

“Your fees are too high.”

Rebuttal #1: *“Why don’t you judge by the value of the person that I place? If the person that I place doesn’t generate the value of the difference in the service charge, it actually doesn’t cost you a thing because you will ultimately pay **zero**. Until you are in a position to see the caliber of talent and the differentiation of that talent, we are purely talking about hypothetical situations. In all actuality, 20% for one candidate might be 19% too much, while 30% for another talent might be the deal of the decade. In your overall comparison, why not look at the totality of what my candidates can bring to the table, and then make your decision. I understand the desire to create consistency amongst what you pay firms, but I would not want that desire for consistency to preclude you from engaging with the best candidates out there. Can you agree that by partnering only with the firms that give you the lowest fees, you might be limiting yourself to seeing only those candidates who are coming with the lowest fee attached?”*

Rebuttal #2: *“I have no doubt that there are other firms who will charge you less – there is always someone in the market who is cheaper. I could probably ask you this – think of your competitors – is there someone who has a reputation for being the cheapest in the industry?” (Pause, even insert the names of a few firms if you can assume who they will reference) “So if you were in a sales presentation going up against that firm, what would you say to position yourself above your competition? I don’t need to belabor this point, because I’m sure you see where I’m going with this. Just like your firm, we have never won business because we were the cheapest and we’ve never lost business because we were priced out of the market. Although it’s appropriate for (name of their competitors) to position themselves solely on price, we aren’t in that same category. Ultimately you pay nothing until you find a candidate who is worth paying our fee for. Are you open to paying nothing to get us started?”*

Rebuttal #3: *“What’s the cost of hiring the wrong person to you? Are you a basketball fan? Let me share with you a quick story – in the 1984 draft, the Portland Trailblazers drafted Sam Bowie as their second draft pick after the first pick was already taken with Hakeem Olajuwon. Do you remember who the #3 draft pick was? Michael Jordan, one who most would say is the greatest basketball player of all time. Sam and Hakeem certainly weren’t bad choices – not bad hires, right? But what was the opportunity cost to the Portland Trailblazers for losing out on Michael Jordan?”*

“To take that one step further, consider that you actually do hire the wrong person. You have now invested time in recruiting, interviewing, training and then the potential to lose money on projects along with having to fire them, pay unemployment, burden yourself or your staff with having to pick up the slack of the person you are letting go so morale goes down, which slows productivity and then worst of all you have to start the hiring process all over again. What our fee goes toward is screening out those that don’t have the right track record by checking the references that are not on someone’s resume, you have a performance guarantee to give you time to make sure this IS the right hire, and ultimately you will realize that the cost of hiring the wrong person is MUCH greater than the fee associated with hiring the bullseye candidate.”

Rebuttal #4: *"I would assume that when you say 'too high', it's because another firm has signed an agreement with you at a lower percent. Is that fair?" (Pause) "And when you signed that agreement, did they start at a higher percent and you worked them down?" (Pause) "Let me ask you this. Do you think it's possible that that recruiter has clients who pay the full fee that they initially quoted you on the phone? If they do, and they will make 20% if they send you the candidate and 35% if they send it to their other clients, who do you think is seeing those candidates first?" (Pause) "I know that nobody wants to think that way, and probably not many other recruiters would point this fact out because of course it makes us look bad – which we aren't, because if you were selling your home tomorrow of course you would take the highest offer. But what I am not interested in doing is ever having to compromise my search process and my integrity by having to provide value to clients in a graduated scale system. Does that make sense?"*

Rebuttal #5: *"I can certainly be flexible on my fee. Let me ask you a few points just to get a better understanding of what you are used to working with in terms of service. What fee do you typically get charged by recruiters? Now, of those recruiters, what were the fees of the last three people who were placed with your firm? Sometimes I find that although you are signing agreements all day long at these reduced percentages, nobody actually delivers. So that being said, of the last three people you hired through a recruiter, what fee was charged?"*

"What kind of guarantee period was given on those candidates you hired? Are they still with you? How long did it take to surface those individuals? Do you know how many people were contacted to surface the short list that you ultimately saw? Was there anyone that you wanted to move forward with that dropped out of the process?"

"Ultimately, I can't offer the full service we typically provide for our clients at the fee you are proposing, but I have no problem working at that rate if I remove some parts of our process. What part of our process is not as important to you?"

Rebuttal #6: *"The average fee for most placements is about \$30K. That breaks down to \$2,500 per month for the first year or \$577 per week or \$82 per day or \$8.50 per hour. You are probably paying the mail room guy \$8.50 per hour. Wouldn't you agree that a top talent hire would more than offset an additional \$8.50 per hour through increased revenue generation or project cost savings or both?"*

OR

"What is the salary that we estimate paying this person? \$100,000? And my fee is 27.5%, but you want to pay \$20,000. What are some ways that we could shave \$7,500 off of my fee? Because I'm open to it, but need to have a better understanding of what is shaved off the process to cut the search process by a third. What do you suggest we take out?"



Rebuttal #7: *"We have never gotten business because we were the cheapest firm, nor have we lost it because we were the most expensive. Whenever someone tells me my fees are too high, I remember the police officer who, while putting on his new bulletproof vest, lamented that he was somewhat queasy about the fact that it had been purchased by the lowest bidder. You get what you pay for – and I'd like to share with you the additional value, services, and guarantees that we provide above and beyond your lesser priced alternatives."*

Rebuttal #8: *"I hear you on that, and with all due respect, I would bet that even if I had told you that my fee was \$5, your job is to tell me that my fee is too high. I get it, I truly do, and I appreciate your situation. Help me understand though – is it really too high, or are we just needing to negotiate on something? If you are in a spot where you need to get something out of me, and that's being put on you, then let's just talk about that candidly because I actually have no problem negotiating anything. I want you to feel free to be really honest with me – if the fee really is the issue, we can talk about the things we can do to make it not an issue...but if really it's just that you need me to give up something, let me know that. I'm open to either scenario, but what is the true issue?"*