



When and How to Choose an Executive Search Firm

By Ron Prokosch

One of the most significant characteristics which sets an organization above its competition is the quality of its professional and managerial staff. Often the most important function of the C.E.O. is to ensure that the management team is staffed with the most talented people.



When to use a search consultant

With many senior appointments, total confidentiality is critical. Leaks or rumors of an impending senior appointment can create anxiety and unrest in the organization among the very people whose total commitment and support you need. They can relay messages to competitors or customers which are better kept in confidence until the right time. They can be harmful to incumbents who may be candidates for termination or redeployment.

Using a search firm experienced in conducting sensitive assignments maintains confidentiality until you are ready to make an organizational statement.

In short, an executive search firm should be used when:

1. It is strategically important not to go public until you are ready.
2. The stakes are high and you can't afford to gamble that the executives you know are the best who can be identified.
3. You need focused and objective counsel in evaluating your organizational requirements.
4. You anticipate the need for help in identifying, attracting and finalizing the appointment arrangements with an outstanding candidate.

A search consultant, however, should not make the decision on the right person to hire. The consultant's job is to provide assistance and advice so that the client can make the appointment – with the knowledge that the search has been thorough.

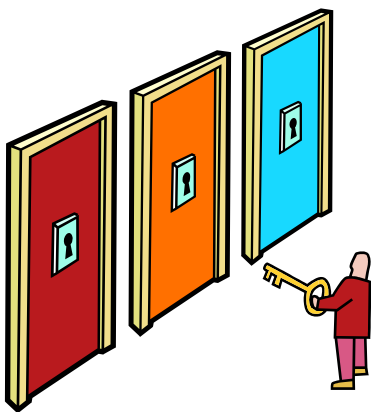


How to choose a firm

There are many firms in the search business and they range in size from one-person firms to international organizations with a large staff and billings in the tens of millions.

Some specialize in particular industries or types of positions while others may range over all sectors and functions.

The task of choosing among a variety of executive search firms can be simplified by keeping in mind the objective of the search: how to find the best available person.



Choosing the search firm should start with a market review. Who are the firms which conduct senior search assignments? In what important ways are they different? What are the qualifications of their consultants?

As with other major purchasing decisions, ask several firms to send you promotional materials and to outline their points of emphasis and differences in conducting senior searches. A review of the information and of their webpage should enable you to narrow down the choice to two or three firms.

Before arranging to meet representatives of these firms, check them out, preferably with companies who have used them. What do clients think of the consultants and the results of the firm's work? Was the search thorough? Did the firm "search out" candidates or was it content to advertise and consider executives directly known to the firm? Was the assessment of candidates rigorous?

Firms which come highly recommended should then be invited to meet with you and anyone else who will be involved in the appointment process. However, you should ensure the consultants you meet with are those who will undertake the search.

Invite the firms you are particularly impressed with to submit a search proposal which reflects their understanding of your needs, the qualifications and personal characteristics of the executive you want to recruit, the search strategies the firm will follow and the fee, costs and billing arrangements.

Ethical considerations

Specifically you will want to know, if you were to retain the services of this firm, how it will deal with you in the future? Is it likely to “flaunt” the name of your company as a client? For what period of time will your employees be “off limits” as candidates on other searches the firm is undertaking? As a client you may want to know if your consulting firm subscribes to the Code of Ethics of the Institute of Management Consultants.

Research capability

An important issue in selecting a search firm has to do with the process used to identify potential candidates. There are exceptions but, statistically speaking, the best candidates are almost always employed and not even thinking of making a move.

Identifying and developing an interest in candidates who are well established where they are is time-consuming and arduous. Unless the search firm you are considering has extensive research and contact capabilities – which means more than merely searching the firm’s resume files – these ideal executives will not likely surface as candidates for consideration.

Ask yourself, is the approach recommended by the search firm you are considering likely to review systematically executives in organizations you would like to target? This is what executive search really is.

Who does the work?

Search firms vary widely in the ways they organize their work with respect to the conduct of search assignments. Unless you are careful, the consultant you meet may be no more than a “front” person, with junior consultants – whom you have not met and who may not have a sound feeling for your requirements and your organizational culture – doing the work.

In considering the qualifications of various search firms, make sure you determine who will do what and the time commitment and role which the consultant-in-charge will play on the assignment.



National reach

For senior executive searches, the leadership, experience and talent sought may be well beyond the immediate market. In such cases a firm experienced and connected nationally, and perhaps internationally, is an important criterion.

The search consultant as your representative – confidentiality

The search consultant you retain should exercise good judgement and confidentiality on sensitive matters pertaining to both parties in the executive search relationship.

Unless you instruct the consultant to the contrary, the identity of your organization should be kept in confidence until otherwise agreed. Similarly, the consultant should treat in confidence sensitive information provided by the candidate until there is clear agreement to release such information to the client organization.

You must have confidence that the search consultant will represent you and your organization in the way that you would conduct yourself if you were in the consultant's shoes.



Communication and documentation

The consultant you retain must be prepared to establish a teamwork relationship with you and keep you fully informed of progress. Much of this will be done verbally. At critical points throughout the search assignment, the consultant must be prepared to furnish you with complete, well written reports which tell you all you want to know. The first important documentation should set out clearly the terms of reference of the search so that there is no possibility of misunderstanding. The search plan should be defined in a way which gives you confidence the search process will be comprehensive and thorough.

Documentation on candidates being presented for consideration should be complete in terms of relevant factual information, with a comprehensive evaluation of the candidates' suitability for the position and points which will need to be addressed if an executive is to be attracted. If it is not appropriate to carry out detailed reference checks at the time the candidate is recommended for consideration, a separate report should be provided later outlining the results of reference checking, confirming degrees and professional credentials, and providing information on the candidate's personal and financial affairs.

Follow-up

The consultant's work is not finished when the candidate has been hired and the appointment finalized. The consultant has an important role to play in ensuring that the executive and the organization continue to work well together during the crucial early months of the new employment relationship.

The consultant can play a critical role in identifying areas of discomfort or concern on both sides and to bring these issues into the open to find solutions acceptable to both parties.

If the search has been a thorough one, and if the consultant has been effective in establishing comfort on the part of both parties, any irritants or discomforts which develop during the settling-in period should be minor and easily addressed through the mediation of the consultant.

When these factors are considered and the assignment is awarded to the firm which not only promises, but has a reputation and a commitment to deliver on its promises, the result in the majority of cases is an appointment which achieves the operating results expected. At the same time it will satisfy the acid test of compatibility, fit and personal comfort.

Ron Prokosch is President of The Prokosch Group and a Managing Partner of Legacy Executive Search Partners (Alberta) Inc. The Prokosch Group is also a strategic business partner for Profiles International providing online tools to assist in making better selections for your company. The Prokosch Group can be reached at 269-7767 or at www.prokoschgroup.com.