



▶ NEXT MONTH...



SURVEY RESULTS:
WHAT DO CANDIDATES
EXPECT?



IT: HOW A SIMPLE
DECISION CAN GET OUT
OF CONTROL

IM RISKS

○ ELEVEN | ○ ONE | ○ 2007

Recruiting *Entrepreneur*

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

Most large search firms have invested heavily in reducing communications costs by implementing VoIP telephone architecture. The technology is ready for boutique firm use, so owners are asking:

VoIP Phones – What, Why, How?

The What: VoIP is an acronym for Voice-over-Internet Protocol. Instead of using traditional land lines, these telephones use the Internet to communicate, resulting in significantly reduced costs. A VoIP system may be hosted and managed entirely by the search firm or may be a small component of a larger external host/provider. Depending on the number of phones in a local network, a VoIP system may require a large Internet bandwidth (pipeline). A single phone might get by with a DSL line while a small office may require a T1. For larger offices a fiber optic system or T3 bandwidth may be required.

The Why: For executive recruiters a VoIP phone structure can have a huge impact on operating costs since these costs are whole (meaning clients rarely reimburse recruiters for communications). Even more attractive is the PBX-style customization available from a VoIP system. This means a VoIP

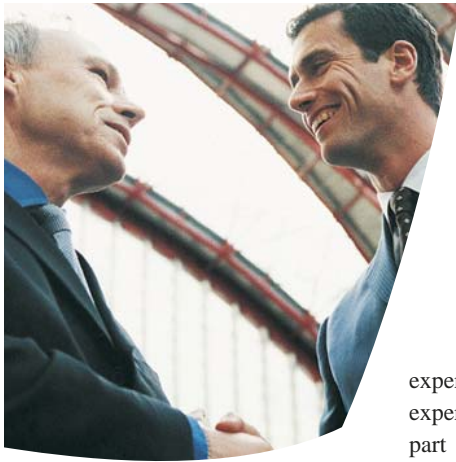
phone system comprised of as little as one phone is be capable of providing callers the sense of a much larger, more sophisticated business operation. Other custom features include Unified Communications (UC), which combine or connect Internet-based tools, including email, database, voicemail, PDAs, websites and more. A UC example includes voicemail delivery via email, auto-dialing from databases, etc. A proper UC strategy can make a huge impact on the efficiency of operations for any firm. Finally, the most popular reason for VoIP is its portability. A VoIP phone needs only an Internet connection to function as part of your internal phone system. This opens the door to incorporate home-offices, distributed offices, subcontracted employees and more.

The How: To implement an effective VoIP solution, we recommend experts in VoIP who have an understanding of your business. It's important to develop a UC strategy that considers your long term business plans before implementing the VoIP component.



BusDev - Tip o' the month...

Most recruiters are well-aware that candidates might become clients. This is certainly obvious in HR executive search, CEO/GM and Board of Directors projects. However, there is still much room for improvement in the way executive search firms treat candidates, prospective candidates, and even sources. Based on our ongoing survey results, we've found candidates dissatisfied with important aspects of search, including communication, expectations management and preparation by recruiters. Some firms have addressed this by hiring dedicated candidate/contact managers who provide services to improve the experience of every contact. More feedback and results can be found on our [blog](#).



Startup Lessons: The Proposal & The Shootout

What you propose your service to potential clients and how you compete with other firms is critical to your business.

So how do you go about differentiating your service from hundreds of other firms in the market, or just the few invited to a shootout?

We asked corporate hiring executives, private equity firms and industry insiders what they look for in a search firm. The results might surprise you.

Hiring executives are exposed to your company in one of several ways:

Execution (50% of respondents) is the most common introduction between recruiters and potential clients. Sourcing and prospecting are an efficient and practical way of introducing your firm to potential clients. These executives cite a significant gap in response to those recruiters seeking business and those seeking advice or presenting opportunities. With this in mind it's important executives promote their firm and their capabilities during every sourcing call, followed up by correspondence or documentation. In one instance a client admitted he chose only specialty firms with significant functional or industry

experience, and identified experts via a detailed Q&A as part of every call he returned. As he put it, "I know within 2 minutes whether the recruiter knows more about my industry or function than I do. That's what gets them on my list."

Press (32%) is a significant tool for establishing expertise in any niche. Repeated exposure to an executive recruiter quoted in newspapers and trade publications has long-term business development value. Every recruiter should make an effort to serve as a source to authors and editors as often as possible.

Recommendations (30%) from other employees or industry peers and networks remain common; especially in multi-firm shootouts. Many client executives admit that to some extent they may already have a favorite and have invited others only to satisfy the request of a superior. However, they also admit other participants have won them over on occasion. Everyone can agree, being invited to a shootout is a unique yet challenging opportunity to develop new business and requires a good strategy.

In every pile of proposals there's always one that makes search seem overly complex, like rocket-science, usually explained in a 15 page text-heavy document. The proposal should be short yet informative according to our respondents. "If they intend to write more than a short paragraph, I prefer bullet points. If I need to know more I'll ask for it" says one respondent.

Since most client contacts already know how search is performed the proposal should spend little time focusing on how and more time on who and where. "In the first page or two I want to see evidence that they are the experts, they know the function, the industry, the targets and most importantly the people" adds another respondent.

Pricing is somewhat important (22%), but risk alleviation has relevance (48%). If clients are asked to take a chance on a lesser-known recruiter, the risk factor should be addressed. PE firms are best at incorporating success-dependent fees and others are moving in that direction.

Dbase: What's the ROI?

Most recruiting database providers hawk bells and whistles, and avoid ROI issues. "a database is required in the search business, so use ours." We believe the most important factor to consider in selecting a database provider is how well they know your business – not just recruiting – your individual, unique business. If they act as if your search firm is just like any other, move on. Every search business is unique and has individual requirements. If a database can't bend to meet your needs that means you have to bend to meet its needs, and that can cause big headaches for you and your employees. Here are some other factors to consider:

- Price Factors: hardware, maintenance, peripheral equipment, data migration, customization, seats/licensing
- Reliability Factors: location, bandwidth, accessibility, in-house tech support, space requirements (data), upgrades
- Growth Factors: new offices, new users, seats/licensing, website integration, reporting, mining, mailing, security
- Customization Factors: flexibility, subcontracted help, client/candidate worksite, credit reporting, coding, exports
- Time Factors: data entry complexity, mind-share, project management, document storage/searching, delegation

TIPS & QUIPS Recruiter Suggestions



RESEARCH

Resources for executive search are expensive and in few cases is it acceptable to charge clients (it's the cost of doing business). In an industry with over 6,000 small boutiques, reach out to those who work in non-conflicting markets and share access to resources. "When recruiters track their actual time using these resources they realize how expensive they are, and how unlikely it is to run into usage conflicts with partners who share the burden of cost."

TECHNOLOGY

A proprietary database is less expensive to build than ever. Find a provider that offers a base system with customization and you'll wind up with a unique database for your business. As owner, you'll be able to expand and change the technology to suit your changing needs, but more importantly the diverse needs of your clients. Making this choice now can help you avoid making expensive changes later.

ACCOUNTING

Online accounting databases are becoming more common. While many believe an online, web-based accounting system is not secure, the opposite is in fact true. Online accounting systems provided by large institutions such as Intuit have extensive IT support to ensure the systems are secure and reliable. In fact, it's more likely your local computer will break down, be stolen, or lose data. An online accounting system provides access to selected external users too., including your bookkeeper and accountant.



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