

How To Solve Manufacturing's Talent Crisis



HubSpot

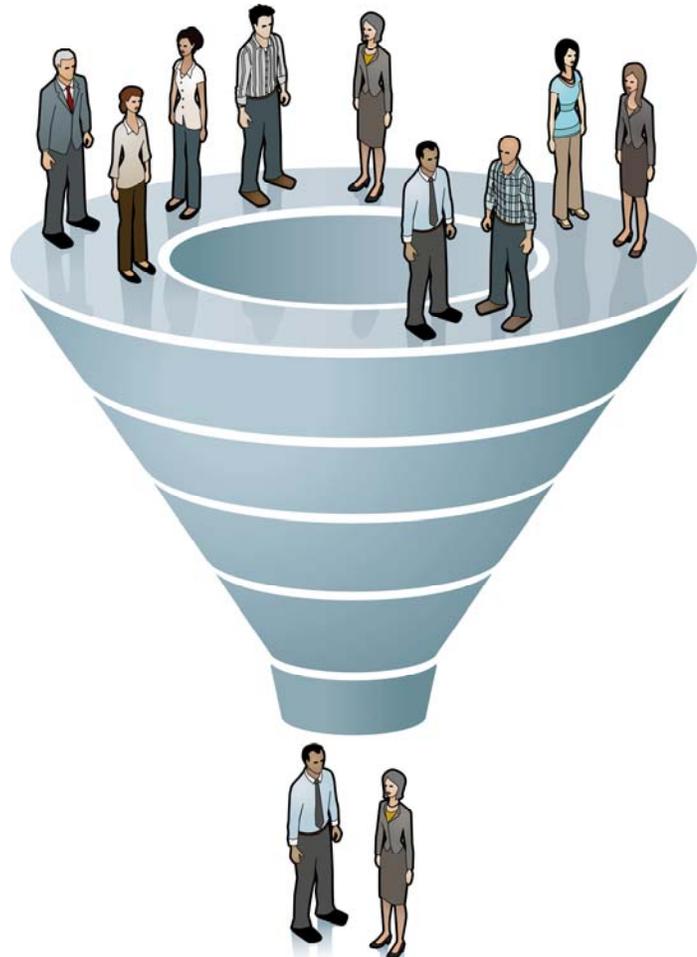
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Introduction

If you are a U.S. manufacturer then you probably face a major choke point to further growth — lack of affordable talent. Like many companies, you've seen your postings for engineers and skilled production workers go unfilled. You may have also started in-house apprenticeships or reached out to nearby community colleges by providing teachers, facilities or internships. Because of the talent shortage, you may have even considered or actually started moving some of your facilities out of state or overseas.

But manufacturing is not the only sector to have had this problem. High tech has had talent shortages for decades. And some of the solutions from that sector may apply to manufacturing — especially now that manufacturing has itself become very high tech. One solution in particular is the use of social networking to supplement and enrich in-house talent pools. Social media, *alongside more traditional tools* like those just mentioned, may be the way out of manufacturing's talent crisis.



Who Can Leverage the Most Talent?

In high tech, the most success usually comes to those who can leverage the most talent from the fewest resources. The premier example is probably Apple having thousands of independent developers making software that adds value to its products. There's no talent shortage there. Another great example is SAP, the world's largest maker of business software. Its SAP Developers Network (SDN) is a virtual online community where thousands of people contribute software solutions and product ideas independently through blogs, discussion boards, webinars and other forums. In the SDN, contributors build their professional reputations by earning status, both informally as well as formally based on a system that awards points according to how often they participate. Members can also make money selling their own SAP "add-on" products and winning cash prizes solving problems posted by SAP and other community members.

A slightly different model is Procter & Gamble's "Connect and Develop" program in which the company has established a large number of one-to-one relationships with innovators who bring creative ideas from outside the "group think" of P&G's internal R&D departments.



Open to ideas

P&G's Connect + Develop open innovation strategy has established more than 1,000 active agreements with innovation partners. Connect + Develop enables us to share our R&D, commercialization and brand strength with partners worldwide, bringing great ideas to market—and into the lives of consumers—faster.

HOW SWIFFER DUSTERS GOT THEIR START

Yet another version is American Express's Open Forum. This AXP-sponsored virtual community does for the small business owner what the SDN and P&G programs do for these large multinationals — i.e., lets members give and get solutions, gain recognition as well as market their products and services.

It's not surprising that high tech is where "talent social networks" have gained the most traction. The enabling resources for virtual networks are, after all, software and the web. Even high-tech companies that have not yet set up a formal talent oriented social network will often apply and benefit from informal networks. It is generally part of this culture for highly talented professionals with similar interests to engage with each other on a topic or problem outside the confines of the companies they happen to work for. Eric Openshaw, a Deloitte consultant who has written extensively on this subject, calls them "passionate knowledge workers," and describes them as:

...“questers” ... individuals who are actively pursuing their own journey, both in their careers and in their personal lives. ...They seek ... to engage with those who share their passion so that they can get better, faster, at what they do.”¹

He cites Deloitte research that says 47% of passionate knowledge workers are self-employed and that small companies employ 21%. Assuming that such achievement-obsessed workers are not standing in unemployment lines, it is also fair to assume that they're gaining professionally and monetarily from their social networking since that is how they spend their time. All of which means they are in *some* company's value chain, and probably several companies'.

Openshaw's point, which our own experience at HubSpot confirms, is that most of the kinds of people you would most like to hire, you probably can't, at least not in the numbers you need. That's not always because qualified people are unavailable, which is the reason companies usually cite for skilled positions going unfilled. It's often because traditional recruiting tools don't work in a world where today's hot skills are constantly changing. But that doesn't mean that you can't put these skills to work for you. In fact you must if you expect to scale your workforce to support your potential growth.

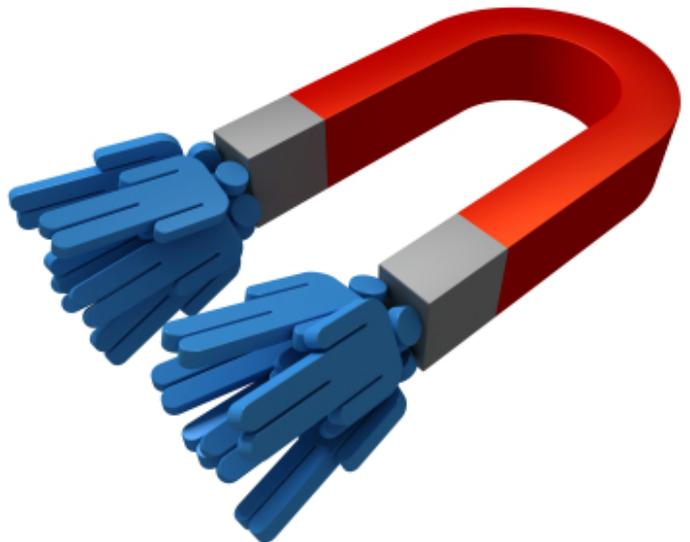
¹ Openshaw, Eric. "The Strategic News Service Newsletter." 16 February 2011. [Strategic News Service](http://www.tapsns.com/recentissues.php?mode=show&issue=2011-02-16). Ed. Mark Anderson. Strategic News ServiceLLC. 18 March 2011
<<http://www.tapsns.com/recentissues.php?mode=show&issue=2011-02-16>>.

The Inbound Model

HubSpot is not in the manufacturing business. Nor are we in the professional recruitment business. However, like many successful high tech companies we've had to deal with our own challenges when it comes to growing a large workforce quickly — only a fraction of which are actual HubSpot employees — so we can sell and support our thousands of customers in over 30 countries. We also know how to get people to find companies online and feel good about buying the products or services they are selling. And because, as we said, high tech has had more experience than many sectors at solving talent scarcity issues, we think HubSpot's experience might offer some guidance.

In both high tech and manufacturing, marketing is about selling relationships — turning strangers into fans. If someone is your fan they are more likely to buy from you and work with you if given the opportunity. Being a fan implies multiple qualities — like awareness, knowledge, interaction and agreement — from both ends of the relationship. But most importantly, becoming a fan has to be the *fan's* idea. It comes from inside the person you are trying to persuade. That's the key premise behind what HubSpot does.

Our particular expertise is inbound marketing. In fact, our founder Brian Halligan coined that term to describe a set of ideas, practices and technologies that result in people finding you online and wanting to become your customer, i.e., “converting.” The three key elements of inbound marketing are social networking, blogging and SEO (search engine optimization). They engage prospects with interesting content, hence “pulling them in,” rather than “pushing out” messages at buyers whether buyers want to consume those messages or not. Outbound is how companies traditionally have generated leads, whether for new customers or for



new talent they wish to hire. Classic tactics include ads, cold calling and postal direct mail. We also call these “interruption” tactics because they demand that the intended target interrupt whatever he or she is doing in order to pay attention to you. Because people generally don't like being interrupted they employ defenses against it, like skipping over TV commercials, screening phone calls with caller ID or simply by ignoring ads that appear alongside articles in newspapers, magazines and websites.

With inbound marketing *you* are the content people naturally want to engage, rather than the ads they naturally avoid.

If someone is already your fan — i.e., awareness, knowledge, interaction and agreement are already in play — the person won't regard your marketing as an interruption. Your fans are already reading and commenting on your blogs. Your website and blog already appear high on search engines when they search online about a topic of genuine interest. They're already interacting with members of your staff on LinkedIn, Facebook, and industry-specific discussion forums. They're asking questions, giving and getting advice, and commenting on industry trends. They are probably already following tweets of the key thought leaders in your company. And you're also engaging them — communicating with them on Twitter, LinkedIn, Facebook, and industry forums.

It's not about you just broadcasting messages into space and waiting to see if anyone is listening. It's about you being part of the natural conversation your prospects are already having with people they respect and who respect them. Your fans have already converted, even before they become your customers.



Customer / Talent Convergence

How can inbound marketing apply to finding and recruiting talent? It can because recruiting is where social networking actually got its start as a marketing tool years before the web had arrived. Even back in the day, recruiters and career coaches cited one statistic over and over — that only 20% of open positions are advertised. Eighty percent represent the “hidden job market.” For proof, just look at an early edition of the classic job finder’s handbook, *What Color Is Your Parachute?*



But if jobs were not being advertised, how then were they filled? The answer is, “By word of mouth,” as in social networks. Just as they still do, people back then reached out to people they knew or had heard about in the normal course of business and social activities.

Since then, technology has merely expanded social networking in multiple dimensions. Web-based networking can obviously engage many more people much faster for far less money than can the old-fashioned face-to-face variety. But there is also a lot more overlap between audiences — so activities intended to sell customers will also impact prospective job candidates. And activities intended to win over job candidates will impact potential customers who might buy your products.

For example, a blog originally intended to engage customers on topics of mutual interest would almost automatically engage talent on those topics as well. An SEO strategy that effectively delivers high customer volume to the company’s website will probably also deliver a lot of potential job candidates looking for great companies to work for in that industry. A social media strategy that has company thought leaders engaging with customers on technical topics would also engage potential new-hires for the engineering department.

This product/talent convergence makes the starting and nurturing of talent networks even more urgent for manufacturing companies looking to grow. A key reason is economies of scale. Not only do the same tools apply to both customers and talent simultaneously but there is also a much wider assortment of tools to use — yet, another way new technology has expanded social networking. Rather than just network face-to-face at business gatherings, you can also network using all these newer online tools as well — converting prospective customers and employees at the same time.

Going back to the 80/20 rule, there is a good reason why companies have long practiced what today is called inbound marketing to find good people: They get more high-quality candidates that way. Just as fans make better customers, they also make better employees. Both sides of the employment relationship have “working” knowledge of each other before signing up. Workers come already motivated, and they have already demonstrated their knowledge and interest. By being open, the company also has something to offer besides salary and benefits — work that is genuinely exciting and done in a great environment that’s shared with other passionate professionals who have also self-selected to become part of your team. As the Deloitte research confirms, workers eager to engage with you on this level are exactly the types of workers companies are going to need if they expect to grow.

Viable Persistent Networks

Given inbound marketing's proven success, cost efficiency and significant economies of scale, it should come as no surprise that many companies have established viable persistent talent networks — as in the Apple, SAP, P&G, and AXP examples. A talent network consists of all the people with whom you are socially engaged via the web who either are, or potentially could be, working on your behalf.

One of the exciting aspects of a talent network is that most of the people in the network are not actual employees — even though they are contributing value to your company. They could be giving you ideas for new products or processes, developing add-on or complementary products, selling services that support your products, or just singing your praises online to the rest of the world. Those who contribute in this last category — “followers” — are especially critical to your talent network. They will read and comment on your blogs, link to your blog or website (thereby raising your search engine ranking), answer questions posed by your customers on LinkedIn, and otherwise make your talent network a living breathing community.

As the orchestrator of your talent network, you will find people engaging with you at different levels of involvement over time. Furthermore, someone's position within the network is often not static. Those who start out as followers, just reading your content and engaging with your people online, are the ones most likely to start a business around

HubSpot's Talent Network Layers

- **Employees** — HubSpot's own internal staff, either full or part time.
- **Contractors** — Independent companies or freelancers (“1099s”) who provide services to HubSpot and their other clients.
- **Partners** — Companies or freelancers that provide services complementary to HubSpot, such as training and consulting.
- **App Builders** — Companies or freelancers that build applications that work with HubSpot software; for example, software that connect HubSpot's applications to customer resource management solutions such as Salesforce or NetSuite.
- **Inbound Marketing University** — People who take classes and receive certification in HubSpot's products and services.
- **Followers** — People who participate informally in HubSpot's online community such as by reading and commenting on HubSpot blogs.

your business — becoming a VAR, perhaps, or consulting to your customers — or asking if they can come work for you.

In fact, that is exactly how we have grown HubSpot, whose own talent network is illustrated in Figure 1. The network allows us to leverage a talent base much larger than the actual size of the company, which in turn allows us to support a customer base that is much bigger (both geographically and in numbers) than the one we could serve if we relied on employees alone.

And as the network gets bigger, so does its “gravitational pull” — i.e., its ability to attract more talent (and more customers too, due to the convergence effect). This is the opposite of how most industrial supply chains are managed — which is to reduce the number of suppliers in order to gain efficiencies. Where talent is concerned, efficiency comes from scale. You want the most ideas, the most cross fertilization, and the most value for the least cost. Indeed, when a talent network achieves critical mass it becomes almost self-sustaining, feeding off its own energy. The results are tangible. For us they include vastly more HubSpot product developers than we could recruit directly, many more HubSpot services than we could provide independently, and many more salespeople on the virtual “street” selling HubSpot than HubSpot could hire by itself.



Figure 1: HubSpot's Talent Network

Manufacturing Can Do This

Granted, a virtual network — talent or otherwise — has limits when you're talking about a business focused on making physical products. You can't operate a lathe from a WebEx session. On the other hand, it doesn't matter what sector you're in — every industry has its "go-to" company. That's where bright people go to work; this is the company whose products or methods create the most industry buzz; and this is the company that has potential partners lining up to represent its product, build service businesses around its products, or create add-on products. Chances are good that these go-to companies are exploiting inbound marketing techniques to attract talent. In fact, your people are probably even following this company online themselves.

By definition, every manufacturer makes things — so saying that you can't be as virtual as a software company really isn't relevant. What matters is how much more talent leverage you get than competitors get. In that race, talent networks win.

Next Steps from HubSpot

If you are a manufacturing company that wonders how effective your website is at generating traffic, engaging social media, and attracting search engines, then it's time you got your website graded. Take a few minutes and submit your site to Website.Grader.Com, the free SEO tool that measures the marketing effectiveness of a website



If you are a manufacturing company interested in finding out how you can easily integrate your social marketing, SEO, PPC and lead generation for better results, [sign up for a HubSpot demo](#).



If you are a manufacturing company that understands the value of inbound marketing but have difficulty launching a successful business blog, read the 24-page ebook [Better Business Blogging in 2011](#).



If you are a company that is interested in growing your business and generating leads, [use HubSpot's free 30-day trial to learn how HubSpot can help you](#).

