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MERRAINE GROUP INC.
PROVIDING LEADERS FOR THE HEALTHCARE INDUSTRY

Merraine Group - A Talent Solutions Firm Providing HR Solutions to Hospitals, Medical Centers, For Profit and Non-Profits Working within Health and Human Services



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CEOCFO: Mr. Gantshar, what is Merraine Group?

Mr. Gantshar: Merraine Group is a talent solutions firm, providing executive search and recruitment, contract and interim staffing, training, organizational development, and HR solutions to hospitals, medical centers and organizations working within health and human services. This includes both for profit and non-profits serving those with behavioral and developmental disabilities including organizations serving youth-at-risk and autism spectrum disorder as well as laboratories, physician practices, substance abuse facilities and medical research organizations.

CEOCFO: How did you begin and how do provide such a wide variety of services?

Mr. Gantshar: We started in April of 2001 as an executive search and recruitment firm for the printing industry because I spent the first twelve years of my career within graphic communications. When I graduated college in 1990, printing was the sixth largest industry in the world, and within a dozen years I do not think it was even in the top thirty. My very first hire at the company was a woman named Barbara Ratner, who happens to be my mother. Unfortunately, she passed away this past March. My mother said to me "We need to get out of the printing industry and we need to focus on healthcare." Her background was in

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the nonprofit sector and specifically running nonprofit healthcare and healthcare organizations serving underprivileged communities and individuals at risk. We jumped into these fields with great enthusiasm as a regional firm in 2002 providing recruitment services all over New England. The response was overwhelming primarily because our process was so thorough. By 2004 we had gone national and by 2007 international. We started acquiring companies in 2013. It was one step which led to the next which led to bigger and better opportunities as we grew.

Due to my own experience raising two children with disabilities - my youngest with autism and another that struggled with depression and anxiety - it challenged me on a personal level to see how we could give back and serve communities where resources and personnel are often pulled in many directions. We expanded the definition from just healthcare to health and human services and as we did so, the work simply became more rewarding. There is an awful lot of crossover between the sectors because both employ nurses, physicians, case managers and people in key patient centered roles. It was a combination of my mother's advice and my personal experiences that led to this wide variety of both disciplines and services.

CEOCFO: *What are some of the challenges your clients are facing today and what do you understand about how to solve them that perhaps less experienced or knowledgeable people do not?*

Mr. Gantshar: I think there are number of issues. The biggest which will not be a surprise to you is this massive war for talent. It has become even more exaggerated because of COVID. Now people want to work from home and there are so many telehealth centers and the war for talent has now put us in a situation where you can be a company in Bogota but you want to hire somebody in Philadelphia, so now you are competing with companies at the global level for the same talent. There is a lot of financial pressure in terms of wages. There is a massive need for communities that are underrepresented within business and the nonprofit sector to ensure they are competing on a level playing field. As a woman-owned business, we have worked extensively with our clients to ensure diversity, equity and inclusion plays a role in every search. It is an imperative that we be reaching out to all segments of the population as a part of our process. Many companies say that but they fail to follow through. Those are the items I would identify as the biggest challenges and our approach and first-hand experience means we will continue to be at the forefront when it comes to presenting viable solutions. For me, this business is very personal. For two generations now my family has talked about things such as autism, cancer, depression and behavioral illnesses at our dinner table and around the fireplace. The reality is our lives – that of my wife and myself – have been forever changed by living with an autistic son, and he has inspired our work for close to two decades. Quite frankly, my wife diagnosed him because nobody else knew what we were dealing with. We have also lived with a son that struggled for fifteen years with mental illness. The spring before last he took his own life. In 1993, I had been married for eight months when my wife was diagnosed with cancer and thank God after a year-and-a-half of exhaustive treatment she "recovered." These experiences change

a person, so when you ask how we can best meet the needs of the communities we serve, well for us - it is highly personal. Autism today is a massive issue in the field of behavioral medicine. When I think about families like mine that haven't always had a place to turn, it breaks my heart. Now with COVID, the numbers of those that are experiencing depression and anxiety are growing significantly. Cancer is all over the place, so these are issues that are near and dear to our hearts and to those we hire for our own staff as well as those we recruit on behalf of our clients. Can an individual that has not struggled with substance abuse work in a substance abuse facility? Of course, but if their experience is personal, it makes the treatment so much more effective. The bottom line is I have not been able to get through a conversation about my son without crying - until maybe today, so these are issues I am deeply passionate about.

As far as DEI is concerned, it is a subject near to our hearts not just because we are a woman-owned business but because we have seen through my mother's work and through the work my family has done, the impact treatment plays when those involved with treatment are representative of all different sectors of society. Communities that are disenfranchised or do not have the same opportunities as the rest of us are under tremendous pressure. Under the leadership of Alfred Hankins, our Director of Diversity, Equity and Inclusion, we have really made it our business to put equality front and center with every one of our clients. Let's be clear. It did not become front and center because of George Floyd, when so many firms stated talking about it. For our firm, it was part of the discussion since 2002 when we got into the healthcare market. We have always said we need to reach all segments of society to ensure we are sourcing the most talented individuals and those that represent the very communities they serve. Companies might spend \$20,000 to \$40,000 on a search. For that amount of money, they do not need us posting an opportunity on a job board. Anybody can do that for \$400. They rightfully expect us to go out and find the best talent no matter what it takes!

In summary, these are not new discussions for us nor are they simply about "closing a deal." These are the issues we think about 18 hours a day and we have helped more than 1,800 health and human service organizations find the solutions they are looking for. As a family-owned business that runs a two-shift operation, we are unique in these fields. Last, we are front and center in ensuring that everybody coming into this business has a healthcare or a human services background and shares our passion for these disciplines.

CEO CFO: When you are taking on a new client are they coming to you because they recognize the difference?

Mr. Gantshar: I think most of them do. We are never going to be the least expensive option but we are not the most expensive. Our client retention rate is near perfect. I think most of them understand that the level of detail we provide in a search, the level of discretion, and the cycle time that we can provide while offering a selection of candidates supported by 22 years of research and analytics means, yes - most of them get it. The truth is a lot of times we have to prove ourselves every

day. We are not afraid to do that or to go up against the really big names because quite frankly - we are better.

Our process is more thorough, more dedicated and we are more knowledgeable in the fields we serve. Our clients have access to our C-Suite, myself and to our entire leadership team. There is no other firm in recruitment or talent solutions that can say this. Try getting the CEO of any of our ten biggest competitors on the phone. You simply cannot. We are proud that we are a family-run business and yet one that has a global reach. So yes, I think that most are aware when they knock on our door.

CEOCFO: When you are looking at a candidate, what might you look at that sets your approach apart?

Mr. Gantshar: I think for a lot of executive search firms, the bar is set very low. Anybody can open a recruitment firm as long as you have a computer and a phone. For a lot of people they think that a hospital or physician's practice needs a certain skill set and if they can match that skill set they can make a \$25,000 fee and the reality could not be further. We are different and I might even argue - less focused on skill set. It is relatively simple for our team to ascertain whether someone has the proper hematology and oncology background or whether a leader can take charge within patient financial services. We know the questions to ask, and our team can look at a resume and tell you in 60 seconds whether the candidate person has the right skill set. I think what lies beneath that and probably the key to our industry leading 97.3% retention rate is the fact that we are focused, disproportionately so on chemistry.

When we go into an organization, we like to meet with senior leadership to understand how they motivate, to understand what builds a cohesive leadership team, to understand how they retain their people and to understand how they are going to judge the performance of their new hires. What does a fabulous performer in their organization look like? I know people that have totally failed in one organization but blossomed in another. You may ask why because they either have the skills or they don't. However, the same person thrived under Mary's leadership but under Joe's they felt disenfranchised. What I think we do is try to understand how the personal chemistry will gel with the leadership of the organization we are talking about and we work to focus on their motivation. We do not want to just find somebody in Denver. Again, anyone can do that. However, we want to make sure that person has a tie to Denver, maybe their in-laws live there or they went to elementary school there or maybe they are an avid skier but there's got to be a proper motivation. If there's no motivation to be in Denver, then the skill set is superfluous because they will not stay. Let's face it. Retention is one of the most fundamental parts of recruitment.

By law, we are not allowed to ask someone if they are married. However, organizations must consider children and/or a domestic partner's needs when making a hiring decision. We all know the #1 reason that people do not make a career change is not because of money. It is because of family issues. For example, they cannot leave their parents due to illness or because they cannot pull their teens out of

high school. If they want to share information with us about their family, we ensure we have a trailing spouse program so the family unit is taken care of. The old expression "Happy wife, happy life," is relevant to not just the spouse but all of the people – and pets – in one's life. The answer to your question is we are looking at things that are not just about skill set. We are focusing on what makes up the person, what motivates them and then thinking about what will keep them there three or four years ahead. If we know the answers to these questions, we have solved the puzzle of retention.

CEO CFO: *What is ahead for Merraine Group?*

Mr. Gantshar: In 2020 we were named by the Financial Times as one of the 200 Fastest Growing Companies in the United States of America. Imagine! During COVID, we never expected such a thing. I think for some extent - and I do not mean to sound boastful – that the wind is at our back. However, we absolutely do not want to get comfortable. I think for us, what is next is ensuring that we are gearing our additional services towards what our clients need. This means going out into the field and asking them how we can best serve them. Yes, executive search and recruitment will continue to be the backbone of our business but interim staffing, RPO, organizational development and training are growing at a quicker rate, and this is because we asked our clients how we can help them.

We believe the right way to talk to clients is by offering to assist with talent solutions on a much bigger scale. The gentleman that heads up our organizational development area has a master's degree in organizational development and came out of KPMG. The woman that heads up our training and performance area comes out of the largest recruitment and training organization in the US. The VP of our acute care division spent a dozen years working in managed care and listening to the concerns, issues and challenges patients have. These people are leaders in their fields. It is who we are at Merraine. We know this: If we understand the end-user, we can better understand our own clients.

It is quite powerful to walk into a client and offer to help with their recruitment process. Now let's take that to a whole different level. Conversations today are about how we can help with an executive search and then by offering assistance in other areas of talent solutions – the magic is in telling them, "You will not have to spend as much on recruitment because we can fix some of these issues." We can fix part of the DEI issue, the retention issue, the training issue. The power is in knowing that by helping leaders ramp up more quickly and solidifying their positions through innovation we can best understand what our clients really appreciate. What's next? We are going to grow the divisions that are the biggest threat to our legacy business: recruitment. If we do that, we ultimately may reduce our revenues within placement but when has doing the right thing been a strategy for anything but growth? I feel like the executive search market will continue to grow and remain over 50% of our business. Now the challenge will be explaining how we can be a total solutions firm to our clients and by doing this, we know our clients will continue to place their faith in Merraine.