

Recruiting your Recruiter – Part I It's Not About the Fee

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You've met with your Controller, CFO or President and secured the budget to add a new position.

You've developed an effective job description and set a timeline of 60 days to hire your new employee.

You've posted the position on Monster.com.

You've exhausted your network of contacts.

After 3 weeks, there are no viable prospects in the pipeline.

It's now time to...gulp!....hire a recruiter!

But where do you start? How do you know which recruiter is right for your company, your business model and your open position? How do you know if the recruiter will send the *best* talent as opposed to simply the available talent? Should you stay local or contact a national firm? Should you look for a recruiter that specializes in your industry?

While the process of selecting a recruiter should not be taken lightly, the decision is not as daunting as you might think – as long as you gather the necessary information. There are 10 key questions that will assist you in this process.

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Top 10 Questions to ask Yourself:

1. Can I find the right talent in the local market?
2. Do I need someone from my industry or are the functional skills more important?
3. Do I need to hire an A player for this particular role or do I have the time to develop a B player into an A player?
4. Am I willing to pay for relocation?
5. What is my sense of urgency? What is my drop dead date to get the position filled?
6. Am I seeking a set of skills or personality traits that are in high demand and low supply?
7. Do I place equal weight on the cultural and technical fit?
8. Do I need someone who can hit the ground running without much training or am I willing and able to train someone who has not done this exact job before?
9. Does my company offer a compelling Employee Value Proposition (EVP) that will attract the best talent? ([more on this topic](#))
10. How competitive is the salary I am able to offer?

Not all Recruiters are Created Equal

Each recruiter claims to be “relationship-based”. But is every recruiter building the same types of relationships with the same types of people in the same industries and circles? The answer is most certainly “No”.

The first decision to make is *whether or not your situation requires you to work with a recruiter that is industry-focused or functionally-focused*. Both can be effective, depending upon the situation.

Industry-focused recruiters will possess a number of strong contacts across functions, within a specific industry sector. For example, if you are looking to hire someone that knows everything there is to know about inventory, multiple locations, multi-state transactions, franchising, leasing and distribution centers, perhaps it makes sense to hire a recruiter that works exclusively in the retail sector. Most likely, this type of recruiter will have a national focus allowing him or her to recruit from the best names in your industry. Moreover, if you feel that there are few direct competitors in the local area, it may make sense to consider engaging a national recruiting firm to ensure that you are considering the best talent in your sector, regardless of location. Keep in mind that you are more likely to pay a retained fee for this type of recruiter – a fee that is based on a 60-90 day payment schedule rather than being contingent on the placement of a candidate. Additionally, you may wind up paying for the relocation of your top candidate given that he or she may reside outside of your city.

The key question to ask in this situation is whether or not the recruiter has experience recruiting for your specific position. This is important because while she may know your industry quite well, it is meaningless if she has no history of finding the technical skills you need.

Functionally-focused recruiters work across a variety of industries, focusing instead on recruiting for specific functions. These types of recruiters can be very effective because they have developed a deep understanding of the specific responsibilities and technical skills you are seeking. For example, you may decide that you need to hire a new Controller and as long as the candidate comes from the manufacturing industry, it does not matter if they are working for a medical device or power supply manufacturer. Instead, your concern is whether or not the candidate has the necessary aptitude in areas such as GAAP and SOX compliance, foreign currency exchange and revenue recognition

The key question to ask in this situation is whether or not the recruiter has the experience recruiting at the level you are seeking, in the right sector and for like-sized companies. While all recruiters claim to be well-rounded, it will be difficult to attract a manufacturing Controller if the recruiter has focused solely on placing bookkeepers in the banking industry.

The second decision to make is *whether or not your open position requires a set of skills or a particular personality that is difficult to identify or in high demand*. This is important for two reasons: 1) it will determine the amount of time required by the recruiter to present candidates and 2) it will determine whether or not you expect the recruiter to conduct in-person interviews.

Some recruiters work for high volume firms, requiring them to manage between 10 and 20 open orders at a time. Therefore, they are going to spend their time on the positions that are “most fillable” – positions that will most likely be filled in the next 2-3 weeks. They may send you 7 to 10 resumes from their current database – candidates that may or may not have been screened in person or properly briefed about the specifics of your position. In some cases, one of these candidates may be a fit. However, in many cases, the hiring manager winds up re-screening candidates that are not the right fit, wasting valuable time. Once those initial 7-10 candidates have been presented, your open position takes a back seat to the recruiter’s other positions that may be filled quicker.

For example, if you are seeking a candidate with a highly sought after skill set such as a Six Sigma Blackbelt, a CFA or a Big4/CPA, the odds are it will take more time for the recruiter to identify, screen and present this type of professional. Similarly, if you are a small, 50-employee, family-owned business that is looking to hire someone to redefine your market share and eventually take over the company, it will require much more time to identify potential prospects. Furthermore, it is more likely that the recruiter will need to meet these candidates in person in order to determine whether or not they are the right cultural fit for a small, closely held business. Thus, a high volume recruiter may not be as effective as a smaller boutique firm given the amount of active direct recruiting and screening that will be required. In many cases, a recruiter at a smaller boutique firm will have more time to familiarize herself with the nuances of your company culture, allowing her to be more effective and efficient when approaching passive candidates – currently employed professionals who have expressed an interest in other opportunities.

The key questions to ask in this situation are whether or not you are recruiting for a position that is in high demand or a role that requires specialized skills and a unique personality. If the answer is yes, you need to ask yourself whether or not a high volume recruiter has the time to thoroughly screen candidates before presenting them and whether or not a phone screen is sufficient to determine the candidate’s fit within your company.

Some Final Thoughts

Once again, the decision to engage a recruiter rests on factors beyond the basic fee. In some cases, the search will require a national database and knowledge of a specific industry. It may be justifiable to pay a retainer in order to engage a large national firm

for this type of specialized position. In other cases, the position may be one of 10 production roles in your department and the key is filling the position quickly with readily available local talent. This situation may require the use of a high volume firm that can immediately send you 10 potential candidates, without taking the time to screen each one in person. And in many cases, the use of a functionally-specific firm is the best option. Many of these firms are committed to personally screening each candidate, they understand the unique skills required by your position and they will continue working on your search until it is filled. It is the responsibility of each hiring manager to select the most appropriate recruiter to manage the search. Just as positions require different skills, different searches may require a different type of recruiter to be effective.

In addition to asking yourself these 10 questions, there are an additional 10 questions that you should be asking a prospective recruiter prior to engaging them in a search. This additional information should assist you with determining whether or not the recruiter is right for you and your organization. These questions will be addressed in our August newsletter.

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