



▶ NEXT MONTH...



VOIP PHONES – WHAT, WHY, HOW?



THE PROPOSAL & SHOOTOUT

WHAT'S YOUR DATABASE ROI?

○ TEN

○ ONE

○ 2007

# Recruiting *Entrepreneur*

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

*As new firms are created and existing firms review budgets to prepare for 2008, many are looking more closely at the value and subsequent ROI of the office location(s).*

## Is My Office Location Important?

We asked many executive recruiters at both large and small firms their opinion on the important of office location. The opinions were about as diverse as the market itself. However, under the surface we found a few important points that most agreed with.

**Internal Operations:** Almost everyone agrees that today's technology allows executive recruiters to work effectively from almost any location. With flexible phones and Internet access to email and information resources, most recruiters can be effective from anywhere. However, many recruiters find the ability to work together in a team environment an integral part of their success. Camaraderie is of key importance to them. For some creating a team environment means bringing highly capable employees together in a central location. Having an office location that is equally convenient to

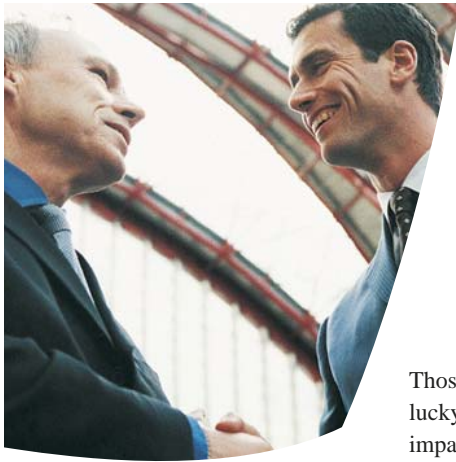
all employees and attractive to new ones usually means a city-centric, more expensive office location.

**External Market:** Many of our respondents indicated the need to "be where my clients and candidates are". If this is true, why do so many recruiters have clients "inconveniently" located in other cities? "It's a perception that you are top-tier and committed financially to your business." says one respondent. "It signals clients that you have strength and staying-power." However, there are many small firms who prefer to spend less on rent in the suburbs or via a home-office environment with distributed employees. "It means I can pass on the savings and pay my team much more," adds another respondent. "A happy team with financial incentives means completions and more business."



## BusDev - Tip o' the month...

Business Development is a critical part of every recruiter's success. Regardless of how an execution-focused junior recruiter may feel about their part in executing searches, most Partner-level recruiters achieve greatness by developing new business. As one recruiter put it, "You either generate revenue for your business or you are an expense to the business – there's no in-between." To achieve success in your current business or to build value in the free-agent market, recruiters should dedicate at least 60 minutes of every day to executing a business development plan independent of your peers.



# Startup Lessons: How Much Time Do I Need to Start Up?

*Many recruiters planning to start their own business fail to accurately understand the timing associated with a startup.*

Subsequently, recruiters who underestimate the time needed to build their firm often find themselves focused on business operations for an extended period of time instead of business development.

The highest priority for most new startups is to generate revenue to support the build. However, it's much easier said than done. New owners are constantly pulled into analyzing options and making decisions in areas where they have little experience.

Of course, having little experience may mean the recruiter is spending much more time than necessary researching and making decisions about technology, database, phones, email, website, etc. In addition, the recruiter may be focused on issues such as the office facilities, furniture, marketing materials, etc.

All of these things can add significantly to your startup timeline.

For some recruiters, getting new business at startup comes unexpectedly easy.

Those owners are relatively lucky and few. But for those the impact of improper planning may affect their ability to execute search.

Regardless of your situation, recruiting entrepreneurs should begin to formulate a plan at least three months ahead of their target startup date. While there are resources available to help you build very quickly, such as the hosted solutions offered by Prospect City and Dillistone, for example, there are components of every build that simply require time.

Office space is usually a 60-90 day process, along with furniture, etc. Some technology components take time too. For instance, ordering and installation of a T1 line for Internet and phones usually takes at least 30 days. Ordering, programming and installing a land-line phone system will take at least 30 days too. Important market-facing materials such as business cards, web domain, and a fully functioning website should be considered as well. All of these issues require a fixed amount of time the recruiter should anticipate long before establishing a target date

for opening the doors.

Below is a list of what to expect and where priorities should be:

## Name Your Business

This impacts everything from web domain (email, website), business cards and pertinent materials needed to develop business.

## Communications

Establish the need for communication and plan on 45 days to add Internet access and phones. If VoIP phones are to be used instead of landline phones, the installation should coincide with Internet access as these phones use the Internet to communicate. Keep in mind it is difficult to move landline numbers to VoIP and vice-versa, so once you make a decision you'll need to stick with it.

## Entity

Register your business entity for tax purposes (LLC, etc.).

## Accounting

Buy software and implement an accounting structure to match the entity type. QuickBooks is a popular choice and available online too.

## advantage: blackberry

While both blackberry and apple sound delicious, (I'm hungry) the iPhone is unquestionably one of the most beautiful communications devices ever created. When it comes to form, it's a winner over every device currently on the market. However, like Microsoft's Office Suite, the Blackberry has the unique advantage of history in the hands of users. Like Office, users are comfortable with the usability of the Blackberry devices after being trained for years. Using an iPhone requires change in the way the user performs simple tasks like typing email. No better or worse – just different, and like comparing MS Office to its competitors, busy executives are simply unwilling to take the time necessary to learn and change habits. From an IT perspective the iPhone is young and under strict control of Apple. This limits users (and companies) from developing and supporting custom solutions that bridge the iPhone to business needs. We believe the iPhone can win, but its functionality will need time to become the "norm"... but in the meantime your kids will love it!

# TIPS & QUIPS Recruiter Suggestions



## RESEARCH



Many recruiters have contemplated the idea of adding research as a line item to their client invoices. Is it justified? I prefer to use contracted researchers because I can justify to my clients that external costs associated with the search are reimbursable. It's widely accepted to bill for special online research tools and association memberships, so why not external research? I converted my internals to externals and they are happy and make more than ever.

## TECHNOLOGY



When considering IT for your firm, it's important to also consider the subsequent support needed to keep you up and running. A hosted solution allows your primary equipment such as mail server, website, and even phone PBX (VoIP) to be hosted offsite where it is secure from disaster and theft. Conversely and internally-hosted solution will mean you'll need an IT person to help support your technology.

## ACCOUNTING



Boutique accounting is not complex. Don't let your accountant make you believe it is. A software solution such as QuickBooks can address all of your needs if it's set up correctly. In fact, QB's online solution allows multiple users to have restricted access to timesheets, for example. If a proper template is developed for recruiting, the rest is simple. Many software programs also convert to assist you at tax time too, be it exporting to your tax preparer or by reporting yourself.



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Questions or comments?  
rcruz@recruitingentrepreneur.com