



How to Select an Executive Search Firm

Conducting a search firm "shootout" is critical to realizing a substantial return on investment in management leadership

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Choosing the right executive recruiting firm to fill your organization's next senior-management vacancy starts with committing to some research before the search process even begins. This is one of the most important decisions your company will make, in part because of the potential upside the right executive can deliver and in part because of the huge cost (not only measured in dollars) of making a bad executive hire.

Finding the right headhunter to represent you in the six- and seven-figure talent market is a mandate because the quality of your management opportunities is often tied (at least in the minds of potential leadership candidates) to perceptions about the quality, credentials, and experience of the messenger you choose to engage.

Executive recruiters are, indeed, messengers of corporate career opportunity. But they are also salespeople, entrepreneurs, serial networkers, brand ambassadors, and an extension of your current leadership team. They regularly make crucial judgments about who should be given an opportunity to compete for corporate leadership and who should not, regardless of whether you and your organization fully comprehend the rationale for their candidate screening decisions.

Heavy Homework

So how can you do the kind of homework to find the best fit with a recruiter who knows your business, your market space and the kind of talent that can take your company to the next level? It boils down to knowing how to effectively headhunt the headhunters.

That means orchestrating a process through which your organization will identify potential partner firms, assess their credentials for recruiting the kind of executive you want to lure, and ultimately settle on a firm (and consultant) who can help amplify the opportunity and reduce the risks inherent in senior management recruiting.

Your research should start with doing some homework on the recruiters who work regularly in your company's market space, who have recruited key executives for rival companies recently, and who bring special access to the kind of talent you want to attract. You and/or people within your organization, including your company's management team and board of directors, may already know some of these recruiters.

Non-Poaching Pacts

But it's also important to recognize that, based on the promises recruiters make not to poach talent from current and recent clients, even the firms that appear to bring the best credentials may not have access to certain executives because the companies they currently work for are clients or recent clients of that particular search firm.

That's why decisions about selecting executive recruiters shouldn't be based (as they often are) on who the internal stakeholders are chummy with, which is often a fatal flaw of the search process.

The proper selection and engagement of external management recruiters first requires an assessment of who's capable and qualified to execute the assignment, and second, an understanding of where those recruiters can and cannot take the search for exceptional leaders. For the latter reason, you must ask potential recruiting partners pointed questions about any possible client covenants that could shift the direction of your company's search.

The Short List

From there, it's a matter of short-listing perhaps three firms and inviting them in to present to the stakeholders. That is, the people who have decision-making authority about which of them to engage and who can make a commitment to the timely interviewing of candidates ultimately introduced by the "winning" search firm. This final step in the search-firm selection process is often referred to as a shootout.

While a small number of search firms may refuse to engage in such a competition, fearing it may signal a lack of faith on your part, others recognize it as an opportunity to earn the assignment by talking to their unique capacity to get the job done.

Typically, the short-listed search firms will be allocated a set amount of time to make a presentation about why they should get the assignment. Bear in mind that if you engage in a shootout, the firms involved will expect an answer to follow shortly as to whether they've gotten the assignment. Of course, you need some time to assess the various companies' respective strengths and weaknesses, but you should be prepared to make a decision within days of organizing the shootout.

The formal presentations should give stakeholders the chance to ask what resources will be applied to the search and the candidate firms should be prepared to elaborate on how the process would unfold if they were granted the search.

Some of the critical questions that you should ask include:

- What do you know about our unique market environment and its challenges?
- How would you describe our organization, its potential and this management opportunity?
- Who will lead the search process? Who will make the originating candidate sourcing calls, and who will be responsible and accountable for the process from start to finish?
- With which companies in our target candidate market space do you have restrictive "off-limits" or "hands off" agreements that will prevent you from recruiting executives from their organizations?
- When can we begin to interview candidates?
- What specific commitment do you need from our internal stakeholders in order to expedite the process?

Taking the time to source, research and evaluate which of the more than 6,000 management recruiting firms across North America is best positioned to lead your company's next executive leadership search is truly time well spent.

What your organization gets out of the search firm selection process is in direct proportion to the resources it puts into it.

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