

Market Mastery

Presenter: Jeff Kaye, CEO – Kaye/Bassman International

Jeff Kaye serves in senior leadership roles for Kaye/Bassman International, Next Level Exchange, and Sanford Rose Associates. During his tenure as CEO, Kaye/Bassman International has grown into the largest single-site search firm in the country which achieved annual search revenues in excess of \$18 million, won national awards for philanthropy and workplace flexibility, and has been named the #1 “Best Company to Work for in Texas” four consecutive years. He is considered an industry expert and has appeared on CNN, FOX, Bloomberg, and NBC. He is quoted regularly in publications including USA Today, The Wall Street Journal, Business Week, Time, and Fortune. Jeff is also a frequent speaker within the recruiting and human resources community and been featured in dozens of international training meetings and videos.

About This Program

This presentation, “Market Mastery”, is Jeff’s most requested topic, and is the one of the founding pillars of Kaye/Bassman’s success. For over two decades, Jeff has been writing and speaking about the virtues of market mastery and this presentation memorializes the approach, why it matters, why it benefits you and your market, and includes a blueprint for implementation.

Meeting, Week 1: “Market Mastery” by Jeff Kaye

If you are reviewing this episode with a team, break this episode into two different segments using the starts and stops below as a guide. Week 1’s suggested viewing schedule and exercises are below.

Facilitator (begin video and pause at 17:33): To build a business centered around the Market Mastery Approach that Jeff discussed, it begins with a general consistency of search assignments. Over time, most every search will be for reasonably similar positions, so you will have recyclability with the candidates you recruit. This provides for a deeper understanding of the people in your market, their reputations, their departmental structures, compensation and benefit packages, and so on. With this volume of intimate industry knowledge, you know more about the market than the people in it!

This level of insight generates a snowball effect; when you have success in completing a search, you will earn the right and be more positioned to handle future similar searches, and the more you get, the more you fill. The more you fill, the better your expertise and resulting reputation. The better the reputation and expertise, the more clients will be willing to retain you, if appropriate, at higher fees and more favorable terms.

Let’s take a minute to break down the mathematics that Jeff just shared as it relates to putting some structure around defining a market. A good gauge on market size is to look at the number of potential candidates and number of potential clients. If you can call every potential client only twice a year, then the market is probably too big. Use Jeff’s examples below and fill in your own as you begin to define your market:

Market: How many companies exist in your space, and how many people exist in the roles (that you place) at each of those companies?

Example: 50 companies x 20 roles you place = 1,000 total candidates

Your Numbers: _____ companies x _____ roles = _____ total candidates

Retention: What is the average turnover of those roles in the industry?

Example: Retention is 90% (10% Turnover) + 5% growth = 150 job changes per year

Your Numbers: _____ retention rate + _____ growth = _____ changes per year

Clients vs Sources: Companies can either be client companies or source companies

Example: 10 companies = Clients (20% of market) 40 companies = Sources (80%)

Your Numbers: _____ companies = Clients _____ companies = Sources

Market Potential: Of the openings that exist, what percent of those will be given to you (the recruiter) to fill?

Example: 30 openings to fill (20% of 150) = 20 placements per year to fill

Your Numbers: _____ openings to fill = _____ placements per year to fill

Last Step: What is your average fee, and therefore realistic for you to expect to bill using the market mastery approach?

Example: \$20,000 Average fee x 20 placements = \$400,000 annual production

Your Numbers: \$ _____ Average fee x _____ placements = \$ _____ production

Facilitator: Let's put some definition around the FILL methodology; the four key elements in identifying a viable niche are Function, Industry, Location and Level. How do you articulate each of the following in terms of your market specialization?

Function: _____

Industry: _____

Location: _____

Level: _____

Keep in mind that it is acceptable for a niche to be heavily weighted towards one of three areas of Industry, Function, or Location.

If heavily weighted by "Industry", a recruiter may choose to work construction, or aerospace, or pharmaceuticals, or legal, or medical device and may choose to place all functions within that industry because it's a smaller industry, or they might select a couple of functions within that industry in order to narrow down their scope.

If heavily weighted in the “Function” of specialization, a niche could be defined by placing human resource professionals, or IT professionals, or clerical, or administrative roles. The recruiter may place individuals in a variety of industries because the functional abilities of the candidates they represent can span from industry to industry. A prospective client is not hiring this candidate because of his or her industry experience – but instead for their functional experience.

If heavily weighted by “Location”, the recruiter may choose to span a variety of industries and functions, but niche their practice by geography. In this situation, a recruiter might place candidates only in Singapore – but place multiple functions and industries within Singapore. Perhaps they choose to focus specifically in the city or region in which they reside, so they have a higher level of face to face interaction with their candidate and client pool.

Facilitator (Resume video at 17:33 and watch through 45:05 and pause): Before we break, let’s go through the questions that Jeff just posed in this video. Four questions we will answer today, and two will be assigned as homework between Week 1 and Week 2’s meetings. First, based on the numbers we calculated earlier in our meeting today:

How many companies are there in your market that can buy your service? _____

How many buyers (hiring managers) are there at each company (on average): _____

At what frequency will you be contacting them? _____

How many will you contact each week and how will you contact them? _____

Now, for homework, come prepared to next week’s meeting with a **list of the names and titles of all hiring managers** who exist at each organization. This will require some effort if this is not a task that has been done before, but it is a necessary and inevitable step to becoming a market master!

Finally, **what will you share with them when you do contact them?** Several scripts are provided in the following pages – use as a starting point and modify to fit your FILL and preferred approach to Market Mastery. Bring your first draft to Week 2’s meeting.

Possible Script #1: I place finance and accounting professionals (function) in the consumer products industry (industry) in the states of California, Oregon, and Washington (location), in the roles of middle management and above (level). *We achieved this success by developing long term strategic staffing partnerships where our clients rely on us as a preferred, if not single source staffing partnership in times of explosive growth and more targeted hiring initiatives.*

However, most of those relationships started with a phone call similar to this one where I had one opportunity to separate myself from the other recruiters you hear from and earn the opportunity to learn more about your business and staffing challenges. The fastest way that I know how to earn that opportunity is to deliver value by sharing with you (firm’s) approach to market mastery. In our world, there are only (# of) major (type of) companies, maybe double that number of (type of specialty firms). Less than a third of those have (type of) programs and most companies have between one and five (positions) on staff...so about (#of) companies with a field of about (#of) (type of role). If you want more than 10 years experience the number is cut in half to less than (#). Eliminate those that can’t relocate to where you are, are being paid far more than what you can offer, and either can’t or won’t consider change and you are most likely dealing with a couple dozen prospects on any given search you have for individuals with finance and accounting expertise. This is a world I work in every day. I understand you are responsible for hiring (type of role) there and...” Close with question to explore possibility of working together.



Possible Script #2: *“(Name), it’s (name/firm). I am a search professional specializing in the (FILL). It’s my understanding that you have a possible need in your (area) which is exactly the kind of work we specialize in. My team and I have over (#of) years of business experience identifying top talent for companies like yours and we will get this position filled for you.”*

“When you engage us to work on this search, I will get off the phone and my team and I will be spending a minimum (#of) hours for the next (#of) days leveraging our contacts in the market for candidates with (list key specifics of the job order). These are people that are doing well in their current job and are a serious player in their own company. They will be referred to us by contacts we have and will only be considering your opportunity should they decide to make a change, until you exercise your right of first refusal.

However, I need your commitment on one thing. When we identify the appropriate candidates and they engage in our process, they do so with the understanding that we have a committed relationship with our client. With respect to their time off work to interview and the associated risks, we are going to ask you and your hiring team to commit to the same with the same intent. To that end, we have perfected a hiring model over the last (#of) years whereby when I hang up with you, my team will be specifically devoting their time to you and only you over the next (#of days/weeks). I need you to block a three hour timeframe in two weeks that you will slot exclusively for interviewing our candidates. You will have more than enough people to consider, but I need to know that you are serious about allocating time to getting this filled.”

Is there any reason you would not be able to carve out your schedule for one afternoon in two weeks?”

Possible Script #3: *“Hello (name), it’s (name/firm). I am the Director of our (FILL) practice. It’s my understanding that your department has (# of) openings and some of them have been open now for (timeframe).”*

“Here’s the deal – I know that ideally, these spots could be filled internally or with your own sources, without having to pay a fee. However, if this was the case, these spots would have been filled. I also know you get called by recruiters all the time. I know they all promise to find you the right person to fill those spots, but clearly they haven’t delivered since those spots are still open. I also know that finding (types of roles) isn’t just hard for (name of firm), but is systemic within the entire (type of industry). There are only (number of identified candidates) that exist to fill (number of total spots) in the industry. This creates a shortage of talent that is only getting worse as (trends within the industry) change. Everyone is dealing with this same issue of finding talent, and the urgency is increased even further because each (title) opening is costing your firm (\$) dollars in billable revenue annually. Bottom line is that the individuals you are looking for are not actively looking for you. I’m firmly convinced that a partnership with your facility and my firm would bridge the gap from unrealized to actualized revenue.”

“How many (titles) are you aware of that are capable of doing what you need done?”

Break at this point if desiring two separate meetings for this Episode.

Week 2 Meeting: “Market Mastery” by Jeff Kaye

Facilitator: Before we resume with Jeff’s “Market Mastery” presentation, let’s go through the two homework assignments from last week. Of the market as you defined it, how many hiring managers were you able to identify? What is the gap that remains, and what is the timeframe to have every hiring manager identified? What tools can be used to close the gap? (Broadlook as an example).

Second, let’s review the scripts that were created using the market mastery approach. Role play with each individual on the team, and share thoughts on what to keep, change, and remove from the scripts created. Continue to modify and adjust based on what works and resonates with your marketplace!

Resume the video where you left off last week (45:05) and watch through the end of the NLE TV Episode. Use the Facilitation Guide to guide you through additional steps to implementing Market Mastery.

Facilitator: As Jeff mentioned, the most important way to build your business and brand is on the phone or in person! This direct and personal interaction should be the primary driver, but it is not the only approach. Let’s put some thought into creating a consistent contact touch plan for every current and potential client. Jeff created a list to get started – what additional ideas can we come up with and what can be shared within those outreach initiatives?

- Create and send printed or emailed industry newsletters
- Create and send video emails
- Build and manage a professional social media presence
- Optimize you website or your practice area on your website to ensure it reflects your message and desired image
- Update your collateral materials and possibly bring back physical mail strategies that convey you and your firm’s expertise and market mastery
- Create digital briefcase for your future need that have things like cards, PowerPoint’s, email signatures, etc.
- Implement a mobile messaging and marketing plan
- Create market research surveys to conduct and publish
- Build professional networks like LinkedIn and secure testimonials from past colleagues, clients, and candidates
- Constantly research your market and to enhance the value of your database
- Send Holiday and Life Milestone cards
- Publish articles in trade publications and magazines and send press releases
- Advertise and post relevant information on industry websites and consider a pay-per-click approach for keyword searches in your market
- Speak at industry events, conference or trade shows
- _____
- _____
- _____
- _____
- _____



Once you have created a comprehensive list of possible “touches”, select three that you will start with and select a timeframe to implement.

Touch #1: _____

Deadline to Implement: _____

Touch #2: _____

Deadline to Implement: _____

Touch #3: _____

Deadline to Implement: _____

These are just some of the other ways that you can communicate with your market and enhance your brand and image in your niche. Some examples of possible “touches” are included below.

Market Research Study:

(Name), pleasure speaking with you today. As promised, below and attached you will find the market research we have collected over the past 12 months. Let me first say that if you only have 30 seconds to skim this, skip to the bullet points, then glance over the attached graphs; beyond that, print this email and set it aside to read on your lunch break.

In our research, we have addressed many of the challenges that are facing today's (type of companies) in regards to hiring and retention. This data comes from information gathered by communicating with over (# of) (titles) across the country, from the (type of) level through the (type of) level. Many people often look at data with the attitude that it does not apply to them, or their facility is the outlier, so allow me to bring this home: Each of these (# of total candidates) people were talked to by one of (# of) staff members inside the walls of our firm in the course of the past twelve months. The people we talked with were both (titles) and (titles), in both major metropolitan areas as well as smaller suburban and rural areas. So lest you think this may not apply to you, I assure you, it does.

To clarify a common question I initially received: Why do you bother doing this? Because my team strives to provide more to the industry we serve. Our goal is not just to place a (titles) to earn a quick buck, but rather to help raise the core competencies of our (titles) by providing an outside awareness. While it is true that you are a (title) and I am not... you don't talk to (# of) (titles) a day, so I bring a unique point of view to the table that can only help you. In the least, free advice is always worth the price you paid.

Facts:

- *There are over (# of) (title) positions but only (# of) (titles) in our industry*
- *The average graduating class of students with a (type of degree) has dropped from (# of students) to (# of students) in the past (# of years)*
- *Money paid to overtime (titles) can exceed (\$) per month just to cover (type of overtime)*
- *The average (type of) position going unfilled results in (loss of \$) each week*
- *Of the owners surveyed, an average of (%) of the employees they have let go due to 'slowdowns and layoffs' would not be eligible for rehire based on poor performance and lack of results*
- *(%) of owners surveyed said they felt their current slowdown of work will break in the next 6 months, resulting in new hires*



In summary, two things are happening. 1) Companies have put the brakes on recruitment, seemingly regardless of the need or loss of production. 2) HR departments are using low-cost providers to locate talent for the positions they are permitted to fill – and hiring less than desirable candidates.

The problem with the first situation is that while many facilities may be on a hiring freeze, they are not bothering to continue to recruit and interview quality candidates. Remember, it is always easier to keep a fire going rather than starting a new one. So if your facility is in a "hiring freeze," you need to encourage them to allow you to at least interview and make strong connections. Even if you cannot afford to hire them now (or pay fees), you can at least get the ball rolling so you have someone to talk to right away as soon as the position is open.

The problem with the second situation is that the least expensive candidate typically makes the least impressive impact on your organization. The solution is to build a network with a firm that has a history of success. That is the organization that is most likely to have the most intelligent conversations with the top performing (titles). Would you rather hire someone that was brought to your HR group by a headhunter trying to make a quick buck, or would you rather hire someone that has been loyal to their current facility but has come to you from a tenured firm simply curious about the next step in their career?

No matter what you choose to do moving forward, make certain that you do it with all the facts under your belt. Don't just take candidates from the guy who offers a candidate for the lowest fee. Ask him how he found the candidate, how long he has been recruiting (titles) specifically, how many (titles) he placed with (type of) facilities in your area, and a list of his references.

Facts:

- Our team works only with (FILL)*
- We have been in business for over (# of) years*
- On average, our candidates bring (\$) of immediate revenue to their new firm*
- In the past 12 months, (%) of our searches were filled in less than (# of) days*

With over (# of) needs for (titles) and only (# of) (titles) in the US, I want to continue to set myself apart. I invite you to review my attached bio and the bullet pointed case studies of our most recent placements.

I am looking forward to hearing from you to discuss any open positions you may have or simply chatting about our pressing market. I wish (company) continued success!

Directing to Corporate Website:

(Name), since you and I have not had an opportunity to speak, let me take a brief moment and introduce myself to you. My name is (name), and I am a (specialty) search consultant specializing exclusively in (FILL), but more important and pertinent to you, I work solely in the (type of) arena. Over the years, my team and I have developed long-term and on-going relationships with (type of) institutions across the country, working at all levels, to support them in attracting, evaluating, and most importantly landing (type of) talent for successful and expedient search outcomes!

I spoke with your assistant (name) earlier in the week and upon returning my call, she related to me your request for further information regarding our services. I would like to direct you to our company website at (website) where you can learn more about our organization as a whole, but also obtain information regarding our (FILL) team. As a specialist in (FILL), my market mastery and knowledge can bring you valuable search information and statistics so when a search is complete, you will know that the entire (type of) market in that particular sub-specialty has been canvassed to its fullest.

Allow me to demonstrate this to you. The sub-specialty of (niche) is one of the most sought after areas currently and the fastest growing nationwide. Everyone, especially in (type of firm), desires strong (niche) talent to grow and in some cases, build from scratch their program. Currently in (niche), there are just shy of (# of) (niche) specialists across the country. The majority are trained in (specialty), but an even lesser amount trained as (sub-specialty). If you are looking for (specialty) specifically, the field becomes much smaller as you must remove those in leadership roles and those whose next step is leadership and will not make a move for anything less. Your field of potential candidates has just narrowed to about half of the original (#) from which to recruit. Add to this the fact that there are over (# of) institutions actively recruiting and competing for the same talent!

I've attached an article written by one associate regarding the "war for talent" that I think will bring this point home. I am looking forward to arranging a time that you and I can speak in detail regarding your needs for a (role) in both (specialty) and (specialty) and the opportunity to partner together for a successful and expedient search process.

To Write an Article for Industry-Specific Publication:

First step: Make a list of twelve business topics on which you are an expert. This is a good activity to do as a group if you get stumped quickly. Think about all the conversations you have on a daily basis – what do you talk about? What do candidates share with you both professionally and personally? What do hiring authorities talk with you about, both personally and professionally?

Second step: Register on www.helpareporter.com. Create your script to use when you reach out to the executive director, communications manager, or editor of trade publications. Example:

"(Name), I'm an executive recruiter, and I specialize in (niche). I am writing an article on (subject) that is specifically relevant to the (type of) industry. Do you think that's an article your members would be interested in?"

"Who are some (titles) that you know of who are active in your chapter that I could interview, and I'd be happy to quote and mention their name for the article?"

Remember to get pertinent information like due date, how many words, publication date, and who specifically is the audience for this article/publication.

Third step: Create your list of around 20 open-ended questions that are relevant to your article's subject matter.

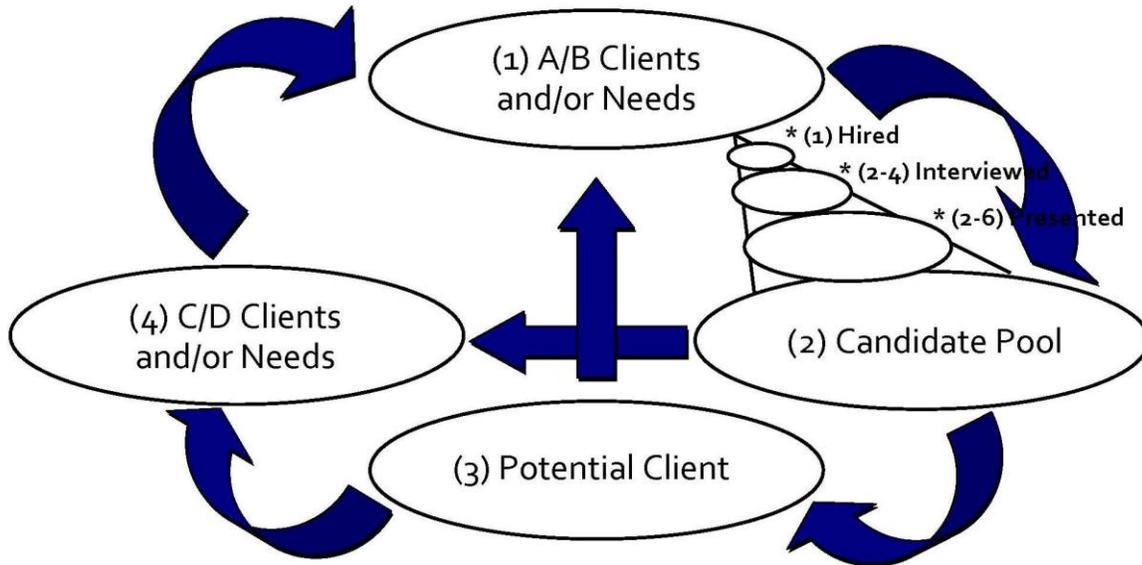
Fourth step: Create your script to use when you reach out to hiring managers or candidates to interview. Example:

"I'm actually writing an article for a major trade publication, and I'd like to interview you. I'd be happy to publish your name and company if I use what you have to say."

Once you write the article, email it to your interviewees and make sure that you quoted them properly. Create a script for your follow-up call once you've sent the article. Example:

"It was great talking with you, and I hope you see at least a little added publicity for you or your firm with the release of this article. I want you to know that if there's anything I can ever do for you or your company, I'd be glad to help you with that. I'd like to keep in touch with you, and I'm talking with some very talented people in the market right now. If there was someone that I talked with that I should pick up the phone and call and tell you about, what kind of person would that be?"

From NLE TV's "Market Mastery":



- A/B Client for whom you will search
- C/D Client for whom you will present only when you encounter candidates while searching for other clients



