

A new recruiting platform combines talent-seeking tech with psychology

September 21 2017, by Kate Macarthur, Chicago Tribune

Celectiv, a recruiting platform that combines talent-seeking tools with analytical tech like organizational psychology assessments, is coming out of stealth mode to launch.

The Chicago-based [company](#)'s founding chairman, Greg Carrott, began working on the platform in 2014. The goal: Build a single technology platform to identify, assess, recruit and retain talent in a more accurate and cost-effective way.

Besides executive search and general recruiting [firms](#), at least 350 HR technology companies - including LinkedIn - do one or more of these processes, by Carrott's count. But he believes Celectiv would be the first to combine them with organizational psychology assessments and tools that help translate corporate strategy into the hiring process.

"The talent acquisition technology directly attacks staffing and search firms," said Carrott. "The portal aims at the heart of LinkedIn. It's what LinkedIn should be, but isn't."

Celectiv will target two markets: the owners and CEOs of businesses with revenues of \$50 million to \$100 million, and small but fast-growing companies that are tech savvy, have 10 to 30 people, are typically backed by venture capital and don't have a lot of experience in hiring.

The platform will roll out in four phases. The first will let hiring managers control every step in the hiring process. It'll offer features like

a tool to gather resumes, predictive algorithms to rank applicants by personality, and competency measurements that calculate the probability of a candidate's success. It also will create scripts for explicit behavior-based interview guides that take the "gut" out of hiring decisions.

Another piece, to be launched in October, compares candidate behaviors to corporate culture. For example, with companies like 3M or Apple that value vision, external awareness and have a high tolerance for failure, "if you throw a big idea out and it fails and it's OK," Carrott said. "But it's a terrible fit for Caterpillar or Walmart that deliver on results."

In January, the company will add a candidate portal. Then in March, the company plans to add more artificial intelligence and machine learning. "It allows you to do analysis as if you're sitting down with a strategy consultant," Carrott said. There will be a similar self-diagnostic, career-planning tool for candidates.

He said the biggest benefits of the platform are that it will improve diversity and cut hiring costs. Carrott believes the platform can cap any search fee at \$60,000 or less. That's a fraction of what a traditional search firm might charge - roughly one-third of the first-year salary for a C-suite job, or as much as \$300,000.

Similarly, staffing firms can charge \$20,000 to \$30,000 per hire for sales executives that tend to turn over quite often, Carrott said. Some research pegs that churn as high as 25 percent. "We can do it for \$180,000 for the whole year or \$15,000 per month," he said.

While he doesn't think Celectiv can yet capture the CEO searches now done by big search firms like Spencer Stuart, "We can replace Manpower," a general staffing firm, he said. "For any CFO searching in the U.S., or for the Russell 3000 and the portfolios of the largest U.S. private equity firms, we can have a shortlist of the right candidates done

in one minute."

Collectiv beta-tested aspects of the platform with schools and billion-dollar companies. One was the search committee for a new principal at Saint Clement School in Lincoln Park in Chicago.

The process helped neutralize the group dynamic "so everyone was allowed to have a voice," said Mary Newburn, an education consultant who chaired the 15-person committee. "We are lucky to say that we found an amazing principal."

Another test client was a [private-equity firm](#) to recruit a [chief financial officer](#) for a billion-dollar company it had acquired in New York. Carrott declined to name the firms. However, the operating partner of the private equity firm decided to hire its own candidate, which showed Carrott that larger firms accustomed to legacy search processes might not be ready to trust the platform.

Today, the company has two paying clients. Carrott said he expects the company to break even by January 2018 and be cash-flow positive in February.

Collectiv has raised nearly \$1.3 million through two seed rounds. It's also pulled in \$2 million from revenue from [search](#) clients it worked with while developing on the technology.

Among its backers are four board members with a mix of blue-chip corporate and venture capital experience, including Mark Schulz, former executive vice president and president of International Operations for Ford Motor Co. Schulz is now co-founder and partner with Bill Ford of the investment firm Fontinalis Partners, based in Detroit, that invests in next-generation mobility startups including Lyft.

Other board members include Doug Hacker, best known as the retired chief financial officer of United Airlines; Bill Voss, founder of private equity firm Lake Pacific Partners; and Tom Fitzpatrick, former chairman of FreightCar America. Another shareholder is the company's first CEO, Jules Ainsworth, who left Celectiv in March to be chief people officer at Sears Holdings.

©2017 Chicago Tribune

Distributed by Tribune Content Agency, LLC.

Citation: A new recruiting platform combines talent-seeking tech with psychology (2017, September 21) retrieved 20 September 2024 from <https://phys.org/news/2017-09-platform-combines-talent-seeking-tech-psychology.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.