and Sourcing Strategies

Where will you find the top-tier talent for current and future business operations? How can you achieve competitive advantage in the talent marketplace, given the hiring dynamics of competitors and suppliers? Those questions are difficult to answer in a global recruiting environment, especially when business objectives change with every shift in leadership or market conditions.

Typical sourcing approaches simply perpetuate the habit of requisition-driven, reactive sourcing because they don’t enable important prioritization decisions. For instance, 40% of all job postings for S&P 100 companies were for just 21 roles; any of these roles require in-demand skills such as data analysis, advanced coding, and solution selling.

TalentNeuron™ delivers a complete view into the current and future availability of talent in the cities of interest. It gives your recruiters the data they need to set the right expectations with hiring managers, source critical talent quickly, understand competitor’s hiring strategies, and develop targeted recruiting plans.

Ultimately, you gain the capability to drive line decision making and develop a strategic relationship with your business partners.

Aerospace Manufacturer Makes Smart Recruiting Investments

A large aerospace manufacturer needed to attract talent with the strategic and innovation skills required in the ultra-competitive aerospace engineering labor market—and needed that talent to be willing to relocate to Seattle.

The client’s HR leadership used our research and data from TalentNeuron to compare various cities based on the talent pool’s availability and migratory patterns. It also monitored competitor information to evaluate market competitiveness and collected relocation “talking points” unique to the selected cities.

The analysis helped the company target and prioritize its recruiting investments and cost-effectively attract top-tier, mobile talent and best use advertising dollars and recruiting efforts. New, data-driven insights enabled the firm to accelerate geographic growth with less risk, optimize the cost of talent across its operations, improve access to high-quality talent pools, and reduce time to fill for strategic talent needs.
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Large Bank Frames Its Recruiting Efforts in a Market Context

The head of a regional business unit at a large global financial firm needed to hire 100–200 contact center agents. The recruiter could not fill the open positions. The HR business partner could not find the root cause for the delay. The business head escalated the issue to global HR.

The bank looked at the talent availability in its desired location based on the specifications in the job description. TalentNeuron™ data and analysis revealed that there was no existing talent pool available that matched the exact job criteria because the job description was too specific. It was based on the hiring manager’s demand but not grounded in the reality of available talent in that location.

Armed with this insight, the central HR team was able to have a data-backed discussion with the business on the region’s labor market dynamics, and the requisition was revised.

Retailer Gains Top-Tier Talent to Beat Competition

A large retail organization’s e-commerce team was located in the Silicon Valley but was having a tough time sourcing the right quality talent in that region.

TalentNeuron data showed that Silicon Valley was not the ideal location for the skills it was seeking, due to high competition in the region, and that it would have better success in a location where it would have a competitive advantage to attract top-tier talent.

The analysis showed that Los Angeles and New York City had a high concentration of the company’s desired skills—with much lower competition for those skills. The company decided to relocate its e-commerce offices to Los Angeles and New York City to attract the best talent.

E-Commerce Company Finds the Best Location for Sought-After Skills

A global e-commerce company was expanding its India-based IT team to ramp up support on special projects. A seasoned senior leader strongly recommended setting up a talent hub in Chennai, confident of finding the required talent in that location.

TalentNeuron armed the company’s HR team with insight on talent pool size by specific IT skills that the projects required, the forecast of the talent pool over three years, and comparison of multiple locations in India.

The team concluded that Chennai alone would not have a sufficient supply of necessary skills over the next three years. The team ultimately set up an office in Chennai to satisfy near-term project needs, and augmented that growth with an office in Bangalore to manage expected project needs for the following two to three years.

“Quite frankly, I don’t think we had a seat at the table before TalentNeuron. Leveraging the data has allowed us to be a stronger, value-added partner with the business and has actually made us a stronger company, because we’re making the right decisions.”

Vice President of Talent Acquisition
Large Software Company
A Technology Company Reenergizes Graduate Hiring

High talent costs in the United States led a computer software company to centralize its hiring for IT professional services in Asia; however, the company’s end users in US business units grew dissatisfied, expecting much closer interaction.

TalentNeuron™ helped the HR team look at US cities with a fresh perspective and build a list of university towns to set up professional services teams that better served the US user base.

Although talent from smaller university towns (e.g., Stillwater, OK; Greensboro, NC; Omaha, NE; Columbia, SC) was about 30%–40% more expensive than talent in Asia, it was much cheaper (15%–20% less) than in some of the top towns in United States. These towns provided appropriate talent profiles and a fresh graduate pool each year.

The company was able to meet its business needs by setting up offices in targeted US university towns and taking advantage of lower-cost talent of requisite quality.

Closing Thoughts

As you translate critical business initiatives and objectives into a workforce and recruiting strategy, you have to have full context. What constraints will impede the success of these initiatives, and where will you find the talent to overcome those limitations?

Data-driven answers can clarify the right direction for complex decisions based on many interdependent variables—and strengthen long-term workforce planning and everyday recruiting efforts with trustworthy, data-driven insights.

When executives ask why a certain decision is being proposed, you have the data and science to back it up.

To hear more success stories from our clients and see how you can get access to sophisticated talent and labor market analytics, sign up for a quick demo of the TalentNeuron platform.

About CEB

CEB is a best practice insight and technology company. In partnership with leading organizations around the globe, we develop innovative solutions to drive corporate performance. CEB equips leaders at more than 10,000 companies with the intelligence to effectively manage talent, customers, and operations. CEB is a trusted partner to nearly 90% of the Fortune 500 and FTSE 100, and more than 70% of the Dow Jones Asian Titans.