

NLE Quick Tip: Three Types of Retainers

Scott Love is the President of The Attorney Search Group and a member of the Sanford Rose Associates network of offices. His office is a boutique legal search consultancy with a focus in placing attorney partners in the greater Washington, DC, and New York City areas.

Since 1995, Scott has placed key talent in legal, construction, IT and sales roles. As a professional speaker and trainer, Scott shortens the learning curve of new recruiters and sales people and helps experienced ones break through their barriers and reach their full potential. Scott is a popular keynote speaker at industry and non-industry conventions and conferences.

He has authored three books, produced hundreds of video training courses, and has been quoted in the Wall Street Journal, Forbes, the Huffington Post, Selling Power Magazine, and dozens of trade journals and business publications around the globe. Over 4,500 recruiting and staffing firms from over 36 countries have invested in his tools and systems.

In this quick tip, Scott shares ideas of how leverage three types of retained search services in your business. All told, these types of search agreements will give you and your client the ability to choose the right mutually beneficial business relationship.

Meeting: “Three Types of Retainers”

(Facilitator): Being able to secure retained and financially committed searches starts with educating yourself fully on the types and benefits (both to you and the client) of each. Review the benefits below and then craft a professional recommendation for each type of search:

Fully Retained Search Details

- Upfront payment is due to initiate the search
- One or several payments are paid upon milestones that are based on a timeframe – not a performance

Retained Search Example

Your Fee 30% of Base Salary

Estimated Starting Salary: \$100,000

Estimated Total Service Charge: **\$30,000**

Agreement Terms

Due upfront to initiate the search: \$10,000

Due after 30 days: \$10,000

Due 60 days after initiation: \$10,000

Balance owed if actual salary is higher than initial estimate: Example: \$120,000 salary; \$6,000 due

Why a *client* would prefer to work on a Retained Basis:

- They need to ensure that someone is held accountable to fully covering the marketplace on their behalf



- They need tremendous amounts of documentation or market research performed
- They want to ensure a truly consultative approach
- They want to compare outside candidates to their internal ones, but want all vested interests removed

Why a *recruiter* would prefer to work on a Retained Basis:

- Money upfront!
- Your client is fully committed to partnering with you to consult and solve their problems
- Because of exclusivity, you will avoid the frustration that comes with multiple recruiters working on the same search
- The chances of a retained client turning into a repeat retained client are very high

Script your professional recommendation if your approach is to recommend a fully retained agreement: _____

Modified Retained Search/Financially Committed Search Details

- Upfront payment is due to initiate the search
- One or several payments are paid upon milestones that are based on performance (certain number of candidates presented, certain number of candidates interviewed, candidate acceptance, candidate starts, etc)
- Initial payment is non-refundable
- Negotiate for exclusivity on the specific search

Why a *client* would prefer a Financially Committed Basis:

- They 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 removed to be put in place



- Because of the shared risk, they may receive more favorable contractual terms
- There is a tremendous amount of “free press” when their story is told in the marketplace
- They would like weekly or monthly summaries or market analytics

Why a *recruiter* would prefer a Financially Committed Basis:

- Money upfront!
- Your client is fully committed to partnering with you to consult and solve their problems
- Because of exclusivity, you will avoid the frustration that comes with multiple recruiters working on the same search
- The chances of a retained client turning into a *repeat* retained client are very high

Script your professional recommendation if your approach is to recommend a financially committed agreement: _____
