

# What You Need to Know as a Candidate about Executive Recruiters

**There are entire books on how to use executive recruiting services to your best advantage.**

In the next few pages, we give you a brief overview of the subject. We also highly recommend our companion publication, Kennedy's Pocket Guide to Working with Executive Recruiters. It contains 30 short chapters of frank advice, including how and when to contact recruiters and how to respond when a headhunter calls. See page 972 for more details.

## **Four Facts You Should Know**

### **1) Individuals do not pay fees to search firms.**

Executive search firms are paid by the companies who hire them to fill a position, typically a fee of one-third of the job's first year compensation. Search firms are not working for you, but for their paying clients. Therefore, do not expect firms to be overly responsive when you contact them.

If your resume is impressive, they may add you to their database of executives. They may contact you if they have a position that fits your profile or to ask you to recommend other people who might be interested in the job. In either case, you will be starting the process of building a relationship with the recruiter. Every phone call or meeting will probably be noted in the firm's database.

Some companies advertise career counseling and resume mailing services to executives. These services, which can be expensive, are not offered by any of the executive search firms listed in this directory.

### **2) The difference between retainer and contingency search firms is important.**

There are two types of recruiters. 38% of the firms listed in this directory are retainer, while the remaining 62 % are contingency. Both charge the client employer a fee and neither should ever charge the prospective employee.

The distinctions between retainer and contingency firms are:

Retainer firms:

- Retainer firms are hired by a client company for an assignment, typically for 90-120 days and are paid regardless of the results of the search. They may also be kept on retainer by their clients, to fill whatever assignments they have.
- One retainer firm is hired by a client company for a given job opening.
- They are more often used to fill higher level positions with salaries of \$70,000 and above.
- For these assignments they will assemble a short "slate" of candidates. Therefore, if a retainer firm seriously considers you for a position, you will probably be part of a small group of candidates. . While your file is being used by a retained recruiter for an assignment, no other recruiter at that firm can contact you, even if you would be the perfect candidate. As a result, you are unlikely to be contacted by a firm for more than one or two positions a year, at most.
- If you work for a company that has hired the search firm during the last year or two, you will be "off- limits" for any other position it may have, no matter how well qualified you are. For this reason alone, it is important to be known to multiple search firms.

## Contingency Firms:

- Contingency recruiters are more often used for junior and mid-level executives, typically for positions with salaries below \$70,000.
- Contingency recruiters receive payment only when their candidate is hired.
- Contingency recruiters do not usually work on an exclusive basis with their clients. Since they are competing with other recruiters to provide candidates for each assignment, they tend to work fast and to submit to the client company as many candidates as they can. This means you may be one of many candidates for a given job.
- Contingency recruiters provide you with a great deal of exposure, since they send many resumes to their clients. This can be useful to you early in your career or if you are unemployed. However, bear in mind that you may not always want your resume widely distributed if you are happy in your current job.
- When a headhunter calls you, it can be hard to tell whether they are from a contingency or retainer search firm. This directory helps clarify that information. Even so, contingency firms occasionally work on a retainer basis and some retainer firms do contingency work from time to time. Our advice is to ask explicitly the nature of the assignment before giving your permission to any recruiter to distribute your resume.

### 3) Some search firms specialize while others don't. Consider both kinds.

Recruiting firms are often generalists, covering many different management functions (e.g. sales) and industries (e.g. textiles). Quite a few firms and many individual recruiters, however, do specialize. To make your search as effective as possible, consider recruiters who cover your function and specialize in your industry. Generalist firms should not be ignored, especially at the higher executive ranks. The largest multiple-office search firms tend to cover all functions and industries, but will often have practice areas for particular areas of expertise.

### 4) Most recruiters work nationally so don't limit your search by geography.

At the lower salary levels, companies may be reluctant to consider out-of-town executives because of the expense of interviewing and relocating them. In these instances, search firms may focus on local candidates. However, for many executive appointments, search firms will look nationally or even internationally. It is in your interest to be known to search firms who fill positions in your industry, function and salary range, no matter where they are. A New York recruiter is as likely to have an assignment in Los Angeles as in Boston.

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