

We Want our Money Back

Presenter: Greg Doersching, Founder of The Griffin Group

Greg Doersching is Managing Partner and Founder of The Griffin Search Group, a National Search Firm working in the direct hire placement industry. He is an active recruiter who still runs a highly productive desk and is in the trenches day-to-day, just like the rest of us. He is also developer and Chief Architect of the highly successful Bullseye Recruiting Process.

For the past 15 years, Greg has been recognized as one of the most cutting edge voices in the recruiting industry. He is an International Trainer and has presented dozens of workshops and Keynote Addresses for recruiting association events. He is consistently rated as one of the top presenters for each conference.

About this Program

In this presentation, Greg shares his insights regarding fee negotiations and solutions to help you build your practice. Topics include the 6 major services clients expect from recruiters, how to sell your process, how to ensure your services are seen as value added, and much more.

Meeting, Week 1: “We Want our Money Back” by Greg Doersching

If you are reviewing this episode with a team, break the Episode into two meetings. Pause the video at 20:00 and go through the exercises below. Resume Week 2’s meeting at 20:00 and watch through the end of the video, using the additional exercises to expand on the content Greg discusses.

Facilitator (pause the video at 20:00): Greg kicks off his Episode with a fantastic point - before you can negotiate anything, you have to sell first. Before you can sell anything, you have to know what is important to the buyer and how to validate your statements. Take some time to list out what services we offer throughout the search process that go above and beyond our client’s normal expectations.

Define Your Process:

Clearly define the process you use, but do so in simple and easy-to-explain steps that anyone can follow. Greg suggests that your process be able to be summarized in 8 steps or less; anything more than 8 steps is overwhelming and the audience will have a tendency to lose interest. The following page has Greg’s process outline if needed as a reference point.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Greg's Search Process Summary:

Identification: In-depth analysis of position specifications, careful gathering of requirements with a "Value" focus, results-oriented experience which effectively "sells" company attributes so the most successful candidate is retained.

Research: Strategic planning for the most effective means for sourcing target candidates. Extensive integration of industry resources, virtual communities, magazines, and proven cold calling approaches.

Recruiting: Supported by an extensive database of candidates and companies, potential candidates are actively sought from direct competitors and parallel industries located locally, regionally or nationally.

Assessment: The most important step in the process. Combining behavioral and targeted interviewing techniques, clients are ensured that the candidates presented possess all necessary, as well as many desired, skill sets which will prove their value as an exceptional performer within the company.

Interviewing: Complete and honest feedback coupled with tailored advice during the entire interview process thus ensuring a smooth and seamless hiring transition.

Acceptance: Consultation and negotiation of all elements surrounding an employment offer. "Hands-on" involvement to ensure that the candidate identified gets hired and stays hired.

Homework, Part 1: Re-script your stories and selling points based on the new information you just brainstormed during this initial exercise. Bring your revised scripts to the following meeting to share and continue to build on both factual and story selling information.



Facilitator: In order to portray all that info to your client, you have to have facts and confirmation of the things you say. Do you have letters of recommendation? If not, who are three clients or candidates you can ask for letters of recommendation TODAY? Do you send a set of references over with a fee agreement? If not, who are the references you can provide without being asked?

Greg feels that the following categories are some of the most essential decision factors for a client, whether the client voices them to you or not. For each of these topics, know both a **fact** (knowing more than 1 is great but AT LEAST 1 is mandatory) and know a **story** that validates your statements. Some possible facts have been outlined under each category.

Speed

Fact 1: Average number of days from the day you get a job order until you have 3 candidates submitted is: _____

Fact 2: Average number of days from the day you get a job order until you have an offer is: _____

STORY: _____

Accuracy

Fact 1: What percentage of the people you submitted in the past year were brought in for personal interviews: _____

STORY: _____

Accepted Offers/Show-ups

Fact 1: What percentage of offers you received in the past year were accepted: _____

STORY: _____

Longevity

Fact 1: What percentage of the people you placed 5 years ago are still at the company: _____

Fact 2: What percentage of the people who have stayed have been promoted: _____

STORY: _____

(Facilitator): Before we break, let's talk about Greg's interesting points regarding the replacement guarantee. It could certainly be argued that the purpose of the interviewing process is to allow the client to conduct a thorough and comprehensive evaluation of this candidate's ability to perform in the role hired, fit with the team, and any other important factors. It's your role, as a good recruiter, to play the role of 'matchmaker' and talent filter, but the employer should assess this candidate as they would any other hire. Because of this assessment, it could be argued that they should accept final responsibility for the screening and hiring of any individual, and there should be no replacement guarantee – regardless of the circumstances.

On the other side of the argument, it could be said that there is some shared risk involved by both parties, and a replacement guarantee is your way of helping your client share some of that risk. You may feel that the more financial commitment from the client, the greater the shared risk you are both taking, and therefore you would offer a longer guarantee period. Ultimately, your terms for a guarantee should be based in some factual data.

Of all the placements made in the last two years, which candidates left within a year of being placed? _____

Of the candidates listed above, how long were they employed by the client before they left? _____

In addition to the creative option Greg shared for a replacement/refund guarantee, the following sliding scale offers a guarantee for the client, but gives the recruiter some concession for the client employing the candidate for a certain amount of time:

If a candidate leaves the position without cause or is discharged by the Client for cause within one hundred eighty (180) days after the candidate's start date, (Company) will assist Client in seeking a replacement candidate on a pro-rated schedule as follows: before sixty (60) days is no charge, sixty to ninety (60-90) days is seventy-five percent (75%) of service charge credit, ninety to one hundred twenty (90-120) days is fifty percent (50%) of service charge credit, one hundred twenty to one hundred eighty (120-180) days is twenty-five percent (25%) of service charge credit, one hundred eighty (180) days or more is no service charge credit provided that Client provides (Company) with written notice of the termination and reasons within five (5) business days after the termination and has paid all previous invoices within ten (10) days of their due dates. This guarantee is not applicable if the service relationship terminates because the position is eliminated or because Client has insufficient work for the candidate.

***If you are breaking the Episode into two meetings,
end now and resume next week with the exercises below.***

Meeting, Week 2: “We Want our Money Back” by Greg Doersching

If you are reviewing this episode with a team, break the Episode into two meetings. Resume Week 2’s meeting at 20:00 and watch through the end of the video, using the additional exercises to expand on the content Greg discusses.

Facilitator (resume the video at 20:00 and watch through the end): After studying principles of negotiation, Greg shares many situations in which buyers need options in order to feel that they are in control. What makes the buyer feel like they won the negotiation? They received more of the services you were willing to offer for less than you wanted them to pay for it.

If you have never done the math of what lowering your fee results in, use the chart provided by Greg below to help with your calculations. What was your average fee percentage in the past twelve months? What would you have billed if you had raised your fees by 2.5%? What about 5%?

	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$90,000	\$100,000
30.00%	\$15,000	\$16,500	\$18,000	\$19,500	\$21,000	\$22,500	\$24,000	\$27,000	\$30,000
29.00%	\$14,500	\$15,950	\$17,400	\$18,850	\$20,300	\$21,750	\$23,200	\$26,100	\$29,000
28.00%	\$14,000	\$15,400	\$16,800	\$18,200	\$19,600	\$21,000	\$22,400	\$25,200	\$28,000
27.00%	\$13,500	\$14,850	\$16,200	\$17,550	\$18,900	\$20,250	\$21,600	\$24,300	\$27,000
26.00%	\$13,000	\$14,300	\$15,600	\$16,900	\$18,200	\$19,500	\$20,800	\$23,400	\$26,000
25.00%	\$12,500	\$13,750	\$15,000	\$16,250	\$17,500	\$18,750	\$20,000	\$22,500	\$25,000
24.00%	\$12,000	\$13,200	\$14,400	\$15,600	\$16,800	\$18,000	\$19,200	\$21,600	\$24,000
23.00%	\$11,500	\$12,650	\$13,800	\$14,950	\$16,100	\$17,250	\$18,400	\$20,700	\$23,000
22.00%	\$11,000	\$12,100	\$13,200	\$14,300	\$15,400	\$16,500	\$17,600	\$19,800	\$22,000
21.00%	\$10,500	\$11,550	\$12,600	\$13,650	\$14,700	\$15,750	\$16,800	\$18,900	\$21,000
20.00%	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000	\$15,000	\$16,000	\$18,000	\$20,000
19.00%	\$9,500	\$10,450	\$11,400	\$12,350	\$13,300	\$14,250	\$15,200	\$17,100	\$19,000
18.00%	\$9,000	\$9,900	\$10,800	\$11,700	\$12,600	\$13,500	\$14,400	\$16,200	\$18,000
17.00%	\$8,500	\$9,350	\$10,200	\$11,050	\$11,900	\$12,750	\$13,600	\$15,300	\$17,000
16.00%	\$8,000	\$8,800	\$9,600	\$10,400	\$11,200	\$12,000	\$12,800	\$14,400	\$16,000
15.00%	\$7,500	\$8,250	\$9,000	\$9,750	\$10,500	\$11,250	\$12,000	\$13,500	\$15,000

(Facilitator): As Greg stated, buyers want options. His script for articulating contingent and financially committed options is below – if you choose to offer two options to your clients, what is the script you will use for doing so? Modify Greg’s below to make relevant for your financial and contractual terms:

“We have two options we work with here; let me outline them both for you and you can decide what works best for you. Plan A is the straight contingency model, which is 30% of the first year’s total identifiable compensation, a six month replacement guarantee, and I commit to you that you will have three viable candidates on your desk within 30 days.”



Plan B, which 80% of my clients go with, is a \$2,000 engagement fee that is deducted from the total fee of 25%, a one year replacement policy. Because of that upfront money, I am allowed to put extra resources on your search and I guarantee that you will have three viable candidates within the next 18 days. Which of these two sounds like it will be the best choice for you?"

(Facilitator): We must also know the things that we can use for points of negotiation, especially when it comes to anticipating their concerns and knowing how to address them. Greg suggests only negotiating with the length of the replacement guarantee, lowering the amount of an initial upfront payment, lowering fee percentage by one percent increments, and asking for exclusivity. What are your scripted responses to the following questions?

Your fees are too high. _____

We want a longer guarantee period. _____

What happens if you never send me a candidate? _____

What happens if we find a candidate on our own? _____

(Facilitator): Part of being able to articulate the difference in results to your prospective clients is being able to back up with facts your success with one approach versus another. If you have not taken the time to think through your past history, take a few moments to list out the searches you have taken and the searches you have filled over the past year or two years.

When you take a contingent search, what percent of those did you ultimately fill? _____

When you worked on a financially committed basis, what percent of those did you ultimately fill?

