THE DAVIDSON GRAY PODCAST

HOW I DOUBLED MY BILLINGS THROUGH KPIS

How I Doubled My Billings through KPIs Podcast Transcript

Hi, I'm Rhys Jones. Welcome to my latest podcast, ‘How I Doubled My Billings through KPIs’. As some of you may have seen my wacky video on LinkedIn with the I love KPIs banner, I’m a massive fan of KPIs which is contrary to a lot of people in recruitment who hate KPIs. And part of the reason for that is they're applied really badly by managers.

Personal experience

The reason I'm such a big fan of KPIs is through personal experience is because I doubled my billings through KPIs. So because I experience the joy of making twice as much money using KPIs. That's why I'm such a big fan. So I thought I'd share with you my experience of how I doubled my billings with KPIs. So I started my career working in a small boutique recruitment company, which was a bit of a boy’s club.

I was given a phone book and a phone and told to just make calls. This is before we even had computers, believe it or not; didn't have a database or even emails. So we're going back, prehistoric! But anyway, I was pretty much just left to my own devices. The whole business was pretty much run in that way that people would just recruit.

There was no KPIs, no measures, no nothing. And then one day a chap came in called Mark Clough, Cloughie for anybody who knows him. And he brought in this system with KPIs and measuring your success using your previous data. And the basis was you'd look back at your previous month and work out the ratios of success from say, number of calls, to how many interviews. And then how many interviews to placement?

It gives you a focus

So anyway, we started doing this as a business and overnight, pretty much everybody increased the billings by about 50%. It was ridiculous, and I just couldn't believe this. I thought, why does it make that much difference? And it kind of comes back to that. If you give a man a broom and tell him to sweep the warehouse, then he'll do it in a day.

If you give him two hours, then he'll do it in two hours. If you measure something, it just makes so much more difference. You’ll achieve it quicker. But with KPIs it's more a case of focusing on what makes you the money. So rather than just being busy all day it’s focusing on what makes you the money. So that's fair enough.

And if you go, okay, well, interviews, vacancies, candidates, that sort of thing. So you focus on it. But the difference being is if you look at the data and measure it, then you can work out what is specific to you, what is going to get you to make the money. So working it backwards. If I wanted to bill, say for example, £200k a year, which at the time because we were going back, bloody hell, 27 years was quite a lot of money then I could actually work out how many interviews you need to make.

Fine-tuning it

So with this sort of revolutionary thing that I discovered about KPIs, me being me, I thought, well, I'm going to look into this. I'm going to become an expert in this. So I started watching some material by a guy called Steve Finkle, American guy. It's a long time ago. I'm not sure how you can get the videos now.

I think you could still see them on YouTube. If you watch him, you'll laugh. He looks like a, quite frankly, an old porn star with a big, massive moustache like that. You know, he looks hilarious. And even at the time, we all thought it was cheesy as hell. However, I was more interested in the content.

And the thing is Steve Finkle, I think he was an accountant by a trade or something, he was analysing his previous performance based on numbers. Everything was by numbers, and I'm quite a numbers guy as well, so I got it. So anyway, I picked up this learning from Steve Finkle and I took it one step further.

So I could really get it to work for me. So anyway, the simple basis was, if you look at how much you bill per month and how many interviews you can get, you can work out how many pounds per interview you generate. So let's say for example, you do £20k a month and 20 interviews, that's a thousand pound an interview.

So for that I thought, that allows me to dictate what I want to earn. If I want to earn, let's say, a hundred grand a year, then I've got to bill £300k, then I can work out how many interviews during the year I've got to generate. And I'm thinking, Eureka! Right. Okay. So then how can I take it a step further to achieve those interviews?

Use it correctly

Now this is where I think KPIs get such a bad reputations because managers broad brush. Not everybody that's unfair, but a lot of managers broad brush and say, all right, 10 new business calls, 10 urgent calls, whatever it might be. But it depends on the person. So your success ratio, depending on how you run your desk.

And it depends on the month because some months you have a lot of vacancies, sometimes you have a lot of good candidates. So it changes. But either way, if you look back, sort of preferably three months, because that's a good period of measurement. If you are banging in placements to say two grand a pop, you could probably do it in a month.

But if they're bigger than that, really you need three months data. If you look back and see how many say for example vacancies, you need to get an interview, then you can work backwards and say, okay, if I need to do say 10 interviews and I've got to get five vacancies for every interview, that's 50 vacancies.

Okay, so you do the same thing with candidates, and then when you take it one step further, so with the vacancies for arguments' sake, you then set a KPI that's within your sphere of influence because it's easy enough saying, okay, you've got to do 20 interviews. But we all want to do more interviews. So how can you make it easier to do that?

Adjust as you go

And that's when you sort of take it one step backwards and target that month. If you've got lots of candidates, then it's vacancies. If you've got lots of candidates, then obviously you know it's canvas calls. So it's working at one step backwards to something that's more in your sphere of influence, which is candidates or vacancy, because it's usually one or the other.

And then what do I do to actually get those? So for example, if it's candidates with me, it used to be headhunt calls. So I would measure how many headhunt calls it would take me to get a candidate. So for example, it might take 10. So then I would know how many headhunt calls I need to make. So I discovered this and thought, this is a piece of piss.

So I've come in every day, and I go, okay, well I've got to say, for example, do five interviews a week, so I'll go get one interview a day. And then say, I'm working on candidates that month. So then if you've got one interview day, then I've got to do, then I've got to get, say, five candidates. Then I've got to make 50 headhunt calls.

The ratios weren't quite as much as that, that's a lot of headhunt calls, but I'm just trying to make it easy with the maths. So okay, so as long as I do that, I'm going to hit me 300 grand or whatever it might be, and I'm thinking, this is brilliant. All I've got to do is hit me KPIs. So I'll sit there and go, right, okay, well I've got me five bar gates, used to do it on paper.

And then I go, bang, headhunt call. Bang, headhunt call. Bang, headhunt call. Bang. And I got through it like that. And hey presto. I hit my numbers and I doubled my billings overnight. And I became the biggest biller in the office. And then when I set up my first business, Elliot Marsh, I was the biggest biller for two or three years.

Which I'm not saying is a great thing because I have done a blog or a podcast on hero manager. If you really want to seriously grow your business, there is a point when you have to detach from trying to be the biggest biller in the room. You want to lead from the front, but you've also got to work on your business rather than being a recruiter all the time.

So, you know, I really should have realised that earlier, not been the biggest biller for two or three years, but I like billing, I'm a recruiter. So anyway going on from that, I then started to look at, okay. In addition to knowing the ratios, how can I change the ratio, so I improve even more. So rather than just hitting the numbers, how can I do less numbers, make more money?

So if I'm doing that, say 10 headhunt calls to get one candidate, how about I analyse doing different styles? So if I do a different approach call and I measure it over 50 and see if it's a better call. So if, for example, I'm doing a new business call, similarly, if I measure a different style, see if you can get the ratio down.

So that allowed me to improve my skills as well because I was getting a better result. So there's one particular type of pitch that I did for headhunt calls, and I won't go through it. It's a bit cheesy, but nevertheless, I got myself down, it halved my return on investment from call to register a candidate just through analysing what I was actually doing, what my, not script, but basically what was the constituent parts of what I was doing, and that reduced it massively.

So it's like, well, okay, well, I can look at all the parts of the recruitment process and see how I can improve these things. Now it's making me sound like a bit of a geek, but it made me a lots of money. And also, it's not complicated. So we used it, for example within Elliot Marsh, there was one chap who used to get, let's say 12 interviews every month and used to get four through a mail shot.

Measure it

So I said to him, how long does it take to do a mail shot? And he'd say about two hours. I said so maximum half a day? And he'd say, yeah, yeah, yeah. Okay. So you get a third of your interviews in half a day and he went yeah. Why don't you do more of them? Why don't you do more mail shots, if you get a third of your interviews in half a day, they went, yeah, it's a good point, eh?

So, so help me understand, not just the ratios from the basic KPIs, but also what makes you money. So if you're measuring everything you do, but up to a point, everything you do, you can see where your money comes from, from your LinkedIn messages, from your LinkedIn inbox. You can actually see statistically where your money comes from, and that is why I love KPIs because you can see where the value is from.

And you can help work out the things that don't make your money. Because naturally as human beings, we err towards things we enjoy. I cover this in my time management blog, video podcast, which I'm going to do in a bit. The human nature is you do migrate towards the stuff that you really enjoy.

So if you're measuring stuff, you can find out what really makes you money. So when you come in today, you focus on the shit that's going to make you money. Okay? So you need to get the interviews.

What's going to get the interviews? Okay, well it might be let's say candidates obviously, and let's say it's headhunt calls.

Now, you might not necessarily like doing headhunt calls. You might prefer pissing about on LinkedIn or sending messages on LinkedIn or posts or write an advert or whatever it might be. But if you know, once you've done those, that’s going to make you the money, then you can focus on those and get to the other stuff.

It makes you efficient

So you focus on what's going to make you money. It's about making you efficient. It's the pounds per hour. So if, for example, you don't like doing your headhunt calls, there's a phrase called eating the frog, which basically means you do something you don't like first. So you get your KPIs done first, so then you can focus on the other stuff.

Also the time management, it's about looking at maybe more productive parts of your day. So if you're making phone calls, you want to be bouncy. Okay, so if you're a bit shit first in the morning, what you might do is you might put in your day, say 10 till 12 for the calls, or you might have to do two to four in the afternoon.

But it's being the most effective you can be, and this is why I love KPIs, is because it allows you to dictate how much money you make. So how much money you make is down to activity. But also if you're looking at your ratios, you can improve your skills and you could hone your skills, but also, when you become a successful recruiter, ironically, what you do then, you stop doing the things that made you successful, cause you get a bit lazy.

So if your billings start to tail off, if you look at ratios, what you might find is, for example, the number of vacancies per interview might have dropped. So you can look and go, why is it dropped? It might be that you just not taken the vacancies properly because when you get trained to take a vacancy, you obviously do it the correct way.

And as you get better, you start to get a little bit lazy because you don't have to, you know who the client is and you just, you know, you tail off and you don't do it like you used to do it when you first did it. Look at the ratios you can spot if you’re slipping. You can spot obviously when you change, but if your money starts to drop, you can see where it's coming from.

So you need to know what makes it successful. So then if you stop being successful, you can see what it is that stops you being successful. So again, that's why I love KPIs. I migrated this into the whole aspect of being a manager. So rather than just obviously a candidate using KPIs, what is a manager should use your KPIs for?

And then also as a business owner, and just to give you a taste, I do another video blog on that is, for example, with an owner manager is if you are looking to staff up, then you KPI the number of interviews that you have to do with prospective employees. Which might sound a bit obvious, but nobody does it.

So you go, okay, if I want to hire one person per month and have to interview 10 people, then I've got to, you know, get 10 people in front of me every month. So that's two and a half. But obviously you can't laugh, but you know what I mean. So you KPI in the activities, is going to give you the results, and this is why I'm such a big fan of it, you can grow a business, you can grow a desk, you can grow a recruiter, anything you can through your KPIs.

But there's one thing that I did learn when I was looking into KPIs is the vast majority of people can only focus on, say, three or four KPIs. You can have more, some people can have more, but if you have three or four, then you focus on, you hit them. If you have 10 or 20, you are less likely to, you know, so the, the less is more.

So if you've got, I don’t know, new database, it's got all these different toys on it and you're trying to get somebody to use the database, the chances are, they won't do anything. So you say, these are the things I want you to, so you keep it small and that's what should be KPIs is keep it to the things that are going to make you money.

Keep it fairly short - if you're the sort of person that could do a longer list. One of my most successful billers at Elliot Marsh and who became actually the most successful employee, she was absolutely amazing. And she actually used to measure 20, she'd target say five, but she would measure 20 now.

Measuring all the other stuff is important because you can see the ratio of the stuff. So if you use your database correctly, then you can get the data off and you have a decent database. It'll also measure the ratios for you as well. So it's a lot easier the way I used to do it. However, I still like doing it personally with a recruiter for them to do the math themselves.

Individualise your KPIs

So the reason for that is to do the maths themselves. They're more likely to go. I get it now, bit like I did. So if you say, okay, 20 interviews and 20 grand of month, a thousand pound per interview. Cause I remember there's a guy I used to work with he was a fairly senior guy, been a recruit about 10 years.

And I showed him how to work at the pounds per interview. My god. It's like I just reinvented the wheel. He's like, my God. That's amazing. I'm thinking, yeah, it is great. Isn't as great as you're saying, but it is great. But then you say, yeah, but I work it backwards. I can work on the commission with the staff.

So if I can say, okay, if you make a thousand pounds per interview, that means you can get 300 quid. Because roughly people get a third of, of what you place in commission. So you get 300 pounds for every interview that you make. People are going to work harder. So that is again, why I'm such a massive fan of it.

So anyway, I'm not going to go on and on and on because you'll think I'm weird with all the KPI stuff. But I am going to do more but based on managers, based on owners. But this is a taste of how I had doubled my billings using the KPIs. So anyway, I hope you've enjoyed this. If you have enjoyed it, then make sure you subscribe to this and the video blogs.

You can look on the Davidson Gray website to see the written blogs. And I'll look forward to you listening to maybe more of my video blogs.