

# Recruiting for Change in Ownership

## The Challenge

A group of self-proclaimed food lovers (The Client), own an investment platform focused on bringing together growing community-based bakeries. With their third acquisition, an owner-run bakery (Portfolio Company), they saw an opportunity to own a French pastry business specialist with an international reach. The Portfolio Company had a great reputation, offering private-label products to a diverse client base that included restaurants, grocery stores, and caterers.

A challenge for The Client was that, in addition to managing the integration of the Portfolio Company into the bakery investment holdings portfolio, there was an immediate need to recruit a new president for the business. The Portfolio Company's existing president had owned and managed the business since 2012 but had already signaled intentions to exit both the ownership and management of the business sooner rather than later. This created an urgency for The Client to recruit a new leader for the Portfolio Company.

Any acquisition scenario can pose certain timing obstacles when bringing on new management. First, no acquisition is a certainty until it closes, so the expenditure of considerable time and resources on recruiting is best left until the transaction is completed. And until there is a public announcement of the transaction, negotiations with potential candidates are fraught with issues of confidentiality. That meant that recruitment could not begin in earnest until after completion of the deal, compressing the timeframe for hiring and onboarding.

In addition, the new president would have a multi-faceted role. As expected, this would include providing leadership to a team of long serving and devoted employees, while ensuring the continuation of exemplary service to customers of the Portfolio Company. However, it also entailed managing the transition from an owner-managed structure to an investment-backed one, with clearly set performance objectives to scale the business profitably and provide regular reporting on progress attained.

## The Solution

Fortunately, the GlassRatner team was familiar with The Client and their investment portfolio objectives, having worked on other recruitment mandates for them. However, identifying the key criteria for the new hire required us to meld The Client's objectives with the insights and experience of the Portfolio Company's previous owner & president, who had personal knowledge of the technical and soft skills needed to ensure industry acumen and cultural fit within the Portfolio Company. The new president would have to demonstrate a strong passion for the bakery sector, a feel for the personalities in the business and an excitement for fostering growth.

Within five weeks of our engagement, we were able to narrow the search to a short list of five qualified candidates, all of whom were vetted, presented, and approved by our client. We had identified a few front-runners, but to ensure a robust process with the necessary contingencies, we brought other candidates through a rigorous process to benchmark several worthy alternatives.

## The Outcome

The selected candidate was one of the pacesetters, and we were able to arrive at an employment offer that worked for everyone. In the end, the chosen candidate demonstrated a good understanding of the challenges ahead and was able to articulate the actions they would bring about to meet the Portfolio Company's goals. The Client was impressed by their transparency and roll-up the sleeves attitude.

Change of control in a business is often a catalyst for change in management. But it often entails special challenges in the recruiting process, as business practices and culture of the target business adjust to the objectives of the new owners. Often, accommodating an expedited hiring process—one that allows for a smooth transition—is required in situations like this. Achieving that delicate balance, between time to hire and quality of hire, is crucial in talent acquisition.

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