



NEXT LEVEL
Recruiting Training

Client Series

Module 9 Overcoming Service Charge Objections/Resistance

Training Workbook

Produced by:

Next Level Recruiting Training, LLC
214.556.8000 – www.NLRTraining.com



General Resistance To Service Charge

1. “Your ^{1.}_____ is too high.”

- a) Opportunity cost of the position remaining open
- b) Wasting time and resources interviewing and courting candidates who should have never been in the process
- c) Hiring the wrong person causing financial and psychic loss
- d) Not hiring the right person causing loss of contribution and strengthening of a competitor
- e) Not using YOU
- f) Break down real dollars (5% of 70K is \$3,500)
- g) Fee too high is not always the real issue
- h) Discount your fee percentage by a percentage and start with 35% or at least 1/3. Understand the real value of discounts
- i) Negotiation either comes from position of strength or weakness
- j) Take away or add value
- k) Use their core values or words from their marketing materials
- l) It's about the value you provide not the time it takes



“What is a cynic? A man who knows the price of everything and the value of nothing.”

- Oscar Wilde

2. 1. _____ percentage objection

Adding levity on the topic:

- *“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 from the lowest bidder.”*
- *“As people are one of, if not a company’s most precious resource, then why not at least compare?”*
- *“You don’t select lawyers, CPAs, and other professional service providers only on price, why not look at overall value?”*
- *“How do your sales reps respond to people when their prospect is focusing on price?”*

3. “We pay only on 2. _____.”

- *“We bill on realistic first year’s earnings as this equalizes different organizational structures.”*



4. “We only pay 1. _____.”

- Can be great idea and eliminate any feelings of tainted compensation recommendations but compensation offered is usually higher than what is originally forecasted.
- Since fee is based upon value, and a 150K person brings a greater return and value to a company than a 95K person, then the fee should be higher to reflect that increased value
- Can be good on large project volume business of similar positions

5. 2. _____

- *“We don’t offer a refund because we have no control over what happens after the start date.”*

Try this: *“No! We don’t offer that!”*



Resistance To Dedicated Search

- All areas of resistance have solutions that can be incorporated into an agreement
- There are many “what if” scenarios and no way to list them all, plan for them all, and build a contractual solution to the “what if”
- There is some risk but it is calculated. People take these all the time but they just must see that either the risk of not doing it is greater or the reward of doing it is worth it, or both!

You could also use “what if?”

- What if 99% work done, but only paid for 2/3, then what?
- What if they are uncooperative and lose candidate and cause you to search again?
- Good solution on this is to have a provision that if client cancels search for any reason other than your inability to produce suitable candidates, then 100% of estimated fee is due. Client can have sole determination of that!

The point is that both must make a shared risk!



In any collaborative partnership, when one partner makes all the concessions you have no collaboration and no partnership

- **That said, here are a few common “What ifs” and some potential responses:**

1. “If I am only going to use you and you know you can deliver, why do I need to pay up front?”

- *“We can guarantee our ability to identify and recruit suitable candidates, but we can’t control the decision to hire or not, therefore, we must be compensated for our successful efforts if for some unexpected reason the client terminates the search or decides not to fill the position.”* Examples of the client’s field may be in order (i.e. physicians, architects, etc.)

2. “What if I find a candidate on my own?”

- *“As your staffing partner, our collective responsibility is to identify, source, recruit, attract, and land the most qualified candidate(s) for the project/position/assignment. Regardless of the originating source, each candidate should be put through a homogenous filter, and being that filter is my responsibility. The candidate may even originally been sourced through a “network” partner of mine. Many times a candidate will contact you directly because I am recruiting in the open unless it is confidential or otherwise directed by you.”*



3. “What if I pay you and you can’t find suitable candidates?”

- *“What if I do 98% of the work, get the right person in front of you and for whatever reason, (you leave, the position is eliminated, an internal candidate steps forward at the 11th hour) you don’t fill it? That’s an important question... I will answer that but let’s first ask you this...What if I go into the marketplace over the next week... work my tail off... talk to 200 people...ID a short list of 2-3 who are “absolutely on the money” ...do a phenomenal job for you...we set up the interviews ...the biggest problem you have is “Who do we hire?”...you actually want to hire 2 ...we put together 2 offers... 30 days from today... you rate my performance A+ ...and you go into a hiring freeze... How should I be compensated (what do you feel like) in that event?...completely beyond my control... There is always that risk though!”*

4. “What if I hire one of the candidates already under consideration?”

- *“If the candidate is not through another search firm, then we will incorporate his/her candidacy in our collective search efforts and put him/her through our agreed upon homogenous process with us as the filter. (perhaps at reduced fee)”*
- *“If the candidate is through another firm, then we can apply the monies paid to future payments.”*



5. “That is the nature of your business.”

- *“It is the nature of a contingent approach.”*
- *“But a contingent approach requires risk diversification which is done by working with multiple companies looking for the same thing and by sending every candidate to multiple companies.”*
- *“Client must decide if they want custom built or off the shelf.”* (dedicated approach or eyes open)
- *“The caliber of people does not change but the probability of successful completion in timely manner does.”*

6. “I am not sure if I can authorize this and will have to check with a higher authority and that could be a long process. What can we do?”

- Congratulations! You have just sold the Camaro to a teenager whose parents have to write the check!
- The two options are to wait to initiate the project until you and the client can resolve the arrangement or to initiate activities with a right to “convert” the search.



If a client expresses a preference for a contingent arrangement, you might proceed as follows:

Sample script

“My past experience has shown me that there are only three reasons why an organization will not want to work with me on a retained basis.”

“The first is that they haven’t developed a trust in me! They haven’t worked with me before and are skeptical. Their thinking is ‘What if I pay the money and don’t get satisfactory results?’ to answer this, I can tell you about my track record, I can tell you about my organization’s history, I can supply you with references of our company or, if absolutely necessary, I will enhance our performance guarantees so that concern of yours will be removed.”

“The second reason I have found that organizations don’t want to do this is because they don’t know if they’re really going to fill the position. Their feeling is ‘if I have a recruiter working for me on a contingency basis, I have no down side because it hasn’t cost me anything unless I hire. So, if I go into a hiring freeze or hire someone internally or promote someone, or I decide not to fill the position, I am not out anything. All I’ve done is waste someone’s time, but that’s not really a concern of mine!’ If that is the case, I don’t want to work on the project on any basis.”

“The third reason is that you already have candidates in the loop. If you do have viable candidates from other sources, I can totally understand why you might be averse to a financial commitment. We can either wait or apply the funds to an alternate search in the future if one of those candidates are hired for the position.”

“Have I identified your area of concern?”



Benefits Of The Client Focused Search Presentation And Client Considerations

(Why This Is Good)

1. Gives you a real assessment of client's orientation and can more appropriately allocate time. Much time is spent covering the assignment: what the client needs and what he/she can offer. An equal amount of time needs to be spent on the agenda/process, relationship, and terms. This way, at least you will know what to expect on the project
2. You will better understand the role you will play in the project and potentially have a positive impact on enhancing it
3. Covering these issues is commensurate with what a professional consultant does and consequently, you will be seen as such in the client's eyes or at least they will elevate their opinions or partially shift their orientation or preconceived notions
4. The probability of financially committed search is enhanced and an exclusive contingency recruiting project becomes a "fallback" position
5. You will have a better understanding of the client's philosophy, culture, and orientation, which will in turn provide for better representation of him/her to the marketplace
6. Fee negotiation is less likely to result and, consequently, quoted fees are more likely to be accepted, especially, if a contingency arrangement is seen as an accommodation on a certain project
7. Conversion to different terms is more likely on current or future projects as awareness is enhanced and neither party is "type cast"



Final Thoughts on Service Charge

1. 1. _____ and deliver your service charge presentation with clarity and confidence
2. Ensure that you have a 2. _____
3. 3. _____ is an art but requires skill which requires study and practice
4. Allot 4. _____
5. 5. _____ is complex but is best
6. Many other issues besides service charge in a search agreement
7. It is okay to 6. _____
8. 7. _____ vs. 8. _____

“There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.”

- John Fitzgerald Kennedy



Final Thoughts on Marketing Series

1. 1. _____ is everything
2. Practice, 2. _____ and re-watch
3. All about 3. _____
4. 4. _____ is key
5. K.I.S.S. “5. _____
_____”

“Do not go where the path may lead, go instead where there is no path and leave a trail.”

- Ralph Waldo Emerson

“Do not let what you cannot do interfere with what you can do.”

- John Wooden

Now take these ideas, get on the phone and implement them one step at a time!



Let's Put It All To Work

1. List seven ways you can counter *general fee resistance*.

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____
- f) _____
- g) _____

2. List three ways you can counter *fee percentage resistance*.

- a) _____
- b) _____
- c) _____



3. When might a fixed fee structure be appropriate?

a) _____

b) _____

4. How will you answer a request to have a refund clause in an agreement?

5. List two “*what ifs*” that you will use when faced with resistance to a dedicated search model.

a) _____

b) _____



6. List some of the common “*what ifs*” you may be asked by clients and possible responses.

What if _____

Response:

What if _____

Response:



7. List five of the seven benefits of the *Client Focused Search* model.

- a) _____

- b) _____

- c) _____

- d) _____

- e) _____

8. List at least one action you will take, and by when it will be completed, as a result of the content presented in this module.



9. Commit to a specific time each week to review Modules 1-9 until you feel you have achieved a proficient level of mastery.

Answer Key

Page 2

1. Fee

Page 3

1. Contingent fee
2. Base

Page 4

1. Fixed fees
2. Refunds

Page 11

1. Memorize
2. legal agreement
3. Negotiation
4. sufficient time
5. Customization
6. turn them down
7. Consulting
8. selling

Page 12

1. Application
2. role play
3. relationships
4. Knowledge
5. Keep it simple stupid

