

Perm Fee Negotiations

Presenter: Neil Lebovits, President & Founder – The Dynamic Sale

Neil Lebovits, CPA, CPC, CTS, before taking the industry by storm as a trainer, was a global president for Adecco, the world's largest Staffing & Recruiting Firm, where he sat on the global executive team. Previously, Neil was the President and COO of Ajilon Professional staffing for North America, where he oversaw over 100 offices. Neil has done it all in the industry: Permanent & Temporary Placement, Sales, Branch Management, Regional Management, COO & President. He founded his industry training & development company, www.thedynamicsale.com, in 2009. Neil shares the secrets & systems that he has developed and harnessed while working himself up over his 20+ years in the industry. Neil has also been a renowned leader, motivator, trainer and speaker. He has been featured countless times on Bloomberg TV, CNN, ABC news, CNBC and NY1. He has appeared in the Wall Street Journal, Fortune magazine, Smart Money and more!

About This Segment

In this presentation, Neil discusses how “Perm Fee Negotiations” is a *comprehensive methodology* more than an *isolated closing technique*. He'll cover the how you can never be overpriced with contingent agreements, negotiations 101, and the business decision steps to a close.

Meeting, Week 1: “Perm Fee Negotiations” by Neil Lebovits

If you are reviewing this episode with a team, break this episode into two different segments. Week 1's suggested viewing schedule and exercises are below.

Facilitator (begin the video and watch through the end of the first module): Let's take what Neil has just covered and apply it to our business. We will recap what Neil shared, and then role play several scenarios that we all encounter relatively frequently.

In summary, our clients pay our fees **if, and only if, they want to!** We should make sure that we reiterate that this isn't a contract, it's a discussion to **learn more** and to make an **educated decision**. We can never be over-priced when the client, or your customer, gets to decide if they want to pay that price!

Now, if the fear that they have is indeed true, that we are actually overpriced – then of course they will not hire our candidate. However, if in fact they are wrong, the end result is that they have made a hire that went above and beyond what they initially imagined!

If we charge a higher fee than our competitors, and we never delivered better candidates that then compensated for that differential, we would actually go out of business. Nobody would ever hire our candidates if they felt as though the value wasn't there.

In close, we don't promise that our person will be better, we just let them know that **most** of the time, **THEY ARE!**

Role Play Scenarios:

Scenario #1: You called in to a new client organization to MPC a candidate, and the client's response is ***"how do you work?"***

- **Tip:** The script that you deliver needs to be concise, seamless, and void of any "um's" or "ah's". Avoid the phrases "typically" or "usually"; when you soften with those phrases, clients are always going to try to figure out how to qualify for the "special" category.

Scenario #2: You called in to a new client organization that has some existing needs, but their response is ***"we are using some other sources to identify candidates – we don't want to waste your time?"***

- **Tip:** Remember Neil's 3-Step Business Decision Close: Gather information, analyze information, and THEN make the decision. How can you use that in this scenario?

Scenario #3: You called in to a new client organization and delivered your well-crafted marketing presentation, and it was met with ***"we have several other recruiters we are working with, and they offer us lower fees."***

- **Tip:** Think of some relevant stories, either business or professional, that can help you articulate the "feel, felt, found" method of navigating through resistance.

Scenario #4: You called a prospective client who has a need, and your MPC candidate is a great individual for them to consider, but their hesitation is that ***"your fees are too high."***

- **Tip:** Remember what Neil suggested about using their own example of salary ranges to prove this point. Every year they will be paying thousands of dollars to an individual that they deemed worthy of going to the higher end of their salary scale for; with you, it's a one-time fee.

Homework: Create several specific scripts that help you navigate through the four scenarios above, and any others that you encounter on a frequent basis. Carefully think through your responses, then practice your delivery and start securing those fee agreements and new client relationships!

Week 2 Meeting: “Perm Fee Negotiations” by Neil Lebovits

Recap any additional exercises or homework that were created from last week’s video. Resume the video where you left off last week (the beginning of the second half of the video), and watch through the end. Week 2’s suggested exercises are below.

Facilitator (begin the video and watch through the end of the second module): Let’s recap one of the concepts that Neil talked about, and that’s leveraging negotiation tactics and demands. Have you ever noticed that when you finish a conversation with a client, or prospective client, all of the action items are on your end? Why is this so? In theory, everything we do as recruiters should drive some type of investment or commitment from the prospective client or else we **have** to question the relevancy of what we are doing! It is important to remember that easily won concessions on your part are rarely valued and almost always result in additional demands from your client/prospect. A client demand or request should always be ‘balanced’ with an equal and appropriate counter-demand or request.

Here is the key point of any negotiation: **“If I receive a demand or request, I should always ask for something equal and appropriate in return.”** Always make a reciprocal demand for any concession that you make; this will ensure fairness and equity in the negotiation and will tend to reduce the number of client demands.

To do this, you must know the things that you are willing to ask for in return! Use the list below and add to it:

- Giving you the exclusive on the assignment
- Giving you the semi-exclusive or head start on the assignment
- Guaranteed interview slots carved out on their calendars
- Interviewing a certain number of candidates by a specific date
- Returning calls and e-mails within (certain) timeframe
- Being willing to follow your process as indicated by (situations)
- Making introductions into other departments or divisions
- Providing their home or cell phone numbers
- Supplying written testimonials
- Providing organizational charts
- Approving budgets
- Signing a Confirmation Letter

Role Play Scenarios: There are several other common objections that you will face when you are dealing with contract negotiations; if time permits, role play the following scenarios below, using Neil’s concepts and methodologies highlighted in Week 1 and Week 2’s sessions.

Objection #1: *“We only pay a fixed fee.”*

Objection #2: *“We want a refund if this candidate doesn’t work out.”*

Objection #3: *“We have some candidates in process already - we’ll let you know if we don’t move forward with any of them.”*

Objection #4: *“We want you to do this search at (low) percent – if you perform on that, there’s more business in the future for you at a higher percent.”*