



## The BTS Business Simulation-based Executive Assessment

### Challenge: Identifying and Retaining High Performing Executive Leaders

The most significant Talent challenge that organizations face is putting the right people in the right role at the right time. This is particularly true at the executive level, where decisions to promote leaders from within must be balanced with the opportunity to recruit talent externally.

Most organizations would prefer to promote from within, but failure rates of internal promotions often signal inadequacies in the talent identification and development processes. Inability to demonstrate general management capability and mindset is often identified as the root cause of the failure problem.

On the other hand, external hires lead to different challenges. A recent study by the Corporate Executive Board show that 50-70 percent of executives fail within the first 18 months of promotion into an executive role, whether coming from within or outside of the organization.<sup>1</sup>

Given these results, one would think that executive identification was being left to chance. However, the results of a talent management benchmark study indicated that 70.2% of all companies responding used some form of assessment: 90% with executives; 81% with middle managers; 75% with high potentials.<sup>2</sup>

**What does this tell us about the effectiveness of current assessment approaches?**

## Solution: The BTS Business Simulation-based Executive Assessment An Experience Unlike Any Other

### High Performance Criteria: Defining Great

Selecting the most relevant, high impact criteria that discriminate genuinely high performers from those who merely break the plane of adequacy is the most critical foundation for an effective executive assessment. We know that generic competency models cannot pinpoint the specific executive leadership behaviors required to successfully execute **your organization's strategy**. BTS has extensive experience "Defining Great" performance for executive level roles based on work across hundreds of organizations and industries. Our experience has led us to identify the following broad **capabilities** as critical to leadership success:

- Setting an appropriate and realistic strategy
- Executing the strategy consistently but wisely
- Demonstrating a command of the data and familiarity with the industry
- Making timely decision that reflect good judgment
- Taking ownership of workforce planning, talent needs and employee engagement
- Fostering innovation throughout the organization
- Developing conditions for constructive, efficient enterprise-wide collaboration

To ensure the leadership behaviors that illustrate the capabilities are comprehensive, contextually-specific, and represent the client organization, we first conduct interviews with key stakeholders. We identify those behaviors that bring the client organization's challenges to life, including culturally-appropriate language, consistency with current models or leadership frameworks and organization-specific measures of success.

### How BTS Distinguishes our Context-Specific Leadership Assessment Experience from the Rest

We know that every industry is different and faces unique challenges. Therefore, we work with our clients to customize the executive assessment to align with their organization's strategy and metrics as well as the Great leader behaviors required to meet the challenges of leading strategy execution with their organization.

The skills required by leaders facing the industry challenges of cost-cutting, growth, or cyclical markets are vastly different. The assessment process needs to mirror the unique business and leadership challenges the executive will face in the role.

We also know that **business is not static**. It changes across business cycles and new issues that could not be envisioned can impact the business arise. Therefore, our simulations are dynamic and realistically portray the business and leadership challenges in a changing, highly competitive, market driven environment. Within the assessment, the executive will not only interact with an experienced Ph.D. level assessor, but also a seasoned executive who understands our client's industry. This allows for insights to be gathered, not only from a leadership perspective, but also a business perspective within the unique context of our client's industry.

When our executive assessment is used for development, we provide insightful feedback on strengths and weaknesses, tying the information directly back to his/her role. When used for selection, we provide the organization with insights into how the strengths and weaknesses will impact the

person's performance in the target role. We also provide information on how to on-board the individual. To augment the verbal feedback we provide detailed assessment reports and can provide talent analytics to support our client's succession planning strategy.

## The BTS Executive Assessment Experience: Two Options

### Option One:

#### **Business Simulation-based Executive Assessment (individually administered)**

The business and leadership challenges faced by senior executives cannot be simulated as a "day-in-the-life" of an executive. The challenges they face are dynamic and are impacted by market factors that have time horizons spanning over multiple years. The challenges faced by senior executives also differ between industries. BTS has over 30 years of experience creating business simulations that not only reflect the long-term issues faced by executives, but also ones that are unique to each industry. Within the Executive Assessment Experience the participant is immersed in an organization that faces business challenges similar to your own where they take on the role of a senior leader. During the assessment experience, the participant:

- Creates and present their strategy for driving the business
- Makes real-time decisions to drive the execution of their strategy over multiple business cycles
- Analyzes workforce requirements and create a talent plan to drive the business
- Creates the foundation to support the change required to drive the business forward

Participants are provided these challenges through a series of realistic and highly engaging simulations; interacting with others playing the roles of senior leaders, and dynamic web-based interfaces that provide a multitude of issues that need to be addressed regarding the business.

The Business Simulation-based Executive Assessment is a one day immersive experience conducted on the client's site, in a local space nearby the client's location or in a convenient BTS facility.

### Option Two:

#### **Business Simulation-based Development Center (group administered)**

The Development Center option represents the same experience described above but within the context of a group setting. Teams representing multiples of four (minimum of four participants) are designated to set the strategy and run the industry-specific business for three business cycles. All of the business decisions described above are made by the team while each individual's contributions and actions are observed by a pair of observer/assessors. In addition, there are opportunities to observe individual performance outside the context of the group are provided by exercises associated with the simulation. These include a strategy presentation, workforce planning and analysis presentation and an organization alignment exercise.

The Development Center has been designed primarily for internal development applications such as validation and development of high potentials. It is a two day experience that is both an exceptional experiential learning opportunity as well as a

vehicle for highly relevant, business focused assessment and feedback that is the basis for actionable development planning for the individual as well as a wealth of talent capability data for the organization.

### Target Roles

- External Hires at the Business Unit Head Level or Top Functional Head Role (*Option one*)
- Internal Promotions at the Business Unit Head Level or Top Functional Head Role (*Options one or two*)
- Identification and development of people aspiring for Senior General Management or Top Functional Head Roles (*Options one and two*)
- Senior Leaders as part of a Talent Audit during an acquisition or merger (*Option one*)

### To learn more, please contact:

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### About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

For more information, please visit [www.bts.com](http://www.bts.com).

<sup>1</sup> David Perry & Mark Haluska, "Hiring Greatness: How to Recruit Your Dream Team and Crush the Competition," John Wiley & Sons, 2016. P 85.

<sup>2</sup> Allan H. Church and Christopher T. Rotolo, "How are top companies assessing their high-potentials and senior executives? A talent management benchmark study," *Consulting Psychology Journal: Practice and Research*, vol. 65 no. 3, American Psychological Association, 2013. P199-223.