

How Fintechs can Come Out on Top in today's Talent War



The opening salvo...

It's 2015, the Great Recession of 2008 had receded and banks were desperately searching for talent after years of hiring freezes. A new age of technological innovation was dawning with the rise of digital banking. Traditional banks were being forced to adapt – and quickly. The financial services industry began to pillage the tech sector for expertise, trying to attract any talent who expressed openness to a conversation.

“Come help us disrupt an industry that desperately needs to evolve” was the message being repeated to candidates across the industry. The word ‘disruption’ helped in getting talent through the door, but location, slow processes and overwhelmingly bureaucratic decision-making often made the best talent lose interest and pursue other options.

And this kept happening. Candidate attrition can be difficult in any process but when three months of interviewing, followed by a month of drafting an offer fail to yield a new employee, you have to ask whether the banks were serious about change when their actions portrayed a different message.

Studies like [this one from LinkedIn](#) consistently show that:

“employees who understand their purpose and contribution to a company's mission are more committed. Passionate work brings clarity, drive and happiness. If work is meaningful, they'll be more likely to stick with it, which means your tech team is more likely to be successful.”

Tech's brightest stars quickly lost interest in slow moving and old-fashioned banks who were unable to display the disruption they wanted to deliver – especially when the challenger online banks were already proving they were agile and could deliver the disruption they promised.

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Banking achieves its 180° turn

Fast forward three years to 2018 and the banking industry has achieved a complete turnaround that few would have predicted. The big banks have launched digital-first banking/lending products – like Marcus from Goldman Sachs and Finn from JPM Chase. The senior technologists who made Marcus possible were hired from leading digital organizations like OnDeck & PayPal.

How did this happen? In today's fast-moving world where good talent is hard to find, employers must use every tool at their disposal to recruit effectively. Nearly every organization has focused on its employee value proposition; relaxed its dress code, launched expanded employee benefits and created office layouts that challenge the regimentation of the banking industry in the past.

But these internal changes will only serve to retain talent rather than attracting the best (although word soon gets round). Companies must educate those outside of their business on the new culture, and it takes time to evidence.

The traditional banks attacked these challenges relentlessly. They changed their corporate cultures, streamlined their hiring processes, hiring Executive Recruiters to map out the market and capitalized on their existing brands. The banks became evangelists for tech, running events and accelerators like Goldman's GS Accelerate or Wells Fargo's six-monthly program; investments of time and money which told the tech industry that the world of traditional banking was committed to change.

These combined efforts have seen banks solve their hiring challenges and become credible players in the war for tech talent – a war where the same names have been dominant for so long.



Fintechs must learn the lesson from the banks they so desperately wanted to make obsolete.

They must harness the one thing they have that their larger competitors often lack: a compelling story.



A squeeze for challenger fintech brands

But these changes in the banking industry have created a significant challenge for the current crop of fintech startups. Today the market for the best tech talent is as constricted as ever. Heightened competition in the Financial Services sector with the likes of Facebook and Google expanding their payment offerings will see fintech ventures face bigger recruitment challenges than the banks did only a few years ago.

On top of this, competition for talent is broadening across sectors as companies who truly wish to innovate have realised they need to look away from hiring from their direct competitors. After all, if companies continue hiring from within their industry, their innovation efforts will only ever match those of their peers.

And whilst the fintech sector talks a good game, demand for tech talent is everywhere. Only three of this year's big tech IPOs (the Dutch platform Adyen, Zuora and Cardlytics) can be considered anywhere on the fintech landscape – elsewhere, SaaS services and cloud infrastructure rule supreme. So the best talent has plenty of options.

Pioneers need a story

Today's fintechs must learn the lesson from the banks they so desperately wanted to make obsolete.

We find ourselves at a place in time where they no longer carry the same mystique that once made them so attractive to talent. Too many disappear as fast as they start up.

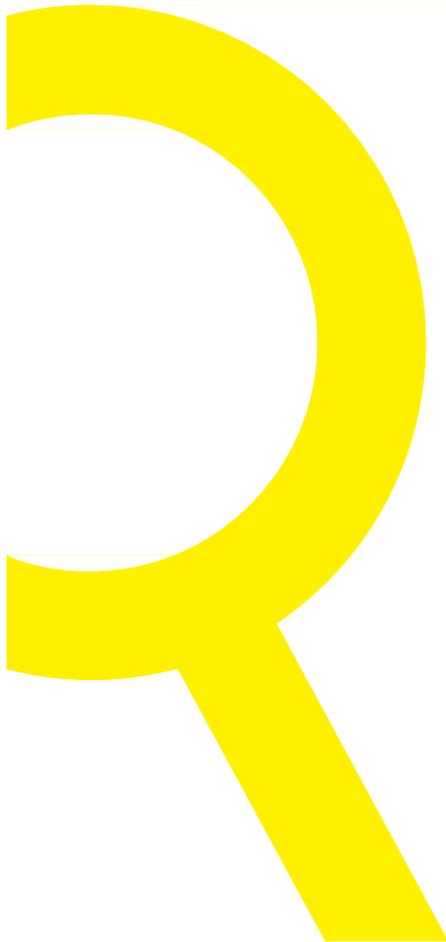
In order to compete against rivals boasting household brand recognition and practically unlimited capital, challenger fintechs must harness the one thing they have that their larger competitors often lack: a compelling story.

Think of your perception of the fintech unicorns: Stripe, Credit Karma, Klarna (a Renovata client), Zenefits, Revolut or particularly Transferwise (also a Renovata client). They are all exceptional at presenting their stories to the public and so to talent as well.

Enter Executive Search firms, an often under-utilized resource in this respect.

When selected and used correctly, Executive Recruiters can offer unparalleled value in the search process.





With extensive networks, and knowledge as to where to find the best talent, they deliver access to a much larger pool of candidates than most internal talent teams can reach. And the more experienced Executive Recruiters have extensive expertise of moving talent cross-industry.

A specialized search can take time to properly execute which may be off-putting to startups; but those who are patient and utilize the firm's expertise will reap the benefits when disruptive talent joins their organizations. More importantly, the Executive Recruiter will provide an outsider's perspective on the narrative of the business: noticing the weak spots and helping to resolve them while crafting a compelling story that resonates with the talent pool.

As an Executive Recruiter, Renovata works to examine each of our clients' businesses through multiple lenses.

We work with stakeholders to learn what it is about the company that convinced them to join; and what makes them stay. And we spend time in offices to find out more about the talent across all levels; because it is only when we understand the people that we truly know the company.

And it's that knowledge we utilize to take potential employ: it allows them to see the higher purpose the company serves. In return, Renovata can convince the most sought-after talent that this is the right company for them.

Top recruiters have the ability to reach people at any level in any organization. We monitor the market in ways that in-house teams cannot, and we can raise awareness of companies seeking to surpass the status quo.

Add a compelling story to that message and talent once thought unobtainable will suddenly start picking up the phone to answer your call.

Renovata is the leading international digital and technology executive search firm. For 15 years, the team has worked with entrepreneurs and private capital investors to recruit world class boards and management teams for technology and digital companies throughout Europe and the US. Renovata has offices in New York, London, Germany and Sweden.

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