

How I moved to selling search Podcast Transcript

Hello this is Rhys Jones of Davidson Gray. Welcome to my podcast.

Today I wanted to talk about how I moved from a contingent recruiter to a search recruiter. Search, incidentally, is a definition that is a recruitment term, so if you're talking to a client, quite often they don't really understand what search is. Some of them do, some of them don't. However, I would recommend that you use the term headhunt or head-hunter. As I set up Elliot Marsh and Executive Headhunters, predominantly search firms, we did do research into the common phraseology known by the clients and it's better to speak in client speak rather than tech speak as we all know if you're used to speaking to I.T. people, it is better to use a language they understand which is 'head hunt'.

My first foray into head-hunting

Anyway, going back to the point in case. I was a very successful contingent recruiter earlier in my career; I was a top biller in my organisation at the time and I'd made the transition to manager as my first promotion and failed. Partly because I don't think I was mature enough; I'd never been given any training on how to be a manager and also my education was how my bosses had managed me and they were possibly the worst managers I've ever had.

So as a successful recruiter in the business, I wanted to do something different because like a lot of recruiters I've got an ego. So, I wanted to satisfy my progression within the business, so I approached my boss at the time and said I want to learn how to sell search; I want to become a head hunter. And he didn't know how to sell search; he'd never been a head-hunter, so he said, 'well fine, what do you want to do about it'.

So I spotted a trainer at the time who I felt might be able to help me upskill to becoming a head-hunter, so he okay'd to me to have a chat with this chap, paid for a couple of hours, went through a little bit of training with him, and to be honest it didn't necessarily make a huge difference to my thoughts on search. It did help but what it did do is it gave me the confidence to ask for search and to ask for a headhunt because that is the biggest factor, without a shadow of a doubt, to winning search. It is actually having confidence and belief because if you don't sound like you believe in your search or you don't sound like you believe in being a head hunter, it's contagious. Your clients aren't going to believe in you.

Have belief and confidence in yourself

But if you're a contingent recruiter and you're used to having success in your business, to go to asking your client for money up front can feel a little intimidating. If you're offering a success-only service, to ask the client to part with cash before you've done anything can seem like a hell of an

ask. But if you have the belief and confidence in what you sell, it'll come across and you will start selling a search.

As an example, with the new-found confidence, I had in selling search, I then try to sell search to a lot of my clients and in the first six visits I managed to arrange I sold search every single time. I look back on how I sold search, and it was pretty crude to be honest. But I think it was the passion, the enthusiasm and belief that won it. Now some of them, too be fair, they were on a natural third, a third, a third. Some of them may only been £1,500 up front, but the point is if a client is prepared to give you that cash, they are locked into you being successful at head-hunting. They don't want to lose that money, and also, if they've got seniors they don't want to be seen to part with money for a head-hunter if that head-hunter then doesn't prove successful and they have to pay a different recruiter.

Your clients will be invested in you

So, they're invested in you. In effect it's giving you a super-exclusive vacancy, because we all know when you're looking for a contingent vacancy, you're look for an exclusive vacancy. Clients aren't always exclusive; there's always the opportunity of a CV coming across the desk, internal recruits etc. But if you can get your client to give you some money up front, then they're committed to you.

Now if you get that first one, maybe a thousand pounds, two thousand pounds - that is going to start to help with your belief. But what also is going to help a lot is if you understand why a headhunt is worth so much more than contingent, and why it's far better value for money, because it is. If you go to a contingent recruiter, and we can all debate on how much work contingency recruiters put into it, you can only put so much time into an assignment because you're not guaranteed to get the cash.

And this is the way you explain it to a client.

'If you retain me Mr Client, on this headhunt, on this search assignment, I will work on this assignment and this assignment only to find you the very best person in the market. The reason for that is you're committed to me, and I am going to fulfil that obligation to you. The way I'm going to do that Mr Client, is I'm going to contact every single person within this market who has the skills and the attributes to be able to fulfil your role. So, I will approach every single one and I will pitch to them the opportunity to work for you and take this vacancy.'

So, once you get through to interviewing these people, you know that you are interviewing the very best people out there and you can make a selection for the best possible people that could be interested in your job. That's quite a compelling argument. It gives the client assurance they can not only get the best, but also, it's going to speed up the recruitment process. Because clients often think ahead and process when it takes longer. It doesn't need to take longer at all, because if you

are a contingent recruiter who makes direct approaches, you know it doesn't actually take that much longer if you're committed to it.

Your client becomes a priority

If you do the research, you make all the approaches, you can do it in a week, two weeks, three weeks, four weeks. It depends how you actually undertake the search, but the point is, your client will be fast-tracked to seeing the best the market has to offer in two, three, four weeks, whereas a contingent assignment as we know can drag on because they're getting average candidates, they're getting advert responses, they're getting database people. They're not necessarily getting the best.

But also, they don't know if you're looking for better, because I'm sure we've all had it when you present a good candidate, the client interviews the candidate and says, 'wow that candidate was great, however, I'm not sure they're the best; I'd like to see more'. Or you know that candidate is the best available, but they don't believe you because they want to see more; they think there's better. And as much as you try and educate them that this is the best person in the market for that job, because it's success only that will continue to look.

But with a search process, they know when they see their first short-list of people it is the best people that are out there and it's going to help them make a decision which is why selling search and undertaking head-hunting assignments is better for you as a recruiter; a better investment in time. Because you're invested in that time with a higher, a much higher chance of success, because the client clearly needs to hire that person and they're paying you to do it. So, you're on side from day one. But also, when you get to shortlist stage, it's not often you get to the 'I'd like to see more', because you can justify, they are interviewing the very best there is.

And how would you do that is fairly simplistic: you say to the client 'Mr Client, what I'm going to do is I'm going to list all the employees in the market that could have people within them that have the skills and attributes to undertake your job. I'll confirm that list with you so you can take people off. If there's any companies that you don't wish to take people from, you could add companies to that list, but I will show you that list before I go out into the market.'

'So, you can see the depth of search I'm going to be doing. I will then populate that search with the individuals within those organizations that have the skills and attributes to do your job. I can then show you that list, so you can see how far I'm going to speak to these people. And one of added advantages, Mr Client, of the search process is if we are getting push-back because your salary may not be enough or there's a misconception about your organization within the marketplace, or there's some common theme that is meaning our approaches are knocked back, we can feed that to you and discuss it with you and you may be able to do something about it.'

'If it is a salary you might want to improve it; if it's a misconception about your organization, you can maybe do something about it. But certainly, we can evidence why there's more of a pushback within

the market, so we can actually do something about it. But the point is, Mr Client, is that will help you to understand that the people we find are the best and it isn't the case if there's other people going to come along. So, I can help you make that decision, Mr Client.'

They get the best people

And that's how search works. It's reassuring the client that they can get the best people they can and giving them the best people they can. But when it comes to value for money, how much you charge for search couldn't be dependent. Depending on what market you're in, your contingent rate maybe 15%, maybe 20%, 25%, 10%; but if you're selling search it doesn't need to be that much more. The traditional fee for search is 30%. It varies; there are some very high-ranking top-level organizations that charge 40%-45%, but generally it's about 30% is the bar that you start at.

And quite often you might have to negotiate on that, down to 25% or maybe even 20%, but it's not that much far away from the contingent price that you charge. So, your client is getting all that extra service for either the same price or not much more. So, for them it's great value for money because they're getting a much better, deeper high-quality search plus market research for pretty much the same price but also, they're saving an awful lot of time because they're not interviewing dozens of people to find the right person.

They should really only be interviewing two to six people from you before they go to second stage interview, so they're saving an awful lot of time and also they're saving time in the recruitment process and also the chances of the hire being successful are considerably higher because a bad hire is very expensive, depending on what market you're in it can take one month, 12 months, two years to find out if that person is successful. If that person isn't successful, they've done a bad job, these cost you money in wages, cost you money in time; you've lost productivity for example as a salesperson you haven't got the sales you would have got if you've got somebody better, so getting a good hire is worth a tremendous amount of money.

Value for money for your client

So, if your client is interested in selling search, you should be selling that search with tremendous confidence because, what you're not doing is asking for the money, you're thinking 'am I going to get the money for this'. No, it's contingent, I'm trying it on. You're not trying it on. What you're doing is you're convincing the client that they are committing to something that's better value. You can then believe with confidence what you're selling really is a no-brainer. And that's what I found helped me go from contingent to head-hunt recruiter, is that belief that what I was delivering really was much better value for the client.

And if you can sell with that belief, that's what makes the difference. However, going back to selling search it doesn't necessarily mean that once you know how to sell search you can sell it all the time. I don't want to kid you that you can, because clients have to be ready to buy. They have to

have a certain need for that search, so for example if it's a critical hire that's a great time to sell it or if they've struggled to find somebody for this role for a period of time; that's a great time to sell it. But more often than not, clients buy search from people they know.

So, you're not necessarily going to pick up the phone, cold call somebody convince them to buy search because it is a leap of faith and they've got to trust and believe you so from a cold call that is going to be difficult. However, with your existing clients it shouldn't be that difficult to convert some for particularly difficult jobs to fill or high value jobs to them, so for example if it's a sales director or if it's an operations director, or if it's anything of a more senior nature, getting the right person can be critical or if it's a vacancy they know they're going to struggle to fill and that's the great time to sell it because once you've sold it and if you deliver it well there's a good chance they'll buy again. And they'll become repeat buyers and if they repeat buy from you on a retained search that ring fences your client.

You will make more money

So that's another reason why being a search consultant or a head-hunter as I think it's better to call yourself, is it going to make you more money is recruiter. You'll be more efficient in the time you spend filling jobs because you'll have more committed vacancies from clients who actually want to hire from you.

So, your success ratio will be much higher but also you should be ring fencing your clients and creating client loyalty in addition to elevating your status with them as not just another recruiter. You're their head hunter and don't forget there is a bit of kudos with the head-hunter status. How many times has a candidate said to you, 'I was head-hunted for a role. They probably weren't head-hunted for a role; they were approached for a role by a recruiter which is actually the same thing. It's just semantics, a definition of a head-hunter because a lot of contingency recruiters do head hunting anyway.

A direct approach is a headhunt, but what they don't do is necessarily follow through the whole process of identifying all the people in the market that they could approach for the job but also, they won't necessarily do the full job in how they make the approach. Now this is quite a short podcast just to explain how I went personally from contingency to search recruiter and explain how I sold it. What I'm not necessarily going to go into is how to actually make the approach to then deliver on the search, because that would take it to a much longer podcast.

Good service sells itself

This is intentionally quite a short one. There are also three different blogs on my website on the Davidson Gray website that explain how to sell search and how to deliver search such that you get repeat business because selling search is one thing, but also good service sells itself. So, if you

deliver a search really well and give your client the feeling of an excellent value for money, they will buy from you again.

But also, if they buy from you again and they believe in you there's a good chance you might get a recommendation or referral to somebody else. Because buying a head-hunt is all about faith and we know if you want to buy something that involves faith, so it's not a product where you can shop on Amazon for a deficit price or you can check the technical specification of something, if you're buying a service then it's a recommendation that you really want... you want somebody who has used that individual and can say 'yes, this intangible service that I got from them was very good from them so you want to go with them'.

Get recommendations

So having a recommendation or a referral from somebody who says, 'yes, this lady, this chap, did headhunt for me and they really are good, that is going to convince your new contact to buy from you because of that recommendation. So, it's not only about selling the search; it's about delivering the search and delivering the search is not as most of us believe as recruiters about necessarily delivering the best candidate, it's about the client believing in the search service and they've got the best candidate.

It's a combination of the two obviously but in the research that I did into clients and their thoughts on value for money on the searches I delivered, it came across that a big chunk of their appreciation of value was actually an understanding that the search process had been done in depth. And now that search process is something that again is intangible unless you have documentation and proof to what you did. So that's why it's important to explain to your candidate through documentation what you did.

This again is dipping into the blogs I mentioned earlier that I have on the website on how to deliver quality searches that get you repeat business, so I'm not going to go into too much detail. But the point is, your clients - if you don't give them that reassurance of the work you've done, at their back of their minds they are going to think was this a database search, were these applicants from CVs off a CV library, or a job advert. So, it's important that you do reassure the client through that demonstration that they got real value for money. But once they've got that sense of value and they believe in you they are going to buy from you on a repeat basis.

You earn more money

But what I also wanted to talk about is being a head hunter and a search consultant is much better value for you as a recruiter, not just the client, because as a recruiter to earn more money you've got to be more efficient. To be more efficient you're billing more pounds per hour, so how do you bill more per hour. Well okay, you can work on bigger sized fees, or you can get more exclusive vacancies, but whatever it is, it's about working smarter. It's not working hard, it's not working

longer hours, but as a search recruiter you have got lots of easy money to get through the results of your search which will add considerably to the billings that you've got as a header hunter retained searcher.

So as an example, if you are billing £150 000 a year in retained assignments, you should really be getting another hundred thousand pounds a year in contingent work. The reason for that is if you're undertaking deep searches within a chosen marketplace, your specialization, you're going to find some really good quality candidates. Well common sense suggests that you do something with those candidates. I mean you do as a contingent recruiter anyway, but even more so as a search recruiter because if you've done a really thorough search, you're going to get some great candidates.

But also, you've got your canvas shoot ready, you've got your list of clients who could be interested in those candidates. Because those are the companies that you head hunted the people from. So, it's very easy to just use the results of your search to do a quick eShot if you want to do it quick. You can mail shot the person, which is old school, I understand, but it is a differentiator in the modern day because people do send a lot of emails to spam. So, if you want to do a paper one, it might be a bit different. But my favourite would always be picking up the phone and speaking to your client.

If you've got a really good candidate, that's the best way to sell it. But also, it's a very good way to offer a different sales call to your client or potential client by explaining you have undertaken a headhunt within that territory, and you've found candidates in their competition. And also, you gained market research into the marketplace on that type of role. Would he be interested in talking to you about these candidates but also find out more about the competition, so it's an unusual sales call; something that might get their attention.

But the point being is as a search recruiter, one of the reasons why I had such passion for it, is it shot my billings up. I was a big biller when I was a contingent recruiter, but it made me a bigger biller as a recruiter because I was more efficient. I was working on real good quality vacancies the clients needed and wanted me to succeed on but also, I was getting a lot of market research and a lot of good candidates throughout the process. And it elevated my status within the sector. It was quite a small sector to be fair, but I did develop a name as being the sort of the head-hunter and the person for the more senior vacancies, so I did naturally move up the food chain.

But going back to what I said earlier about selling search, it being for those important vacancies, don't be blinded by thinking it has to be a board-level position. It doesn't have to be that senior, especially your first vacancy you're going to recruit for that client. It could be one that adds a lot of value. Quite often for example, a salesperson could be one that adds a lot of value, and it can be those difficult to fill a job, so it might be low salary. So, you may have to do a loss-leader, working on a job that is particularly difficult to fill that you know is going to take a lot of time. But if you can fill that vacancy through a headhunt, that's when you're going to really catch the attention of the client and the more likely to give you a retained assignment every time.

Conclusion

Because I found through fulfilling these searches, I started off with the difficult to fill jobs and the senior jobs, but clients bought into the value for money I mentioned earlier, so they gave me search on most of the vacancies if not all, because why wouldn't they. Because if you're going to charge an extra five percent for doing the search rather than a contingent assignment, or even the same but you can do a far more thorough job, you're going to be able to document what you've done, they're going to get market research; it's a bit of a no-brainer for a client which is why as an employer, which I am. If I got the opportunity to retain a head-hunt for a particular senior vacancy I would do because it is better value for money, so if you are doing a great job with your client, you should really be getting lots of repeat business on retained work but also you should be then making the most of the residue from your search and making easy money. Because that's how you're going to go to the next super-biller stage.

Anyway, I'll cut it there because I didn't particularly want to do a very long podcast today, I wanted it to be a short one to mix it up. I do some longer podcasts, I thought I'd do a short one on this occasion. But I will be talking more about head-hunting; if you want to know more about head-hunting as I mentioned earlier, there are various blogs on my website but also, excuse the quick advert, as you probably know I set up and support businesses for a living in the recruitment industry, that's what I do. So, if anybody listening to this podcast is interested in setting up their own recruitment company, please have a look on our website. We've got plenty of blogs on there, plenty of podcasts and if you are serious after reading those or you're already ready to talk to somebody about setting up your own company feel free to direct message me on LinkedIn or send me an email, we can arrange a chat. Thanks for listening.

