



# Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

## Selecting a Retained Executive Search Firm

### *~ A Client's Guide to Identifying the Best Search Firm Partner ~*

Effective recruiting of senior management is critical to any organization's success. The selection of a consultant to assist with this important function should, therefore, be performed with care, and with consideration of criteria that may not be immediately apparent.

In recent years there has been a proliferation of companies which purport to provide executive search consulting services. Many are highly qualified but others do not follow the principles outlined in the Association of Executive Search Consultants' Code of Ethics and Professional Practice Guidelines. The number of firms and individuals declaring to be qualified to professionally handle search assignments has created the need for guidelines for selection which focus on the quality, professionalism, reputation and track record of the search firm and that of the consultant managing the search assignment.

When selecting a search firm, it is important for a client to have a full understanding of the services to be provided, method of operation, limitations affecting the search, who is handling the assignment and the totality of fees, expenses, and other expectations. When reviewing which executive search firm to use you will also need to consider other issues:

- Size of the firm
- Geographical reach
- Industry knowledge and specialization
- Conflicts with other clients (off-limits)
- Guarantees and liabilities
- Search process
- Qualities of the search manager
- The role of the client

### **Size versus capability**

It is generally accepted that the number of offices or consultants of an executive search firm does not necessarily affect the ability to handle a search assignment successfully. There are many single-office firms that operate with ease on a national and international scale, while there are multi-office firms that are regional in their focus.

What is more important than size is the overall capability of the firm to provide the resources needed by its professionals to research and identify the best possible candidates. A critical factor is also the quality of the working relationship with the individual consultant retained to conduct the search assignment. A client is entitled to know the nature of the resources available and the research and support staff who will be working on the project.

## **Geographical scope**

Of particular importance with international assignments is the nature of the international network that will be brought into play in conducting the assignment. How do the relationships with overseas offices work and how extensive will the sourcing be in different markets? Who will conduct the screening of candidates? Will videoconferencing technology be used? Will there be a lead consultant who will see all short-listed candidates?

The answers to these questions may be crucial in determining the level of service that the client will receive in a complex international search.

## **Industry knowledge and specialization**

The executive search profession has become increasingly specialized in recent years by industry, function and geography. Thus there are fewer and fewer generalists except in smaller markets, often regional, where a reputable search consultant may still conduct searches across a wide range of functions and industries.

The AESC's online International Executive Search Directory allows clients to select search firms by specialization and can facilitate the creation of a shortlist of firms and consultants who are likely to have in-depth knowledge of their particular sector. While the search process is generic to all sectors and functions, nevertheless detailed and comparative knowledge of an industry or function is increasingly required by clients when selecting a search firm. Many will require verbal or possibly written presentations to satisfy themselves of the expertise that the firm/consultant will bring to the assignment.

## **Off-limits**

An agreement about the length of elapsed time before a search firm can recruit out of a client company where they had previously placed a candidate is one of the most sensitive and often difficult areas to be reviewed when selecting a search firm. The AESC guidelines are adamant that full disclosure of any limitations affecting the search (such as clients or individuals that are off-limits) is essential. Such limitations should be spelled out, in writing if necessary, and the client should be fully satisfied that there is a sufficient market open to the consultant to conduct an effective search.

The client should also expect to receive a written understanding concerning the off-limits conditions for their own business. The AESC guidelines indicate that this should be a business issue between the parties, and should reflect a time period and scope of application such that there will be no misunderstanding in the future should personnel change. This practice has proved to be an effective way of handling an issue that has been often misunderstood in the past.

The search firm should also demonstrate a commitment that information acquired about a company during the search engagement will be considered absolutely confidential.

## **Overall track record**

Quality, while seemingly elusive, is one of the key factors in selecting an executive search firm. Just as a client will want reference checks taken on candidates, references on the search firm are an important part of the selection process. The firm's reputation, and more specifically that of the individual consultant handling the assignment, can be evaluated through comments on past performance. Completion rate and repeat business are indicators of a strong commitment to clients. In addition, hearing the views of a client when a search has not resulted in a hiring can be

helpful in evaluating the firm. A search consultant cannot guarantee to fill the position, but can guarantee the quality of his or her own performance.

Increasingly clients will employ the services of an independent consultant to help them assess executive search firms and to conduct negotiations with them.

### **Guarantees and liabilities**

Executive search is a management consulting activity which may or may not result in the hiring of an external executive. An internal appointment may be made or an assignment discontinued for organizational reasons outside the consultant's control. Therefore, search firms should not be expected to guarantee that a position will be filled.

However, it is appropriate to establish an understanding of the firm's policy about unusual situations. For example:

- Under what conditions and time frame will a firm replace a candidate who leaves voluntarily or involuntarily?
- If a candidate is hired now or later for a position other than the assigned search, what is the client's obligation to the search firm?
- What are the factors that may cause a search firm to withdraw from an assignment or consider the job specifications to be sufficiently changed to warrant starting a new search?

### **The search process**

An executive search is a consulting engagement and not just a recruitment activity. Therefore, performance of at least the following consulting services should be expected:

- Meetings with the client to develop an understanding of the organization, its needs, and the open position.
- Prior to beginning the work, written documentation of the position description, scope of services, search manager, general timetable and a statement concerning fees, expenses and cancellation policy.
- After confirmation of the documentation, thorough independent research by the consultant or the firm's research staff.
- Verbal and written reports on the progress of the search, including scope of the research and feedback from the marketplace. The latter is an important value added service that is often overlooked.
- Thorough evaluation of potential candidates, including: in-depth personal interviews by the search consultant, verification of credentials, and assessment of the individual's strengths and weaknesses with respect to the position.
- Written reports and evaluations of short-listed candidates prior to interviews with the client.
- Prior to final selection, comprehensive reference checking on behalf of the client.
- Active participation in the final negotiations to facilitate communication between the parties and to ensure that the client has the best opportunity to successfully recruit the favored candidate.
- Follow up with the client and selected candidate after the start date in the position to assist integration of the candidate into the new job and the client's environment.

## **Qualities of the search manager**

The client has a right to know who will be conducting the search. In some firms consultants acting in a business development capacity may not work on the assignment. When assessing the consultant who will be managing the search, the following criteria are important:

- Communication and presentation skills (the consultant will be representing the client in the marketplace and must do so professionally)
- Sufficient industry and functional knowledge to make sound recommendations
- Perception and assessment skills
- Determination and tenacity
- Persuasiveness
- Honesty and integrity

Managing a search to find a senior executive is a complex task that requires the skills of an experienced professional. The client should feel comfortable and confident that the assignment is in the hands of such an individual.

## **How to be a good client**

The relationship between client and search firm requires substantial measures of trust, chemistry and professional respect. It is important for the client to understand their part in the search process and how to contribute to a successful conclusion:

- Take every appropriate step to achieve a good fit with the search firm. Communication between search firm and client must be open and cooperative; the relationship should feel friendly and comfortable.
- Do your homework before meeting with the search firm. Describe the position in as much detail as you can and make full information available to the search consultant. Do not hide information but introduce the consultant to key decision-makers in the selection process and encourage full disclosure. The consultant will be your partner in completing the assignment and must be able to represent your organization fully to prospective candidates. Therefore there should be no surprises.
- Assemble your in-house search team. This should be a cross-functional team of the key executives involved in the recruitment process. Ensure that there is agreement and consistency about the position to be filled. This is critical when it comes to meeting short-listed candidates. Obtain feedback from the search consultant to identify differences of opinion within the search committee.
- Orchestrate the interviewing of candidates to ensure that they are properly greeted and given VIP treatment. They are not job applicants but generally very busy executives who are making time sacrifices to be with you. Therefore use their time well, do not duplicate questions or information, and do your best to “sell” them on the organization. More than one excellent candidate has been “turned off” by shabby or inefficient treatment by a client.
- Help your interviewers by establishing selection criteria and assessment guidelines.
- Be readily available to your search consultant so that together you can effectively and quickly fulfill your mutual goal.

## **Working with AESC member firms**

The Association of Executive Search Consultants (AESC) ensures that its members are all high quality, professional firms by imposing ethics and professional practice guidelines for executive search as criteria for membership in the Association. Employment of an AESC member is thus an indication that the firm has met stringent quality and ethical standards.

AESC member firms will represent the client, as well as the candidate's interest in the position, in a professional and ethical manner with the utmost confidentiality. The member firm will also provide full disclosure concerning any and all known limitations affecting the assignment before accepting it.

The AESC's online International Executive Search Directory is available to clients of executive search via the CorporateConnect website [www.executivesearchconnect.com](http://www.executivesearchconnect.com). The Directory is searchable by industry and functional specialties as well as geographic location and key word search. Clients can also submit a Request For Proposal via the AESC's free RFP service whereby the AESC will assist you in finding the most appropriate search firms based on the specifics of the position at hand.

## **Recourse**

Clients selecting AESC member firms have access to redress through the AESC's Ethics and Professional Practices Committee. When there is a miscommunication between consultant and client, this committee acts as a conduit through which misunderstandings are resolved.

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*The AESC offers a range of information and services to client organizations to help in their relationships with retained executive search firms. Visit [www.executivesearchconnect.com](http://www.executivesearchconnect.com) to set up your free account with **CorporateConnect**, the AESC's service for senior HR and line management professionals offering access to the AESC's International Executive Search Directory and Request for Proposal service, executive search industry information and reports, plus executive recruitment seminars and training.*

*If you found the AESC's guidelines for selecting a search firm helpful, you might also be interested in our free online course: "**Recruiting Senior Executives - Managing the Search Process**". [Click here](#) for details and registration.*