

NLE Quick Tip: Selling Retainers

Scott Love will show you how to get more business, better business, and all the business. Get more business by evolving your desk and increasing your client prospect pool. Get better business at higher margins with clients who see you as a trusted adviser. And finally, get all the business by gaining exclusivity with your clients.

Meeting: “Selling Retainers”

(Facilitator): If you are comfortable pitching a retained or financially committed relationship, well done! There is still a large portion of the recruitment world who avoids this type of proposal, either due to lack of awareness, a limiting belief, or lack of training. If you simply never thought about pitching a financially committed search to your clients because you’ve always worked contingent, consider the benefits listed below. If you’ve held back from pitching a financially committed search because you feel like your clients would “never go for it” – consider sharpening your saw and creating a list of compelling reasons it’s in their best interest to work in this manner when it is appropriate. And if it’s because of lack of training, see below!

As Scott shared, the language you choose to utilize will determine your success. Here are some ways to articulate to a client as to why they would select a dedicated partnership over a contingent one:

- They absolutely need to ensure that someone is held accountable to fully covering the marketplace on their behalf
- Perhaps they have had bad experiences with past recruiters, and would prefer performance milestones to be put in place in order to ensure a more successful search
- Because of the shared risk, they may receive more favorable contractual terms – in other words, they will pay less (or get a longer guarantee period as an example) than if they were to work contingent
- There is a tremendous amount of “free press” when their story is told in the marketplace – if you are sharing their story 70+ times a week to the passive market, there’s a great deal of “buzz” generated throughout the market
- They would like weekly or monthly summaries or market analytics to guarantee the search is progressing, evaluate market feedback, and make adjustments as necessary

The bottom line is that a retainer is the highest form of client commitment, and sends a clear signal that they’re serious about filling the position. More commitment usually leads to improved communication and co-operation throughout the placement process. Many of the roadblocks that contingency recruiters come up against are removed.

However, the discussion around recommending a solution and your professional fees should not take place until you fully understand all of the dynamics of the client, their search, and their expectations. Remember that *“prescription before diagnosis is malpractice.”*

Regardless of your recommended course of action, it is essential that you communicate to the client that there is no difference when it comes to the quality of candidates - rather, it is the approach and the application of resources that differs from solution to solution.



Example scripts are below; **for more information on this topic, visit the Service Charges section of the NLE Library!**

Example 1: *“Due to the challenges that we have discussed around this opportunity and your need for this position to be filled in the next (# of) days, I would recommend that we initiate a dedicated search to maximize our chance of success. In my experience, I am fearful that any other approach is not going to ensure that your position is filled within the timeframe you need and the market coverage you desire.*

To summarize the dedicated search process - I will create an extensive plan customized for this search to ensure that we have a real strategy to identify, evaluate, attract, and secure the very best talent available in a timely manner. I will create a compelling presentation to take to market that you will approve prior to me picking up the phone for that first call. Once I cover the market and screen based on the skills and parameters we’ve already discussed, I will offer you a ‘first right of refusal’ and will not present candidates to any other company until you have made a decision to proceed with an interview or pass. This process will, truthfully, ensure that there is absolute accountability from me and my team to not only get your problem solved, but solve it with the best possible solution. Does this sound like a viable solution for you?

Our professional service charge is 30% of first-year’s total identifiable compensation. The service charge is paid only as we hit milestones in the search. This keeps the search effort squarely on our shoulders and focused toward completion. If we estimate that this position will pay an average of \$100,000, our service charge would be \$30,000. One third of this is due upon initiation of the search, and the balance is not owed until we have completed the search and your candidate has accepted the offer you’ve extended. What questions have I not yet answered that you need clarity on prior to initiating this search?”

Example 2: *“Based on what you are looking for, I feel confident in my ability to identify the short list of who you’d even consider for this position and get this off your plate. My professional recommendation is to initiate a dedicated search where I will create an extensive search plan customized for this search to ensure that we don’t simply fill your position with a qualified candidate but to identify, evaluate, attract, and secure the very best talent available in a timely, yet thorough manner.*

The service charge for this search will be based on 35% of the candidate’s first year’s base salary. The service charge will be divided into three installments based on the achievement of specific performance milestones. The first installment of one third of the estimated service charge will be due upon the submission of the search plan and position presentation. A second installment of one-third of the estimated service charge will be due upon your agreement to interview a minimum of two candidates for the position. The final installment will be due upon the completion of the search and will be adjusted to reflect the final compensation offered. What needs to happen to initiate this agreement and get started with our search efforts?”