

Test-Drives in the C-Suite

Companies are turning to tryouts to avoid hiring the wrong executive

By Michelle Conlin

At one time or another all executives have experienced that special horror—the moment when they realize they've hired the wrong person. For Justin Moore, the revelation came during his chief financial officer's first week on the job. As Moore, CEO of Axcient, a data storage company in Mountain View, Calif., was scrawling out scenarios at the whiteboard, he started to feel as if he were pulling the new guy up a hill. "I was constantly having to lead him into a high-level discussion and say, 'Come on, get high-level again. Let's think more strategy here.'"

Moore had an out. Like a number of executives, he has scotched standard operating procedure in favor of a new hiring strategy: trying before buying. Once Moore finds a potential candidate, he auditions him or her before making a permanent offer. Sometimes tryouts last weeks, sometimes months. Why get married after only a few dates? "It's foolish of any of us to think our interview skills are so great we can predict how well someone is going to work in terms of the dynamics of a team," says Moore.

With all the Grade A talent on the street these days, bosses often have the leverage to put potential recruits through their paces. And why not? After all, 40% of executives hired from the outside last only 18 months, says Heidrick & Struggles International ([HSI](#)) CEO L. Kevin Kelly. In Europe and Asia, "interim executives" have long been popular. Now the practice is creeping into the American C-suite, too.

It remains to be seen whether so-called try-buys will proliferate once the labor market recovers. But for now it suits the times. Executives don't want to commit to big fixed costs. Job hunters don't want to change cities or update their LinkedIn statuses before they know a job is a sure thing. In an acutely risk-averse environment, try-buys mitigate the risk on both sides. No contracts. No severance. No drama.

Companies are increasingly turning to "leadership on demand" services. Last summer, Pauline Brown, a managing director at the Carlyle Group, a private equity firm, was in a bind. One of Carlyle's consumer goods companies was suddenly without a CEO. Carlyle hired a search firm to find a replacement. But because the big headhunters almost always focus on candidates who already have jobs, those hunts typically take months.

So as a hedge, Brown decided to experiment. She phoned the Business Talent Group, an agency in Los Angeles with a gold-plated roster of 1,000 executives with Ivy League MBAs and experience at such outfits as McKinsey. With clients that include Fox Mobile, Healthways ([HWAY](#)), Maveron, and Pinkberry, BTG is at the forefront of creating a spot market for executive talent. BTG offered Brown a roster of candidates who could start within two weeks. "I was basically blown away by the caliber of people they presented," says Brown. "They were on a par with or better than the people we were meeting in our more standard search." In the end the temporary candidate beat out all the ones the traditional search firm eventually supplied and is now the permanent CEO. "I wouldn't hesitate about trying this again," Brown says.

BTG is onto something. Heidrick & Struggles itself recently launched a new business called the Chief Advisor Network. It too functions as a talent agency for C-suiters who can be placed on quick notice. "We are in this moment when organizational design is shifting," says managing partner Lauren Doliva. "That means more try before you buy."

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