Hunting the Headhunter

Your Guide to Debunking Myths, Cutting Costs and Changing the Way You Play the Recruitment Game

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INTRODUCTION

Somewhere over the rainbow, there lived a wizard who held the keys to the Land of Oz. There was mystery and wonder about who this man really was. The pivotal scene in the Wizard of Oz was when Dorothy finally pulled back the curtain, revealing the Wizard as an ordinary man. The greatest lesson we all learned was that a normal man can solve even the most difficult dilemma.

Recruiters like to be seen as wizards of sorts, with confidential searches, high level contacts, databases full of intimate information and complex tools. They've even created catchy job titles, such as "Headhunter," "Executive Recruiter," "Talent Acquisition Specialist" and "Certified Personnel Consultant." I know, as I have personally used these titles for years. Because of the nature of confidential searches and the considerable egos of headhunters (myself included), a variety of myths and misunderstandings have arisen. Most of these myths and misunderstandings are counterproductive to all parties.

So what's the use in reading another eBook written by just another "ordinary man" you ask? This eBook is meant to debunk myths and provide strategies that will help any company contain or reduce costs, while maximizing results when working with a third-party recruiter. Using these strategies will help build a mutually beneficial relationship with a top recruiter who understands their business, their vision, and their goals.

So, how can you trust me?

In the world of recruiting, there are some great solution providers. There are also plenty of "posers." The trick is to know which is which and to **only work with the best.** Provided is a handy "cheat sheet" and a sure-fire method to quickly weed out lousy recruiters who solicit your business but fail to provide satisfactory results. It will also help you identify the ones with which you should engage.

This is not self-promotion. My firm works specifically in what most would know as a niche market. We deal primarily with animal science, animal agriculture, and integrated food processing. If you work in a completely different field and are reading this, **do not stop reading.** The principles shared are designed to work in a variety of fields.

I started writing this eBook on my 20th anniversary as a recruiter, the month after we celebrated the 15th anniversary of the founding of my company, Continental Search and Outplacement, Inc. After all this time, you would think that I've seen it all when it comes to recruiting. However, I'm still amazed at how many executives and HR professionals fail to understand how to effectively utilize the talents of a recruiter. **Industry myths are often the cause.**

MYTH #1

Recruiting is Complex

Frankly, recruiting is very simple. This myth is often propagated by recruiters. Below is a breakdown of the process:

- Find an organization with a need.
- Speak with the organization's leaders until you understand both the need and the opportunity that is available to the person who can fill that need.
- Agree on the financial terms for the search.
- Find the person who has the skills and who desires to do that job at that location for the compensation the company is willing to provide.
- Introduce that person to the company. Manage the interview offer process. When the company makes the hire, the search is complete.
- Then, you get paid. *It's that simple.*

An average fee is $30,000 for a manager for a large business. Try explaining the process for building a $30,000 car that simply. *Recruiting is simple*.

TIP ***Find a recruiter who asks great questions in an effort to understand your business needs. With that alone, you are halfway to achieving success!***

MYTH #2

Recruiting is Easy

How can recruiting not be complex, but also not be easy? This myth is often propagated by Human Resources professionals. Many HR professionals appear to resent recruiters because they see a recruiter make a call into their company, get a search, fill it in weeks, and then receive a check that equals three to six months of their salary. They see this work as easy. If it was easy, the HR department would have done it. Easy assignments are no longer given to recruiters, namely because it's too expensive. Recruiting is simple, but it is *not easy*. Here's why:

- **Countless Variable:** Skills required, compensation offered, location, personality, technology, education, etc.
- **Countless Decision Makers:** Never mind the committee the company has lined up that must agree on hiring a candidate. Even if they can agree and make an offer that will be acceptable, there is no certainty of acceptance. Usually, the candidate's spouse has to agree. Sometimes, even more difficult are the children or parents. Multiple times, Daddy's 16-year old princess has been the actual decision maker when determining if he takes a job. There are many decision makers.
- **Uncontrolled Deliverable:** Recruiters market a product that has a mouth and a mind of its own. I defy you to show me any other sales field, from financial services to airplanes, and computer systems to livestock, that when the buyer offers to purchase the product at the offered price, the product decides that while it does want to be sold, it doesn't want to be sold to that buyer for that price in that town.

Recruiting is simple, but it's certainly *not easy*.

Find a recruiter who listens to the opportunity and has experience presenting opportunities in a way that people will respond to and you will be more successful!

MYTH #3

Giving the search assignment to many recruiters will result in more candidates in less time.

While this makes sense on paper, it doesn't work in practice because recruiters will only give the search 10% of their efforts when they have competition, instead of a 100% effort if they know they are the only person involved in the search. Recruiters quickly find out if they have competition, even if you don't tell them. Word travels fast. Recruiters will call some of the same contacts, who will inform the recruiter that they've already received three calls regarding this search. Those recruiters will **stop working immediately** on the search.

Choose a recruiter who you expect can fill the job and give him/her three (3) weeks to present viable candidates. If they produce candidates—even if they're not hired—give them time to do the job right. If they don't produce, take them off the search, contact another firm, and give them the same exclusive. Focus and effort produce results. Having multiple recruiters on the search does not insure either.

MYTH #4

Cutting the fee percentage is the best way to cut costs.

There are smart ways to cut or contain search costs. Simply reducing the fee percentage isn't one of them. Cutting percentages can affect results because it lowers the recruiter's incentive and enthusiasm. This slows down the candidate flow, and the results are often less than satisfactory. Below are 5 examples of how to cut costs the right way:

1. ***Flat fee:*** Most search fees are based on a percentage of the new hire's first year of compensation. Choose the mid-point of the salary range and offer a flat fee based on that salary. That will be the fee for the search. If you hire a candidate in the upper portion of the range, you have saved money on the fee. If you hire in the lower portion of the range, you have saved money on the salary while keeping the recruiter totally engaged in the search. The recruiter has no incentive to find top dollar candidates, only to fill the search quickly. The recruiter has a potential upside and knows that there won't be an attempt at a fee negotiation at the end of the search because a candidate might be more expensive than anticipated.

> "I called a sales manager who needed a technical services rep with a PhD. He told me that he had 10 recruiters working on this search. I told him that he didn't need an 11th and thanked him for his time. A few months later, I was invited by the company's CEO to meet with their leadership team to help with their recruiting efforts and improve their recruiting process. The first assignment was to fill the Technical Services Rep job. By this time, those 10 recruiters had worked on the search for 10 months, and the company had interviewed 10 candidates. I went on retainer with them, focused on their needs, and filled the position within 60 days. The candidate worked for the company successfully for 5 years before being recruited by a major pharmaceutical company. More did not equal more. The 10 recruiters working on this assignment were passively working on it. I actively focused on it... and filled it."

2. ***Engagement fee or deposits:*** One reason contingent placement fees are so high is because there's usually incredible risk involved on the part of the recruiter. These risks include the company having multiple recruiters working on the search, the job could be cut or de-funded, specs can change midstream, an internal candidate could surface, or the "perfect candidate" might stumble in the front door looking for a job. Reduce your cost by reducing the recruiter's risk.

> Buy 5, get 1 free! I had filled a few Software Developer positions with a consulting company over the course of a few years. The company was awarded a major contract and needed 6 developers over the next few months. By using a formula similar to this example, they saved the cost of one placement fee.

> The owner of a company wanted to hire a general manager. His previous attempt had failed miserably. He wanted help articulating his need advertising the opportunity, identifying and qualifying the right candidates, and coaching to help him ask the right questions. He also wanted to save as much money as possible. He knew trade paper advertising and Internet job posting would produce a pool of candidates, but he didn't know how to proceed from there. I was hired on a per-hour basis to take him through the process. Within 60 days, 4 candidates were interviewed and one was hired. The new GM has now been on the job exactly one year and is quite successful. I calculated the savings that the owner enjoyed. After he paid for the advertising and my actual hours, the savings was approximately 50% of what he would have paid, if he had given this search to a recruiting firm. The work was some of the most profitable I have ever done. The hourly rate was profitable, and I placed the runner-up for this position 45 days later with a different client for my full fee.

Example: Instead of a 30% contingent fee for a $100,000 position, select who you consider to be the best recruiter for the search and offer a $5,000 deposit and a 25% fee. This produces a $5,000 savings to the company and the recruiter is fully engaged, knowing that the employer has a vested interest in their success. Their sense of urgency is high, as the big payoff is still in the future. In this example, your savings was 16%, and the recruiter's probability of earning a fee is greatly enhanced.

3 ***Discount for multiple hires of the same job description:***
Fact: It's easier to fill 6 widget engineer positions with one company than it is to fill 6 widget engineer positions with 6 companies. If you know you're going to hire 6 engineers during the next 12 months, negotiate a discounted rate. The easiest way to get a recruiter to agree to a discount is by offering one that engages as you hire more.

Example: If you need six widget gurus, offer the first two hires at 30%, the next two hires at 27% and additional hires at 24%. If you hired 6 engineers at $80,000 salaries with this formula, you would have saved $14,400 over the course of the year and your recruiter would most likely be more effective because they will learn what you truly desire and send only those types of candidates. This tip saves both time and money.

4 ***Per-hour consulting:*** Many recruiters who view themselves as consultants will often consent to working at a per-hour rate. While this rate may look similar to your attorney's, it can create great savings in the long run. When doing this, expect to pay for any advertising or research costs. You can hire them for the entire project or only for the portions where you need their expertise, such as identifying prospects and the initial recruitment call.

5 ***Targeted per-hour consulting:*** Often, company officials know who they wish to hire, but desire a third-party professional to make the calls and be involved during the early stages of the process. The reason for this could be that the company either lacks the expertise to make the calls or, more often; it does not desire to be seen poaching a competitor, supplier, or customer. In these circumstances, employers can save thousands of dollars in recruiting fees by hiring a recruiter on a per-hour basis to do the following:

- Understand their needs and write their script (90 minutes)
- Make the calls (10 to 45 minutes per call)
- Type notes (10 to 15 minutes per call)
- Follow-up time

By providing a list to the recruiter and managing the bulk of the process, you save money while compensating the recruiter for their time. Expect rates like your accounting firm or attorney charges, but at a lower accumulation of hours.

TIP *This is a great strategy for determining if you can recruit the top technical people or sales representatives from your competitors without them knowing!*

MYTH #5

All recruiters work the same way and all of them know how to hunt heads.

There have always been recruiters who only work from resumes they have on file or through employment advertising. Then there are those who conduct a complete search. Most companies have no idea who does what, much less when to use one recruiter over another. In the old days, it was filing cabinets, newspaper classified advertising, and a rotary phone. Now it's online job posting on LinkedIn, Bing, Facebook, Twitter, Monster, and other major jobs boards, computer databases, and headsets. In short, these recruiters deal with people who are looking for jobs.

A true search includes not only active job seekers, but also reaching out to network with those who are happy in their jobs and those who are content enough to passively look for a new opportunity. You're asking why this is important. Let me explain. If you need a supervisor-level candidate or an individual contributor who will be directly managed, often you can fill the job with those who are actively looking for a new role. If you have a key position, you probably want to recruit someone who doesn't feel the need to look for a job.

By utilizing a recruiter who regularly "hunts heads" for difficult searches and senior roles, you will be presented with a pool of candidates who are the best in the field, versus the best who are actively looking for work.

TIP *Ask potential recruiting partners to describe the process they're going to use to identify potential candidates. If it only includes social media recruiting, job boards, and resume banks, you may want to talk with other recruiters. While these are effective tools and can be part of a great search, if you want the cream of the crop, you need someone who is able to identify and entice the best in the field. These individuals are not actively looking for work. These top performers need to be contacted directly and have the opportunity presented in a professional manner.*

MYTH #6

Relegating recruiters to only deal with the HR department keeps them from recruiting our people and speeds up the process.

Many companies have a policy of relegating recruiters to only speaking with the Human Resources department. While it's rumored in recruiting circles that this policy was developed by control-hungry human resources executives in order to make themselves seem important, that is probably only true in some cases. More likely, it was caused by lousy recruiters who wasted everyone's time or by their unethical practices.

There is a better way, and it improves efficiencies. Once a recruiter has shown professionalism and has reviewed the basics of the position you need to fill, set up a 15 to 30 minute conference call with the hiring manager, the recruiter, and the HR rep who works with this department. Have the recruiter provide a list of topics or questions so that the manager can be prepared, and let the conversation flow. This will give all parties a better understanding of the requirements and opportunity being offered. It will increase the speed with which you receive candidates and enhance the quality of the candidates being considered.

If your company is worried about the recruiter recruiting your people for other clients, have the recruiter sign a"no-hire agreement" or work with recruiters who have that policy in their services agreement.

TIP

You will improve accuracy and speed in the search process by giving the recruiter access to the hiring manager, even in a limited way.

Recruiters who have spoken with the hiring manager have more credibility with prospective candidates. Therefore, top prospects who may be hesitant are more willing to listen.

Seasoned recruiters know how to work with integrity with both hiring managers and the Human Resources departments. If you find a recruiter who continually circumvents your process or fails to keep HR in the loop, find another recruiter. This recruiter lacks integrity.

MYTH #7

All searches require the same work and are of the same difficulty.

There are **2 major factors** that normally affect the difficulty of a search; the amount of effort it takes to identify potential candidates, and the personality type of the individuals who normally hold that type of job. These are not written in stone, but they are good "rules of thumb."

Identity Crisis: How can I find the right people to call?

EASY: *Some people are easy to identify.* These are public people. These people are the faces of their employer. Want to know who the VP of Sales is for a Fortune 500 Company? It takes less than a minute. I can prove it. Selecting the 100th company on the Fortune 500 list (Rite Aid) and typing "Who is the Vice President of Operations for Rite Aid?" into Google's advanced search engine (allowing only pages from the last 12 months), brought up multiple pages with this information—including one within the past week containing a list of all the top executives for Rite Aid.

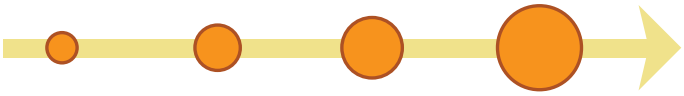
The company will even tell you who this person is. You can call their switchboard and ask the name of the VP of Operations. The operator will likely give you that person's name and patch your call through to their direct line. This same effort would be required to identify the top executives of large companies. In addition, over 400 of the Fortune 500 Companies will have a Vice President of Operations who will have similar skills, and you can identify their current specialty quickly.

DIFFICULT: *Some are tougher to identify.* These are private people. Call the switchboard and ask them if they have an Oracle Database Administrator and ask for their name, and the call won't go so quickly or so well. Go ahead. Try it! Guaranteed, Rite Aid has a DBA, and probably a handful of them. What we can't know immediately is what system they're using to know if their DBAs are accustomed to Microsoft, IBM, or Oracle. Companies seldom list their mid-level individual contributors on their websites or in their annual reports. On average, it takes considerably longer to identify and reach private people than public people.

Personality Types and Values

As a rule, extroverted people are more open to change and more comfortable taking risks. Introverts, on the other hand, value stability, like to plant roots, and avoid undo risks. Which do you think will be easier to recruit?

Call 50 companies and speak with their Sales Manager (usually an assertive extrovert who is trained to take chances) and Purchasing Manager (usually a more passive introvert who is trained to follow a set process) and see how many of each are open to listening to an out-of-town opening for a Director position. It has been my experience that many more Sales Managers will consider the opportunity than Purchasing Managers, if you can get one Purchasing Manager to consider it at all. This does not mean that every Vice President of Sales job is easy to fill or that every Cost Accountant job is difficult to fill, but the underlying trend tends to be that way.



10 Additional Factors that Make a Search Difficult

1. Remote location or unappealing facility
2. Lack of advancement opportunities
3. Salary or benefits offered are below the industry average
4. Old technical processes or old equipment
5. Company in financial distress or recent industry scandal
6. Small companies or start-ups are often seen as risks or lacking a positive reputation
7. Difficult commutes or long work hours
8. High cost of living area
9. Amount of overnight travel
10. Required certifications, security clearances, or advanced degrees

TIP

To speed up the search for private people, utilize a recruiter who specializes in that niche. They've built a database for this purpose, and they'll hit the ground running more quickly. If you need a left-handed Widget Engineer:

- A good generalist recruiter will eventually get the job done.
- A good Engineering recruiter will do it more quickly.
- The recruiter who specializes in left-handed Widget Engineers already has a relationship with the guy you want to hire.

There are 3 proven methods to finding a specialist recruiter:

- An Internet search using applicable keywords will produce results.
- Databases of recruiters such as www.RecommendedRecruiter.com provide a searchable database.
- Speak to people in your company who perform the job. Ask which recruiters call them and which they would recommend. This might be the best source.

If you can't find a recruiter who specializes in left-handed Widget Engineers, by providing your recruiter with a list of competitors or trade association membership lists, you'll speed up the identification and recruiting process.

When recruiting, highlight the positives of the opportunity so that these balance any negative aspects of the location, compensation, etc.

4 Dirty Little Secrets about Headhunters

1 DIRTY LITTLE SECRET

Recruiters want long-term repeat business because they generally hate making cold calls to companies.

Cold calling prospective clients is a boring task that has a high rejection rate. Recruiters refer to these calls in flattering ways such as "Dialing for Dollars," "Smiling and Dialing," and "Do you Wanna Buy a Chicken?"

Conversely, developing a working relationship with a satisfied client is rewarding. Filling the second search for a company is normally easier than the first because the recruiter understands the client's selection process and corporate culture. Filling the 10th is easier yet and is even more rewarding.

TIP

Developing a long-term relationship with a recruiter saves you time because you will not have to explain your process and culture repeatedly. Having a long-term relationship with a recruiter normally increases speed and productivity as the recruiter typically improves accuracy with multiple hires and builds a list of contacts that can be re-used.

> "Earlier this year, I was visiting a client who was having difficulty recruiting and retaining successful sales people in a division. Since I've recruited for this client for nearly 10 years, I'd worked with the 3 sales managers who led this team during those years, and I'd worked with both the current and previous sales directors, I stepped in. By sharing with the current leadership the challenges and mistakes that their predecessors had made, we were able to create a plan for success."

2 DIRTY LITTLE SECRET

Recruiters want to feel like they are part of your team, and if they become part of your team, they can provide considerable insight.

Recruiting is often a lonely job. Despite talking with dozens of people every day, recruiters often feel like temporary employees. Some executives and Human Resources professionals develop long-term relationships with their recruiters… and it pays off.

TIP

Build long-term relationships with good recruiting partners. They will bring solutions and opportunities. In addition, their search work will be more accurate over time as they learn your preferences. This efficiency will translate into quicker results.

3 DIRTY LITTLE SECRET

A good recruiter can fill any job, but a niche recruiter will fill it faster and with fewer candidates.

After describing your need, ask a potential recruiter to describe similar searches they've conducted during the past 36 months.

4 DIRTY LITTLE SECRET

Most recruiters don't know their numbers… and what isn't measured, isn't improved.

Normally, the best in any field know their statistics and use these numbers to continuously improve their performance, from professional athletes to safety managers to top sales professionals. They study their craft and their individual performance. Often, top recruiters share the statistics of a search with their clients at the completion of the search to show their value.

TIP

Ask potential recruiting partners, "What metrics do you use to measure your success?" If they share numbers with you easily, they're probably in the top half of the profession.

EBOOK EXTRA

THE RIGHT RECRUITER

Before you can improve efficiencies and results using the tips I've provided, you must first identify the right recruiter for you.

10 Questions Every HR Pro Should Use to Get Rid of a Lousy Recruiter:

After 20 years as a headhunter, I hold these **3 truths** to be self-evident:

- Great recruiters add value to their clients by providing top talent and insight.
- Lousy recruiters waste people's time and make just enough placements to stay in the business.
- Companies receive more solicitations from lousy recruiters than great ones because there are many more lousy recruiters than great ones.

Great recruiters have things in common. They were trained well, they have a process, and they have a variety of tools and resources. They have experience recruiting or working in the industry or discipline for which they recruit and present candidates in a manner that shows the person is qualified and interested in the job. These professionals strive to improve themselves and their methods and enjoy a stellar reputation and the fruits of their labor.

Lousy recruiters lack most of these qualities. They believe recruiting is a way to make a fast buck, they have a few methods of identifying candidates, and they like to wallpaper their clients and prospective clients with resumes, hoping to get a hit in the process.

How to Quickly Determine a Great Recruiter from a Lousy Recruiter

When a recruiter makes their first call to you, set a time for the recruiter to call you back that is 48 hours from the initial call. Half won't call back on time or at all. You just saved yourself wasted time.

If they call back, take charge of the call quickly by telling them the truth: that yes, your company uses recruiters, but is exceptionally choosy about who represents them. Don't waste your time listening to their pitch; start by asking the questions instead. The 10 questions provided on the next page will qualify a recruiter quickly. If the recruiter gives you good answers to 8 of the questions, they're probably worth your time. If they nail 9 or 10 out of 10, you've identified a potential recruiting partner who can add value to your company for years to come.

Great Recruiter vs. Lousy Recruiter

- **Process:** Describe your recruiting process. Is it documented?
- **Tools:** What tools do you utilize to identify prospective candidates?
- **Metrics:** What metrics do you use to measure your success?
- **Industry knowledge:** How long have you worked filling positions in "X"?
- **Experience with similar searches:** Tell me about the last time you filled a search for an "X" in "X"?
- **Tenure with employer and overall:** What year did you start recruiting? How long have you been with your present firm?
- **Certification:** What formal training have you had and which certifications do you hold?
- **Presentation:** When you present a candidate for a position, what will that presentation include?
- **No hire policy:** Describe your firm's policy on hiring from clients? Where is this documented?
- **References:** Which 3 people do you recommend I talk to about the success you've had recruiting for them?

**This information is printed as a worksheet on the last page of this book.*

For long-term success, choose a recruiter who understands the entire hiring process and has business acumen, not one who simply sources resumes.

Google search the recruiter's name. Check out the recruiter's blog, eBooks, website, LinkedIn profile, speaking engagements, training, and certification. Make sure you feel comfortable with their professionalism and ethics. Check their references. When this new partner checks out, your company's ability to attract, recruit, and retain top talent will immediately increase, and so will your satisfaction, because working with a real pro will be a pleasure.

ABOUT THE AUTHOR

Daniel C. Simmons, is a Certified Personnel Consultant and has been recruiting since 1991. He is the founder and owner of Continental Search & Outplacement, Inc., a recruiting firm specializing in animal agriculture and animal nutrition industries.

Dan has won over twenty awards in the last decade with the Top Echelon Network, America's leading placement network. In 2008, he celebrated his 500th career placement and has received Placer of the Year award for two consecutive years (2009, 2010). Named "Highest Producing Recruiter" of 2009, Dan is also a guest speaker for trade associations, universities and recruiter networks across the nation, providing career management advice and best practices for recruiting.

He hosts a blog for **employers** and **job seekers** giving valuable advice, answering everyday questions about the current job market.

If you need additional information on recruiting, send an email to **dan@consearch.com** and ask for a copy of *Presenting the Complete Job Offer*, or visit **www.consearch.com.** Don't forget to follow Dan on Twitter @DanRecruiter. Good luck!

Find a Great Recruiter Worksheet

Process

Describe your search process.
Do you have a documented process?

If a process is well articulated and documented — or even better ISO certified — be impressed!

Tools

What types of tools do you utilize to identify prospective candidates?

Look for more than job boards, databases and social media. These are good, but you want more.

Metrics

What metrics do you use to measure your success?

Example: days-to-fill, positions filled-to-assignments given, interviews-to-hire

Industry Knowledge

How long have you worked filling positions in X?

Any time over 3 years is good, since many recruiters switch specialties.

Experience filling positions at the right level

Tell me about the last time you completed a search similar to recruiting a X.

Look for an equivalent work during the last few years.

Tenure with employer and overall

What year did you begin recruiting?
How long with your present firm?

Don't ask how long they've been recruiting; they will fudge that. Instead, ask the year. It will knock them off-balance and the truth comes out.

Certification

What formal training have you had and which certifications do you hold?

Look for CPC, CTS, or CERS certifications from NAPS or American Staffing Association certifications.

Presentation

When you present a candidate to me for an X position, what will that presentation include?

Resume, references, written interview, assessments, certifications, notes

No Hire Policy

Describe your firm's policy on hiring from clients? Where is this documented?

The firm should be hands off your company (or your division if a large company) for 12 months from the search. Get it in writing.

References

Which 3 people would you recommend I talk to regarding the search work you have done for them?

Look for companies in your industry or discipline OR companies whose name you know.