

## How To Manage Headhunters

There are three categories of headhunters in the UK: Search, Selection and Agency (or Contingency). Each category operates with a different methodology, and it is important for candidates to understand how they differ in order to manage them properly.

### Search Firms

Search firms represent companies, not candidates. They are usually retained on an exclusive basis to actively research a defined segment of the market (the 'research universe'), approaching candidates on an agreed 'Long List' to see if they would consider moving to the client firm. Exclusivity means that, once the Search firm has been mandated, all candidates are obliged to enter the search process, even if they write directly to the client company.

Because of the focus on research, the search process is relatively slow (typically three to six months) and highly competitive, as the short list usually comprises a distillation of similarly-skilled and experienced candidates. So it is not a very efficient method for candidates actively looking for a new job.

Moreover, in return for exclusivity, Search firms usually have to offer an 'off limits' guarantee to the client, which means that they may not headhunt any employees from the client company. Hence most Search firms only have between five and ten clients - otherwise they would have insufficient firms left to hunt in! So Candidates actively seeking to move should speak to a large number of Search firms (at least 10) to have any chance of covering the market.

Search firms are best managed as a medium term 'passive marketing' tool, remaining in touch with three or four Search firms at all times, using them as your eyes and ears on the market.

**Godliman Partners is a member of the Association of Executive Search Consultants (AESC), the worldwide professional organisation for retained Executive Search firms. Executives wishing to increase their exposure to these quality search firms should submit their career information to the AESC at [www.bluesteps.com](http://www.bluesteps.com).**

You can also find a list of Asset Management consultants within UK Executive Search firms on our web site in the Resources/Reading Room section/About Headhunters section.

## Selection Firms

Selection firms also represent companies, and recruit through advertising campaigns, 'selecting' a short list of candidates from the responses received. Most firms combine Selection with either Search or Agency headhunting - there are few Selection-only firms. Selection is effectively an outsourced HR function, and selection firms are retained on an exclusive basis. Pure Selection firms tend to be quite short-term in approach, considering current applicants against the requirements of the current selection advertisement. So candidates should not assume that an application to a previous advertisement will be matched to a current advertisement. One of the best sites for selection is [eFinancial careers](#).

## Agency (or Contingency) Firms

Agency headhunters are effectively 'brokers of people'. They are the only type of headhunters that represent candidates - in the sense that they are able to actively market candidates to a large number of firms simultaneously. Like Securities Brokers, Agency firms maintain regular contact with a large number of firms, to better understand their potential hiring requirements. They rarely receive exclusive mandates, introducing candidates on a 'no hire-no fee' (or 'contingency') basis. After meeting a candidate, the Agency headhunter will actively market the candidate to an agreed list of firms within their client constituency.

Agency firms are useful for providing initial anonymity until an appetite for hiring has been established. And, because there is no research process or structured short list, the process is usually very quick. Moreover, by marketing a candidate to several firms simultaneously, the headhunter can also increase the Candidate's negotiating power.

Agency headhunters are therefore the most effective headhunting medium for candidates actively seeking to move.

It is best to work with Agency headhunters only when actively seeking to move. It is also important to control which firms they will approach on your behalf to avoid your CV being sent to the same firm twice by different headhunters. Because Agency firms do not have off-limits issues, their client lists are usually more extensive than Search firms', and so one or two good Agency headhunters should be able to cover the whole market between them.