

## Cross-Industry Hiring: Is the Grass Greener on the Other Side?

In today's competitive environment, organizations need to innovate to stay ahead, and introducing new leadership can foster exciting growth opportunities..

While there's certainly something to be said about rising through the ranks, many companies have begun recruiting executives from not only outside of their company, but outside of their industry to bring fresh perspectives and encourage creative thinking.



### What's driving cross-industry hiring?

In addition to fresh perspectives, limited talent pools are driving the need to look across industries for great talent. Cross-industry hiring is a necessity for emerging industries like Digital Health that haven't been in existence for very long. It's also critical for industries that suffer from a shortage of talent, like Cyber Security, where there are currently one million unfilled jobs.[i]

The massive amount of information companies have at their disposal is also driving cross-pollination between industries. Candidates who can analyze, understand, and use data to give companies an edge are just as attractive for a Hedge Fund as they are for a Software company. These skills are increasingly transferable across industries.

Competitive marketplaces that require innovative leadership, talent shortages, emerging industries, and increasingly high demand skill sets suggest that cross-industry hiring is on the rise.

### Why hire across industries?

Here are some of cross-industry hiring's foremost advantages:

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**It changes team mindset** – Hiring someone from a different industry can reset the way a team works. If everyone has similar backgrounds, companies may keep seeing similar outcomes. It accelerates execution – Even though they’re steering the ship, executive teams can get caught in the weeds. Cross-industry hires and the objective perspective they bring can give leadership teams the push they need to move important efforts forward.

### **Google does it, so it must be good**

You don’t have to look far to find successful examples of cross-industry hiring. Take, for example, Google’s hiring of Ruth Porat as CFO, a 28-year veteran of Morgan Stanley. Porat was hired with an eye towards supporting Google’s investment side of the business which has flourished under her leadership, and frankly because, “she loves data.”<sup>[ii]</sup> We all know there’s no shortage of that in Google.

Similarly, Nestlé’s CEO, Ulf Mark Schneider, was hired to lead the Swiss candy company from European Healthcare company, Fresenius. Nestlé’s strategy to focus increasingly on healthier products spurred the hiring of Schneider whose background fit the company’s growth plans.<sup>[iii]</sup>

Despite the fact that trailblazing companies like Google and Nestlé are doing it, hiring across industries for strategic roles hasn’t become as common as you might think. Our executive search experience and expertise in several key industries – BioPharma, Digital Health, FinTech and Financial Services, and Software – suggests that, in the right situation, cross-industry hiring can be just what an organization needs.

### **When experience matters and when it doesn’t**

Staying laser-focused on a candidate’s industry experience can be limiting because it shifts the focus away from other important skills like creativity, leadership, team-building, project management, and flexibility. These traits are always in high demand, regardless of company or industry.<sup>[iv]</sup>

One of our clients, a hedge fund company, was struggling to find a leader with the right mix of strategic and analytical skills. The team wanted someone who understood economics well enough to predict market behavior. After taking a step back to assess where else that skill set existed, we found a candidate who had spent his career in a government agency using similar skills to assess and predict global economies. He was hired and has thrived ever since.

Similarly, in cases where the lines between industries are blurred, companies need to decide from which side of the fence they want to hire. Digital Health, an industry that fuses technology and healthcare, is a good case in point. One of our clients, Imprivata, a PE-backed Digital Health security company, made a conscious decision to hire its CEO from the Security industry rather than Healthcare. Gus Malezis' expertise driving growth for Security organizations was considered more vital to the company's strategic priorities than having deep Healthcare experience. The team was of the mind that he could surround himself with those who could bring that perspective to the table.

That being said, there are times when industry experience is critical.

Companies aren't as open to cross-industry hiring for roles that require an extensive rolodex, like Sales. While selling is a skill that is transferable across any industry, senior-level Sales professionals are often hired for the relationships they've built throughout their career.

We don't see a lot of cross-industry hiring for commercially-driven roles that require individuals to have in-depth industry knowledge, like Chief Commercial Officers or Chief Medical Officers. These positions require deep expertise in order to drive company strategy.

### **Making the case**

We'll be honest—it's not always easy to convince companies that cross-industry hiring is the way to go. The hiring team usually has a clear vision of what their next strategic hire should look like, and it's appealing to hire someone with industry expertise who can "hit the ground running."

In the right situation, though, companies that are willing to think outside of the box, take advantage of best practices from other industries, and recruit these candidates can benefit from this powerful search tactic.

Every situation is different, so we approach each search with an open mind and encourage our clients to do the same. Hiring strategic roles is complex. It requires a thorough understanding of the need, an assessment of what the organization's goals are today and in the future, and a realistic sense of company culture to determine whether a cross-industry hire could be successful. Leveraging a strategic partner like The Bowdoin Group to support you in your search efforts would ensure that you are attracting and recruiting the best talent to for your organization, regardless of industry.

**Call us at 781.263.5200 to schedule a consultation with our team today,  
and get access to your next great hire.**

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[i] <http://www.csoonline.com/article/3155324/it-careers/1-million-cybersecurity-job-openings-in-2017.html>

[ii] <http://zentrade.online/why-alphabet-cfo-ruth-porat-fits-in-at-google-she-loves-data/>

[iii] <https://www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=5699>

[iv] <http://www.expressnews.com/business/local/article/Guest-Voices-Benefits-of-hiring-outside-your-6440362.php>