

Recruiters Predict a Database Brain Drain

Richard H. Levey, Direct Newsline, Jan 2 2003

Data analysts and direct marketing campaign developers will be in high demand when the economy turns around, according to DM executive recruiters. And there is some question as to whether the employees will be there to fill the positions.

"We will see one of the largest talent crunches in the 27 years I've been doing this," said Dennis Troyanos, president of The Troyanos Group, a White Plains, NY recruitment firm.

Some industries are already anticipating labor shortages. Print, lettershop and database companies have been telling recruiters that they are receiving requests for proposals in excess of what their current capabilities can handle.

Part of the problem is that many database executives jumped ship during the dot-com boom to move to small companies or start their own.

"This recession is unique: It's actually one where companies trained their future competition," Troyanos said. "Talent migrated out of large companies, and it is never coming back."

Their absence from the industry will have longer-term effects as well. These executives held a lot of industry knowledge, and had been responsible for training younger DM professionals. Without an increased emphasis on mentoring, companies can expect further shortfalls in qualified candidates down the road, said Jerry Bernhart, president of Owatonna, MN-based Bernhart Associates Executive Search, LLC, LLC.

"The way a lot of our executives today started is through wonderful mentors," added Suzy Ridenour, president of Chicago-based Ridenour & Associates. "There were some major employers that were the graduate schools of mentoring, such as Time Life Books and Fingerhut. Those kinds of companies don't exist today. Even if they were still around they would be exceptions."

Direct marketing's current needs are primarily in the analytics and new business development fields, and they are coming from companies that don't immediately jump to mind as heavy DM users, such as firms in the travel and hospitality,

pharmaceuticals, automotive and consumer packaged goods fields.

"There are a lot of non-traditional direct marketing companies waking up and saying 'Is there a way to measure this?'" Ridenour said.

"Companies are looking for strategic magic bullets, candidates with the ability to be smart about the customer and who know about competitive market research and share of wallet," Troyanos said.

Employers will also be looking to hire individuals who can design programs that treat customers well at every touch point.

"There's a shortage, and it's growing," Bernhart said. "In the future we will not have enough people to service customers."

"I love the perspective, and it's a very optimistic one," Wendy Weber, president, Crandall Associates Inc. said. "I think that salaries and hiring may remain flat for a little while. I think that companies do want to become more analytical, and do want more mileage out of their database and prospect lists."

Both Bernhart and Troyanos believe salary increases of between 5%-20% are out of the question. Bernhart notes that during the late 1990s, salaries were routinely going up 15%-20%.

Going forward, as additional industries turn toward customer-focused marketing, salaries will rise again. "The pressure to find [qualified analysts and marketers] and get them on board quickly in order to capture the market is followed by an increase in the amount of money that companies are willing to pay," Troyanos said.

He continued, "A position left vacant is going to cost a company money. If four, five, six months go by, they are losing money by not having these initiatives driven. A CEO's number-one job is getting the right people on board quickly." Bernhart feels growth in online channel use influences which candidates are placed first. "People who come out of the dot coms have gathered experience that is very valuable," he said. "If they know e-mail and Internet marketing, boom!"

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