RECRUITING ENTREPRENEUR

for executive recruiters

RECRUITING DATABASES: DECIDING WHEN AND HOW TO EVALUATE

In my 11th year working for a large global search firm I was asked to serve on the technology committee assigned to build a global database. I had experience in every function within the executive search business, but was currently focused on IT and IT training. After the termination of the previously unsuccessful CIO the firm's newly appointed CIO was rooted in recruiting research and simultaneously led that function in addition to technology at the firm. The participants on the technology committee included researchers, administrative assistants, accounting representatives, IT developers and a few recruiters. The recruiters on the committee can be described as tech-savvy and heavy system users.

Immediately I began to experience philosophical differences of opinion with the group and eventually left the committee and later the organization. My issues were rooted in the fact that the system was being designed for researchers instead of recruiters, and that the group was comfortable that the success of the system was dependent on forcing recruiters to comply – something I whole-heartedly disagreed with. From there I moved on to successfully build several search firms; design operating infrastructure; build research departments and new database technology. Along the way I have had the pleasure of working with many firms and recruiting professionals. Gaining access to the internal workings of a number of firms has allowed me to identify many issues firms face when developing or evaluating new database technology.

I. Identifying the need for a new or improved database

Most firm leaders realize the need for a new database based on pressure from their employees. This usually comes from tech-savvy recruiters, associates, accounting, researchers and administrative assistants who complain that current systems make their jobs more complicated and the completion of tasks difficult.

When is a database change needed?

It's true a database change may be needed when employees complain about efficiency because it costs your firm money when employees take longer to accomplish tasks. However, we prefer to measure a database's success with the answer to these questions:

1. **Do your most valuable, most senior level executive recruiters use it regularly?**
2. **Is it integrated into their everyday processes?**
3. **Does it contribute to their success?**

If the answer to each of those questions is no, a new database should be considered. If you need more convincing (you shouldn't), here are other issues to consider.

Marketing

Is your firm's message accurately conveyed in the reports and presentation of information compiled from your database? Consistency in everything delivered by your firm's database is an essential component of branding your firm successfully. If your system is unable to instantly produce a perfect report for you or your clients, it contributes to your inefficiency as a recruiter and the inconsistency of your firm's brand.

Business Development

When identifying new business opportunities, does your database provide assistance by delivering important information such as targets and market information in a timely manner? If your systems rely on you to actively reach out to prospective clients you may be missing opportunities for new business. A platform that continuously promotes your firm in the market can work for you while you're focusing on existing searches.

Recruiter Time-Value

A recruiter's time-value is certainly much higher than that of the support team. If a recruiter is spending time on database management, presentation formatting, research, and management of employee tasks it's costing you much more than you may think. Today there is a need for databases to schedule and delegate tasks, manage projects on behalf of recruiters, and build confidence that tasks are being accomplished without strict supervision by the recruiter.

Efficiency in Execution

A great database can positively impact your ability to complete search projects more quickly. In executive recruiting there is an opportunity to analyze and maximize the profit rate of individual searches. Today there are many features that can be included in a database that monitors and impacts the profitability of individual searches.

Identifying Prospects

Most databases address the identification of prospective candidates by incorporating a complex query function that allows users to search the database based on specific criteria. It's simply not enough. In our most recent analysis we found recruiters admitted over 90% of successful candidates do not reside in their database at the start of the search project. Where are they? We know this: They are *outside* your database. They're identified during sourcing calls, ad placement, or from external databases. A database can easily integrate these external resources and facilitate the quick, easy identification of prospects.

Aerodynamics

Speed and efficiency in a database is measured in many ways, including access, reliability, distribution, flexibility, portability and more. These features allow a recruiter to operate efficiently from any location at any time by having complete access to everything. Because a recruiter's needs change often during the life of a search, the system should be able to instantly absorb, adapt and address any changes the recruiter might make.

Peripherals
In most firms there are numerous tasks located on the peripheral of any search, including expense recording/reporting, invoicing, collection, recruiter BD credit, search profitability analysis, etc. To prevent the need to build separate systems, a database should incorporate these peripheral features, resulting in a single system to address all of your firm's needs.

II. Resistance

Many firms resist the idea of a new database for several reasons:

Change
Executive recruiting is a relatively simple business that relies heavily on technology other than the database, including phones and email. Getting recruiters to change their individual execution process is difficult, especially when they've built a successful career using their current systems and processes. Change can be successful only when the recruiter's performance is improved.

Complexity
For many firms replacing their current database or contact management system requires a significant data migration component. Migrating to a new system will be successful only when users commit to change and accept that some data may not fully migrate.

Cost
The most common databases available "off-the-shelf" may not seem expensive. However, there are many aspects of new systems that can grow the cost significantly, including hardware, IT support, ongoing upgrades, data migration and supportive technology (hardware and software). Software sales representatives may squeeze or even fix costs on the front end of a sale only to add costs in the future. Most popular off-the-shelf software products can cost up to 700% more than expected in the first year, so budget accordingly. At this rate it might be more attractive to build and own a proprietary system.

ROI
When a firm accepts the task of implementing a new database, there is the expectation that another change would not be needed for many years and therefore its ROI would be acceptable. However, a firm's growth is often defined well-beyond the number of database users to incorporate more complex changes a database should address including customization, additional offices and remote access, client access (worksites), importing new-hire contact lists, and even its interaction with other systems such as accounting, PDAs, websites and telephones.

III. How to evaluate a database product

a. The firm's senior executives should identify and discuss the firm's long-term objectives. Summarize these objectives into 4-5 bullet points and consider how the firm's technology can align with, or even facilitate the plan.

b. The firm should start with a clean slate of ideas for the technology. The primary objective is to identify solid, proven processes within the firm that make it successful so as not to consider databases that will force you away from those proven processes.

c. The testers, evaluators, and decision-makers should include senior level executive recruiters – not just researchers and support staff. A productive, revenue-generating recruiter can't be *forced* to interact with a database. Instead they must experience how their interaction instantly benefits *them* – not researchers or assistants.

d. The highest priority should be put on the entry and management of data from the recruiter's perspective. Researchers and AAs tend to focus on what *they* need to be more efficient, including codes, etc. This information is used to filter the information when pulling data from the system. If you first concentrate on how to get data out of the system, it will result in a long, complex data entry process which recruiters will find difficult and inefficient.

e. Finally, the firm should identify the value a database should provide. As part of this process, consider how a database would access information to produce value. Examples include

   The opinion and mindshare of senior level executives: To collect such information the database must be easy to use and an efficient use of the recruiter's time. Don't rely on a recruiter's need for good data extraction (reports, queries, etc.). Instead, encourage them by providing an easy data management process that integrates with their daily processes. If data entry is complex and time-consuming, recruiters won't use it. If they don't use it, it has no value.

   A simple way to view and assess the progress of a search and act: For recruiter's to see value in a database, they must be able to quickly view and assess the status of a project via a single screen: one view to get an overall impression of the search, status, pipeline of talent, etc. If they are unable to easily view the status of a project, or if they are forced to piece together the status by viewing several screens the recruiter may be unable to accurately determine next steps, priorities, etc.

Minimum requirements: A recruiter should not be required to complete any fields in a database (except a name). If a recruiter is unable to easily enter valuable thoughts, data and opinion into the database, they will simply avoid it. How do we balance the need for additional information with the need for recruiter's to be efficient? Systems today can allow recruiters to only enter what they have or want, while delegating the detailed work to less-expensive support staff (internal or even external).

Additional Tips and Guidelines

1. If the most senior recruiters aren't enthusiastic about the database and their willingness to use it, it's not the right choice.

2. If the database changes your processes or forces you and your firm to operate differently, it creates a huge risk. Today databases can adjust to your processes and should.

3. While codes such as function and industry may be important features to researchers, resist getting too complex. Its success is dependent on 100% accuracy and 100% participation. It's unlikely you'll get it.

4. Resume parsing is defined as the automated completion of data entry based on a system's ability to "read" a resume. Unfortunately this is an extremely overrated feature. Since resumes are unique in appearance, it is a less-than-perfect science. Because the information automatically entered into fields is inaccurate, it forces the recruiter to review and correct career information. What appears to be a convenience actually becomes a serious hurdle. Instead, look for a system that stores documents and makes them text searchable.

5. Use an external industry consultant whenever possible. Many software reps are hard sellers and make lots of promises they can't keep. Consultants have experienced the implementations of these systems and can offer an objective opinion. Call your industry connections to get references – don't depend on those provided by the software provider.

Robert Stein has been in senior level executive recruitment for almost 25 years. He spent 15 years with Russell Reynolds and since leaving has built several search firms for leading recruiters. During the past eight years, Mr. Stein has consulted with global firm CEOs and boutique firms. His work includes process *design, process assessment and improvement; mergers and acquisitions; marketing; technology design and implementation; accounting practices and general advice.*

Bob's recruiting experience includes every operating function within executive search including accounting, HR, technology, research, administration, marketing, BD and search execution. Bob's search experience includes many senior level positions, including President, $8B market leader, EVP, $5B industry leader, and President-WM for a $54B market leader. His consulting clients include the leading public and private global firms as well as niche-leading boutiques across the U.S. and Europe.