



▶ NEXT MONTH...



UNBUNDLED SERVICES:
WHAT ARE THE RISKS?



OUTSOURCED
RESEARCH

ADVICE FROM A SOLE
PROPRIETOR

○ TWELVE | ○ ONE | ○ 2007

Recruiting *Entrepreneur*

ADDRESSING THE UNIQUE NEEDS OF SENIOR LEVEL EXECUTIVE
RECRUITERS AND EXECUTIVE SEARCH FIRM OPERATIONS

Most search firms make an effort to address the needs of active candidates. However, many indicate there's room for improvement. Our survey results are in, and candidates have spoken:

What Do Candidates

Expect?

When asked what efforts their firm has made to address the specific needs of prospects and candidates, recruiters weren't shy in offering their opinion. The feedback ranged from "we don't have time" to some firms who've hired individuals dedicated to taking care of candidate needs. While most recruiters describe candidates as "the next potential client" many fall short in their actions.

Surveys are popular among many search firms but are usually focused on clients and presented candidates. For a few, the survey targets prospects and even sources. Sadly, many recruiters admit the survey is primarily a marketing tool and has little effect on business policy.

In compiling our survey results, we found what we expected: candidates and prospects want more from recruiters. What's most interesting is that many of their requests

don't require much of an investment on the part of the recruiter. They are simple, basic and fair expectations. Is their room for improvement in your firm?

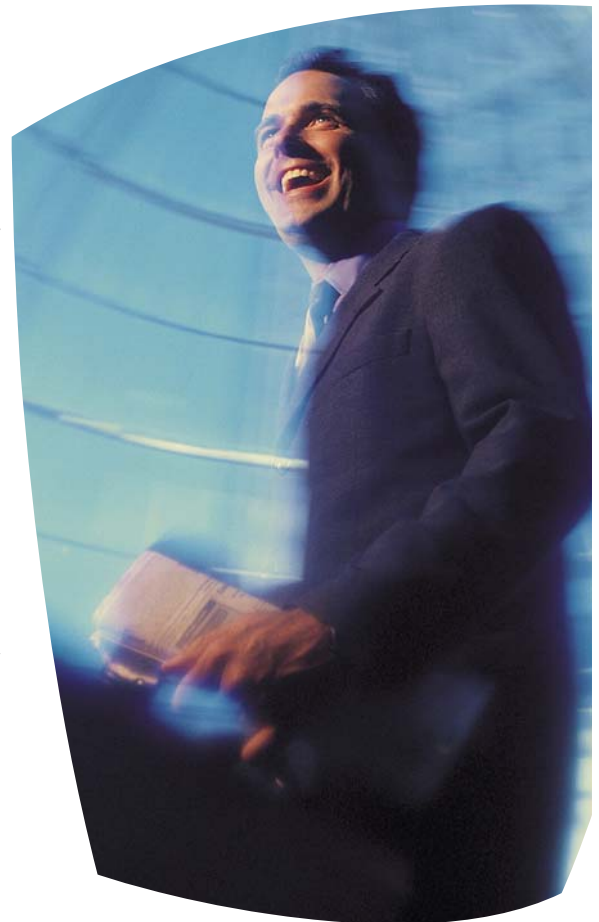
Communication: Frequent updates; scheduling flexibility; make the candidate feel important.

Managed Expectation: Timely, realistic, constructive feedback.

Preparation Assistance: intelligence; ideas; suggestions. (candidates describe ingoing process as empty, outgoing as full of ideas for next time).

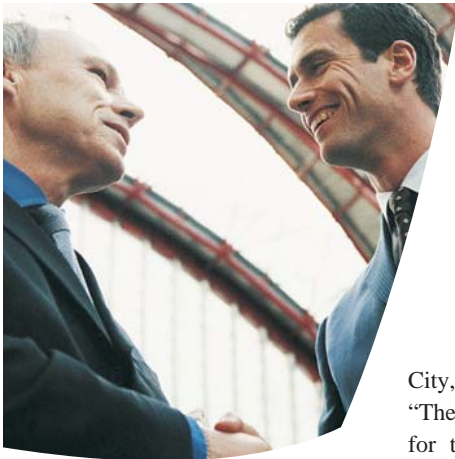
Acknowledgement: timely feedback; more information than the traditional, automated email response; being added to future mailings, etc., or some indicator that the submitter is valued.

To address these and other issues, some firms are hiring individuals dedicated to managing prospects and candidates throughout the search process (scheduling, communication, etc.) even extending to future mailings and newsletters.



BusDev - Tip o' the month...

Everyone agrees executive recruiters must never undervalue their services, yet clients continue to press for lower fees or success fee components. In facing the prospect of losing clients over pricing, some recruiters present the "high risk and high cost associated with a missed hire or vacancy", but some firms are using a new strategy: unbundled services. Unbundled services describe individual components of the traditional search process offered at individual prices. Often these fees will reach beyond standard 30-33% ranges if a successful hire is made. Examples of unbundled services include: Target ID, Benchmarking, Pre-qualification, Assessment, Reference-checking, Background-checking and more.



Startup Lessons: A Simple IT Decision Can Get Out of Control

Let's face it: Recruiters are recruiters and should not be spending time in IT Strategy – or should they?

When most recruiters think about Information Technology, several things come to mind: Website, Email, Phones, Database and Research Resources. Interestingly, many executive recruiters leave important decisions to the most common users of these systems – researchers and administrative assistants. Even at the large firms, little input in functionality and design is requested from senior level recruiters, yet their interaction with the database may be the most important factor in success. For anyone considering a new database (build or buy) we recommend reading [The Inmates are Running the Asylum](#) by Alan Cooper, an ex-Microsoft executive. Cooper describes the result of giving too much control to software developers in the design and functionality of software. It translates to recruiting software too: Giving too much control to researchers and administrative assistants puts the focus on *extracting data* from systems to satisfy their needs instead of the simplicity required by recruiters to *input data*. “Just take a look at the products available in today’s market” says Bob Stein, President of Prospect

City, a recruiting consultancy. “These systems are too complex for the senior level recruiter.” Bob says a complex system usually means a recruiter won’t use it – and if they don’t use it, where’s the value? “If a system doesn’t capture the thoughts and practices of the senior level recruiter, then it simply will not succeed.”

We asked sales executives at leading software providers who they most often demonstrated their products to. The overwhelming response was associate recruiters and researchers. “They love the bells and whistles” says Stein. “They firmly believe that forcing a senior level recruiter to participate is an option and when the system fails, it’s the senior level recruiter who’s blamed for lack of participation.”

So how do firms avoid the mistake? The book recommends that software be evaluated by non-technical users or a blend of users. The book also recommends a business create a virtual user based on the requests and tasks of many users. This addresses the complex makeup of users

among many small and large search firms today.

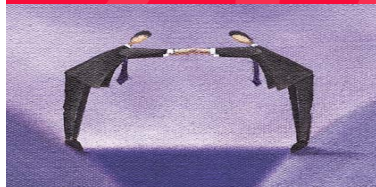
Regardless of your system choice, users should be guarded. One global firm spent nearly \$11M to develop an internal system only to have it scrapped for a new build, bringing the total to \$21M over three years. For boutiques the risk can be great too. One small boutique began an endeavor to change to a popular industry software product, only to find creeping costs over its life. These included data migration, added web components, IT support and ongoing subscription charges. Although the firm budgeted \$15K for the product based on the salesman’s promises, the final tally after twelve months surpassed \$65K and is still growing early in its second year.

To avoid problems, we strongly suggest you incorporate more senior members of your firm into the evaluation process while holding all vendors accountable for cost errors and widely missed estimates. You may even consider an external consultant to help you determine hard and soft costs as well as an accurate estimate.

Instant Messaging: Is there a risk?

Most CIOs view IM as a high risk. IM programs continuously ping one another through an open channel connecting your computers to the outside world. In small businesses, the “security checkpoints” are in the IM software on your computers. Because many popular IM software programs are the target of hackers and thieves, companies should be concerned about the risk to your network. For many firms, using IM is helpful according to employees and difficult to police. Owners should question how helpful IM is to your business. Start by viewing your employees’ list of IM buddies. If it’s a long list of friends, ask them to IM via mobile phone instead. If it truly is an essential tool for business, consider a wholly hosted internal solution exclusively for your firm. These IM systems allow employees to instantly communicate among themselves privately within your network, limiting your exposure to outside invaders. In addition, many private IM systems also allow access to popular external programs, but security of your network remains with you.

TIPS & QUIPS Reader Suggestions



RESEARCH



To expand your reach, join popular online networks. Many of these networks exist on a variety of levels, including LinkedIn, MySpace and FaceBook. MySpace typically targets youngsters, Facebook targets collegians and LinkedIn targets professionals. More professional-level users are joining these networks as a way to access data, including family members. Even YouTube is even becoming a place to market yourself. Videos of presentations and commercials now have a place on the web.

TECHNOLOGY



Stealing contact information is certainly a risk for any firm. However, most firms don’t police the export of data from databases, the printing of data and resumes, or the synchronization with PDAs. Most new startups have some documentation that’s found its way from the previous employer, so what to do? Don’t get caught. Keep any external documentation or data off of your new computers and out of your office. It’s a liability.

ACCOUNTING



Itemized expenses? Nope. Most recruiters bundle expenses into groups such as “recruiter travel” for instance. Some clients request a breakdown of the costs, resulting in a recruiter scrambling for details. It’s certainly easy on the eyes of the reader to view a group of charges, but every recruiter should be comfortable giving the client details of reimbursable expenses on every invoice. List every expenditure, be prepared to defend them, and fully expect payment. Be transparent and the client will respect you and reimburse you.



Recruiting Entrepreneur
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