



The contest for Fintech talent

INSIGHTS

MOTIVE

Your team or firm will only be as good as the people you hire to move it forward

Guest feature from **Ben Erskine-Hill**, a Partner at Erevena. Erevena helps recruit Board and C-suite executives and build teams for high-growth companies.

The macro environment surrounding FinTech is exacerbating the increasing challenge that founders face to attract world-class talent to their businesses. In our view, there are several factors contributing to this:

- Continued investment in private markets driving further access to capital for early-stage to growth companies;
- Stagnation in deal volume and total investment in 2020 as businesses grappled with the pandemic contributing to excess demand;
- Increase in total funding and deal volume in FinTech in 2021; and
- The number of FinTechs valued at \$1 billion+ reaching an all-time high.

Let's unpack each of these:

Firstly, as money continues to pour into private markets, access to capital has become less of a hurdle for founders and executives than in previous venture cycles. This influx of capital has enabled FinTech businesses to dangle the financial carrot as a strong lever to attract and retain best-in-class talent. Previously, potential employees who were not attracted to a business due to the product or market appear to be more inclined to explore such job opportunities with prospects of increasingly high financial reward.

With the pandemic came investment stagnation in 2020, which enabled well-financed businesses benefiting from the shift to digital to approach and attract incredible talent, seizing the window of opportunity in a market with less competition. The knock-on effect of this has been seen through 2021 and into 2022 with many of the highest regarded executives having moved roles in the past



two years, and so further limiting the available talent pool.

And as the world found a new normality in 2021 amidst a locked-down life, Global FinTech Funding reached \$94.7 billion across 3,549 deals by the third quarter of 2021, close to double the funding in 2020 over the same period. However, this huge step up in deals and funding has not yet been reflected in the speed and development of world-class executives. As such, there has been high demand for top candidates, with candidates evaluating three to five offers in many cases. This creates a bidding frenzy that ultimately drives up remuneration significantly.

With the above in mind, there is the need to look at non-financial leverage when attracting and retaining best talent:

One of the big levers is around having a 'vision'. Executives want to be part of a business that they believe in, and equally, believe in the product and what it stands for. At Erevena, we have seen

great success after having early conversations with founders or senior members of the executive team being able to clearly articulate their vision.

Now businesses are thinking laterally and selecting for transferable skillsets rather than direct industry experience. Whereas, previously, the default would have been to search in the most relevant and competitive landscapes. However, by widening the talent pool and selecting for highly ambitious and driven leaders with transferable skills, **there may be brilliant executives and leaders in less obvious places.**

Interestingly, with all the negatives that Covid-19 has brought, the widespread shift to home working has allowed businesses to expand the pool of candidates internationally, which has opened up opportunities to candidates on a global scale. This does not come without the challenges of embedding culture and core values, however, this has given needed depth to an otherwise shallow talent pool.



And finally, **one of the greatest advantages we have seen with successful hiring practices has been in the process.** Top executives who are being approached on a regular basis need the candidate experience to be reflective of the business. The guidelines below have helped some businesses win talent by improving the executive's experience in getting to know the business and eliminating the constant round of interviews with similar questions and outcomes.

- Get conviction around the candidate early and quickly;
- Remember that you are competing for talent and do not lose sight of that throughout the process;
- Do not be afraid to over-hire, recruiting takes time, so do not solve for just what you need now, solve for what you need long term;
- Do not only bet on experience. Bet on potential (i.e., IQ and EQ);
- Invest in the process, meet people face-to-face, get involved yourself if you want to win;

- Think outside of the box; sometimes the best talent can bring a fresh perspective to a problem and may not check all your boxes;
- Find ways to collaborate on ideas right away; and
- Include a personal touch. Remember a lot of the job is about who you work with and do not forget in this remote world, it's harder to get a sense of culture.

With no signs of a slow-down in the race for top talent, finding ways to set your team and organization apart may become the difference. It is worth every effort because, after all, your team or firm will only be as good as the people you hire to move it forward.

