

APPROVED LIST OR PREFERRED LIST – IT'S UP TO YOU!

Many Staffing Professionals believe that in order to do business, they must be included on their client's "Approved List." Although being on these lists may provide a certain level of business opportunity, generally, these opportunities are cloaked with restrictions and cumbersome processes. Remember, "Approved Lists" are "designed to control mediocrity not to foster excellence."

Conversely, some of these same companies have a "Preferred List." However, the difference between how you qualify for each list can be substantial.

Typically, all you have to do in order to qualify for the "Approved List" is sign a services agreement which is generally developed and controlled by the Human Resources department. These agreements tend to be one-sided and designed to handle a quantity approach to the hiring process. Once on this "list" you have the opportunity to submit resumes to H.R. on positions that are open to every firm on the list. You may also be competing against internal candidates as well as candidates who submit their resumes directly to the company through job postings on their web site or as a result of employment advertising. Your odds for success working under these circumstances may require a "quantity approach" which further reinforces the client's rationale for developing an "Approved List" in the first place.

In most instances, doing business under the restrictions of an "Approved List" will relegate you to working on "low hanging fruit." Furthermore, rising above industry standard mediocrity will be all but impossible since the arrangement does not provide an opportunity for quality differentiation. Before you choose whether or not to do business with your clients as a member of their "Approved List," at least ask them how a firm qualifies for this distinction. The answers to the following questions should provide the insight necessary in order to make an informed decision.

"How does a staffing/recruiting firm qualify for your Approved List?"

Remember, in many instances, all it takes is a willingness to sign their services agreement. If this is so, ask,

"What performance based criteria must be met in order to qualify?"
"How do you measure whether or not a firm meets those criteria?"

Or

"How do you measure the capability of the firms?"

And

"When critical positions become open, what is your process for working with the Approved List?"

Some employers, albeit very few, can provide valid answers to these questions. If, in fact, they adhere to their criteria, the "Approved List" will consist of a few, carefully selected staffing/recruiting firms who consistently perform above industry norms. In fact, their "Approved List" is a "Preferred List."

However, don't be surprised if the individual you are speaking with is not able to answer your questions. After all, if the only thing necessary to qualify for the list is a signature on a contract, that does not speak well for their selection process. It brings to mind a quote:

"I would belong to no organization whose standards were so low as to allow me to be a member." - Groucho Marx

Does that reflect the type of "Approved List" your client has in place?

Truth be known, some of the companies who utilize an "Approved List" for the majority of their openings also have a "Preferred List." The major difference between the two is that one takes a quantity approach to filling positions (Approved List) while the other embraces a quality approach (Preferred List).

Companies who have a "Preferred List" recognize the value of a focused resource approach to filling their most critical positions. Following this logic, they develop relationships with a carefully selected group of staffing/recruiting firms. Their working relationships with these firms are characterized by exclusivity or near exclusivity, while the streamlined process emphasizes positive results versus quantitative activity. Bottom line, the firms on the "Preferred List" do not work the "low hanging fruit." Instead, the client entrusts to them the responsibility for filling their highest valued positions with a commensurate level of commitment, direct access and follow-through.

The next time you are in a discussion with a prospect on the subject of an "Approved List," secure answers to the above listed questions. Then, based on the answers, ask them about their "Preferred List." If this type of list does in fact exist, the questions listed above are just as applicable. However, in most instances, they will be confused by your question because they don't understand the difference between the two. This confusion creates a perfect situation for you to differentiate yourself on a qualitative basis.

Your next comments may be similar to the following:

"It has been our experience that companies who have a Preferred List carefully select its membership based on the staffing/recruiting firm's capability. This capability is generally measured against three primary criteria."

- ***"First, is the firm process driven and can this process be validated for accountability, timeliness and results?"***
- ***"Second, can the firm access, evaluate, and deliver qualified and interested candidates for their selection?"***
- ***"Third, are they objective and can they be trusted to provide accurate information, guidance and counsel throughout the process?"***

"Measuring against these criteria helps insure that only best staffing/recruiting firms are selected for the Preferred List thus building a resource of considerable value to the organization."

"Does this appear to you as a reasonable approach?" (If not, why not?) If "yes,"

"How would you suggest we proceed from this point?"

As in all aspects of life, nothing works all the time. However, most employers and Human Resources Managers will not have been previously approached in this manner by anyone from our industry. The novelty of your logic alone may very well spark further discussion and consideration.

Of course, the prospect may not respond in a manner that you find acceptable. When this occurs, you can always switch your approach to an explanation of how they may qualify to be on *your* "Preferred List."

Either way, if you can engage the prospect in a sincere dialogue concerning the primary attributes of a successful staffing/recruiting firm, you both stand to benefit from the discussion. You will benefit from differentiating yourself on a qualitative basis while the prospect may learn an important lesson on how to work effectively with our industry. If they don't already have in place a "Preferred List," they may very well create one with you as its first member. You've got to like those odds.

"Approved Lists" serve a purpose, but honestly, wouldn't you rather be on the "Preferred List?" After all, it's up to you!



*Terry Petra is available for one-on-one coaching, consulting and group training through "**Petra On Call**", a cost effective approach to receiving the full benefit of his expertise. For details on Terry's products and services, including "**Business Appraisals**", visit his web site at: www.tpetra.com. As always, if you have questions or comments about this article or wish to receive Terry's input on any other topic related to this business, your calls and e-mails are most welcome. Terry can be reached at (651) 738-8561 or e-mail him at Terry@tpetra.com.*