
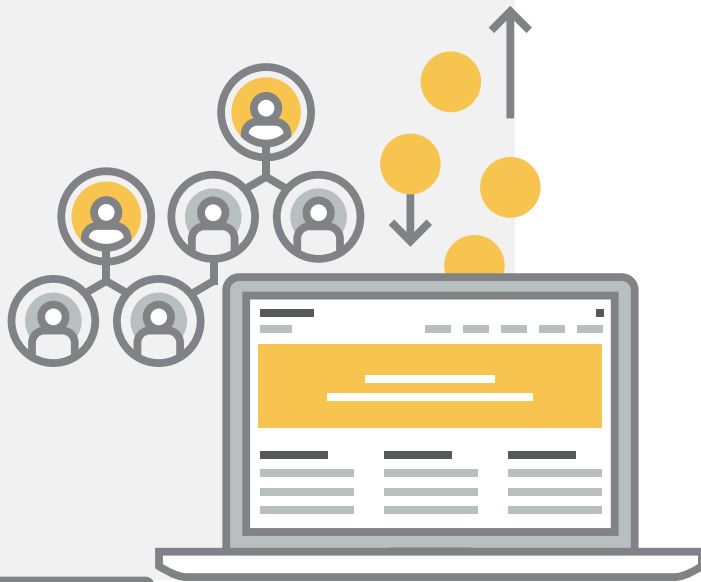


Using Data Analytics for Portfolio Company Hiring

 A proprietary data analytics system provides unique insights into the talent pool



As a private equity firm focused on rebuilding distressed manufacturing businesses in the U.S., American Industrial Partners' (AIP) hiring needs are much broader than those of a traditional PE firm. The good news is that through data analytics, they've developed a system that helps identify and nurture talent—and can help source deals, too.

AIP has 13 portfolio companies with \$7 billion of combined revenue and over 230 global manufacturing and distribution facilities. The process of gathering intelligence often starts before an acquisition is completed, at which time the team starts talking to people and using a variety of internal sources to collect information about the market, business processes used by the competitors, and their talent pool.

Jim Baran, who heads talent acquisition at AIP, says the intelligence gathering continues throughout the life of the investment and allows AIP to stay on top of the competitive landscape and find new investment opportunities.

"The old way of managing the hiring process was to put out ads on LinkedIn or Monster and wait for responses," Baran says. "Now we can look at our talent management system and see where our talent is located and what competitors are doing. Data analytics is a huge step forward in talent management that helps with problem-solving and opens up a lot of what-if scenarios."

The system utilizes a custom design workflow to move the candidates through the process. It is designed to incorporate three distinct hiring models: active talent needs; trending hiring needs across multiple portfolio companies; and emerging capabilities and skill sets distinctly matched to future acquisitions.

A key part of talent acquisition for AIP is hiring and retaining the leadership of the portfolio company that serves as a "guidepost from chaos to order," says Baran.

"We are looking for emotional intelligence, complex problem-solving, and ability to lead in an emerging culture," he adds.

The company has some leaders that move from one portfolio company leadership role to another. It also relies on data analytics to map out the metrics that make people successful, and then uses that information in the hiring process.

"The challenge for us is to get our hands around what works in portfolio companies' culture," says Baran. ■