



▶ NEXT MONTH...

ARE YOU GETTING ENOUGH CREDIT AT YOUR FIRM?

MANY HAPPY RETURNS: ASSIGNING A TIME-VALUE TO YOUR TEAM.

WILL THE WEB REPLACE MICROSOFT OFFICE?

○ FOURTEEN | ○ THREE | ○ 2008

# Recruiting Entrepreneur

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

*Many recruiters describe themselves as advisors to their clients. There is an implication that this is a long-term strategic relationship, and that the recruiter is strategic. Do clients really see executive recruiters as a*

## Strategic Advisor or Tactical Vendor?

Many executive recruiters prefer having a long-term relationship with clients. Obviously having longer-term commitments from clients creates financial security – preferably in the form of a continuous monthly retainer. Often recruiters match that commitment with discounted search fees.

### Recruiter-driven Perspective

During the late 1990s a reputable executive search boutique leveraged its smaller portfolio size into a message of exclusivity among its clients and was able to secure ongoing retainers in exchange for a reserved spot in its portfolio. This scenario is unique and based much on the market conditions of the time coupled with a successful reputation beyond executive search transaction. To achieve an advisory role, the executive search firm positioned itself as advisor to the client at a level above HR and even above the CEO. It addressed a

multitude of subjects beyond the C-offices to include succession planning, external benchmarking and the board of directors. By including a Board of Directors practice, the firm was able to secure a strategic role in talent advice and planning *ahead* of the need for specific talent.

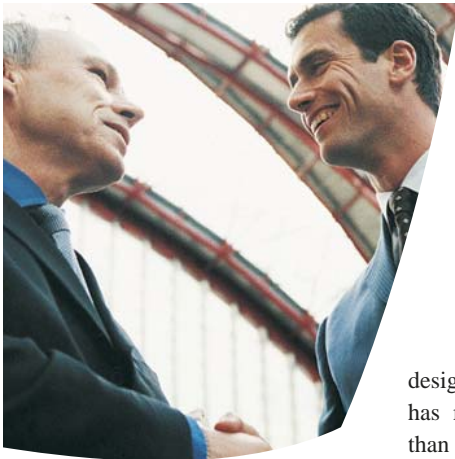
### Client-driven Perspective

In today's market the client's perspective is vastly different. While recruiters pushes for longer-term commitments, our surveys indicate most clients are better informed than ever. They have more leverage to squeeze pricing without making long-term commitments. Clients now prefer to pay only for what they get – at the time they get it. This has resulted in clients more focused on the transaction but still able to use leverage to squeeze recruiter fees. It's not uncommon for clients to align the recruiter's profit with success too. Many firms have to put 30% or more of their fees at risk, dependent on success. So how does your firm stretch its revenue cycle by promoting long term relationships? Send us an [email](#).



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

Watch the news and act on it. That's the advice we were given from a recruiting subscriber. Every day corporations announce promotions and new hires. For creative executive recruiters, this information is used to send congratulatory emails and remind these executives of their role in supporting their new initiatives. In addition to their recruitment needs, these reminders may include an offer to advise them on their career too. We've also been told that sending paper-based correspondence to home addresses of these execs demonstrates the firm's ability to "find them" and resonates with the executive in their consideration of a search firm in the future. Firms can use RSS feeds to gather information (ask your IT person) or hire an outside consulting firm ([www.prospectcity.com](http://www.prospectcity.com)) to capture this information and mail on your behalf.



# Startup Lessons: Is your IT controlling your processes?

*Do off-the-shelf database solutions determine your execution and operations processes? Many firms have defined unique processes to drive both...*

execution and business operating processes but fail to capitalize on those unique “best-practice” solutions because their off-the-shelf database technology forces them to work under its rules.

Off-the-shelf Software gained popularity because of its lower cost when compared to proprietary database builds. Today, proprietary databases are still relatively expensive, but are quickly becoming more affordable.

Most off-the-shelf software was actually borne of proprietary systems. These software developers began by first building proprietary systems for their customers, but later decided that it could sell these systems on a broader platform to a larger market of executive search firms.

### IT-designed Software

Organizational tools such as the rolodex, reference books, directories and paper-based lists have been replaced by electronic tools such as contact lists, Internet resources and yes – the database. However, most of these new electronic tools have been developed independent of one another, so in their design they are inherently separate – degrading efficiency. Because these tools are computerized– and therefore

designed by programmers, each has more features and options than their manual counterparts. Yet in practice we often wield the manual devices with more flexibility, subtlety, and awareness than we do the computerized versions. Software developers – in an effort to improve these products – merely add complicated and unwanted features to them. Because a broken process cannot solve the problem of bad products, but can only add new functions, that’s what vendors do. The most popular products such as Cluen’s Encore and Dillistone’s FileFinder are built on original designs going back many years. Why not simply start from scratch and create a better, simpler product? Despite appearances, business executives are simply not the ones in control of the product. They have inadvertently put programmers and engineers in charge, leading to products and processes that are not in the best interests of the executive recruiter. Instead, the bad process remains the foundation on which more bells and whistles are added to address the needs of more and more customers in larger, broader customer market. Today these products have too many features and are overly

complex. The complexity turns off users. Without their participation the system is incomplete. Today, “incomplete” can soon become “useless”.

### Proprietary Builds

Today, the best-practice processes developed by executive search firms are the result of doing things “the way we think”. We naturally prefer to get to a result in the fastest way possible. Contrary to this, most off-the-shelf databases force us to navigate off our natural path via complex features – and it makes things difficult. We need technology to work in the way we think – and be completely in step with our best-practices processes. This is the most common reason firms explore the proprietary software build – to create a system that’s better aligned with their best-practice processes. They build because no existing product is designed to meet their unique needs. Anything close is inflexible and unable to close the gap.

### The Decision

When a firm or an individual recruiter concludes that any off-the-shelf option has a negative impact on the firm’s



best-practice process and its overall efficiency, the next step is to review the proprietary options. First, it’s important to understand that proprietary systems are much less expensive than before. In fact, it may even be affordable for sole-proprietors.

### The way WE think

Having an opportunity to build a proprietary system requires financial investment and an investment of time – both of which may look daunting. However, one must look beyond the building process and assess the results. A well-designed database can...

### free your processes from the control

of the software vendor and align them with proven, natural processes based with the way you think – not on the way others think.

### transform your business by removing

the obstacles that limit your ability to succeed – replacing the time wasted with time developing new business.

### adapt to address your changing needs.

By having control over the technical design, functions and features of your system you will have the ability to make changes as needed.

Continue the discussion on our blog at [www.recruitingentrepreneur.com](http://www.recruitingentrepreneur.com) and simply follow the link labeled “[Add Comments](#)”.

## Survey Results: Client Transactions

It may come as a surprise to some recruiters, but an overwhelming number of clients actually prefer executive recruiters step away when not actively engaged on a search. In addition, most clients agree that they prefer a transaction over a long-term arrangement or relationship. They admit a long-term strategy to identify talent ahead of the actual need is attractive, but see the financial investment as more of a risk when compared to the structure of a recruiter relationship. “A recruiter has one job – to act fast when I call them,” said one participant. “I prefer they run hard when I need them and stop running when I don’t. These are a series of short races, not a marathon.”



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