



## Understanding the Terms

### Differences of Financially Committed Search (Dedicated) vs. Contingency Recruiting

Area of Focus	Dedicated	Contingency
1. The Cost	<ul style="list-style-type: none"> <li>Greater upfront financial commitment, thereby sharing risk results in a lower cost per hire and enhanced cash flow</li> </ul>	<ul style="list-style-type: none"> <li>No up front financial commitment, risk one-sided results in a higher cost per hire with a single payment for services provided</li> </ul>
2. Time Allocation	<ul style="list-style-type: none"> <li>Dedicated search with myopic focus with high percentage of search consultants and potentially other recruiters' time spent on fulfillment of client need until project completed (fluid, consistency of effort until completed)</li> </ul>	<ul style="list-style-type: none"> <li>No warranties are made as to the level of effort or lack thereof, usually search effort ends when some candidates are presented and new effort would potentially ensue if candidates presented didn't produce a hire (start and stop, lack of consistency)</li> </ul>
3. Competition	<ul style="list-style-type: none"> <li>Clients are given a right of first refusal on candidates, once a candidate is interviewed, he/she will not be presented to a competing organization until client has determined that there is no interest in pursuing the relationship (within specific time frame)</li> </ul>	<ul style="list-style-type: none"> <li>Candidates can be presented to any organization looking for a similar person and potential competition for candidate could ensue</li> </ul>
4. Accountability of Hire: Replacement Guarantee	<ul style="list-style-type: none"> <li>Greater role in candidate selection results in a greater accountability should candidate quit or be let go, which results in a longer replacement guarantee time frame</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on generating candidates and less role in selection results in less accountability of search consultant, which results in a nominal, replacement guarantee time frame</li> </ul>
5. Performance Guarantee	<ul style="list-style-type: none"> <li>Mutual commitment to perform; if client cancels search, then financial commitment is kept, if search consultant fails to perform, then financial commitment is forgiven as performances objectives are woven into agreement</li> </ul>	<ul style="list-style-type: none"> <li>There is no guarantee on either side, the search consultant makes no guarantee of achievement of any performance milestone including fulfillment, as there has been no "consideration" given by client</li> </ul>
6. Search Tools and Procedures	<ul style="list-style-type: none"> <li>Candidates, behavioral profiling, compensation surveys, relocation assistance, additional recruiting assistance, competitive analysis, consulting, etc can be incorporated into the search</li> </ul>	<ul style="list-style-type: none"> <li>Some tools and services can be accessed at higher costs; some can not be provided with contingency recruiting</li> </ul>