



WHAT'S NOT IN THE WALLET IS SOMETIMES IN THE NAME

The past 12 months has been Financial Recruitment Group's best year, but also its hardest in terms of the whole recruitment process and the time taken to get a candidate over the line. The reason behind this is the fight for talent. The shortage of talented staff is a very real issue. Almost every candidate we approach for business development manager/key account manager (BDM/KAM) roles this year has been approached several times already. They are also happy in their current role and the rewards are high. Employers have recognised that they have to take care of their performing people and are looking at ways to lock them in. Also, when someone does resign they are making substantial counteroffers and even redesigning their position if need be.

Some companies have changed the titles for their BDMs. For example, there are BDMs out there now who have key account manager as their title, however, they are still in a traditional BDM role. BDMs taking the next step like the idea of moving to a KAM title as it gives them a sense of seniority and progression within their role. Companies can't increase the salary packages any higher than they are now (\$90,000-130,000 for BDMs and \$140,000-180,000 for senior BDMs plus lucrative bonus structures), so they have to look at other ways of keeping them. Giving them an impressive title is one way to stroke the ego and make them feel an important part of the organisation and not just the person who is pounding the pavement.

Due to the lack of available (good) candidates willing to make a move, companies are promoting employees quicker from the business development officer (BDO) ranks to BDM. Companies are giving their BDOs/business development associates/business development consultants the first opportunity to progress, rather than going external. This means BDMs are also getting younger. We are seeing a lot of young BDMs with only two to three years' experience in the senior BDM ranks. They usually have tertiary qualifications and the diploma of financial planning, are mature in nature and have strong communication skills. Also, there has been a trend for young financial planners to move into BDM roles as they don't see themselves as planners for the long term and see the BDM role as a good career move with high rewards.

By the time the BDM is in their early 30s, they are usually looking to move into a KAM role or state management level. If they are building a family, the travel involved in a traditional BDM role becomes less attractive, so they are looking at roles that may cut the travel time. Some BDMs start looking at specialist roles or will start to move into the practice management stream as these roles also offer similar pay and bonus structures.

The current bonus structures are the result of a successful market. Companies delay the payment of the bonus by about three months, which makes it hard for a BDM to move. For example, if the bonus is due in December, it is usually not paid until the end of March. This means that for the BDM to leave their company, they will lose out on at least three months' bonus that has built up. This could be worth \$30,000-40,000 or more. For them to move, the BDM would want to be compensated for that amount by the new company. In addition, they also want a guaranteed bonus to join the new company to make up for what they will lose by starting again. This has made it extremely difficult for companies to recruit, so in the next 12 months we predict companies will look outside the square more to obtain their BDMs rather than trying to lure the competition into their business, which would cost them more than the person is worth. ■

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