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*Perfecting Your Talent Acquisition Strategy:*

# *How to **Get the Most From** Your **Search Firm***



## CONSIDERATIONS FOR YOUR SEARCH FIRM RELATIONSHIP

NEEDS & STAFF

BUDGET & COSTS

JOBS & RESULTS

### INTRODUCTION

If you're like many small to medium-size businesses, you know that hiring is a challenge. As the economy recovers, the stakes for finding great talent have never been higher.

In the U.S., much of the focus has been on science, technology, engineering, and management (STEM) roles, where an astounding 68 percent of organizations have more open positions than they could reasonably hope to fill.<sup>1</sup> Even more than STEM positions, though, some of the hardest-to-fill positions of 2013, according to Manpower's Talent Shortage survey, involve non-STEM positions such as sales representatives, drivers, accountants, and teachers.

You've likely tried everything to overcome these challenges — implementing new referral programs, installing sourcing solutions, and hitting LinkedIn and job boards continuously. These are important parts of your hiring strategy, and for

some positions, they probably work.

As a part of a well-rounded talent acquisition strategy, many organizations also turn to specialty recruiters to help supplement their talent acquisition efforts. They aren't alone, either: 80 percent of organizations are using third-party agencies or independent recruiters to help fill their roles.<sup>2</sup> Organizations of all sizes can partner with search firms for many types of positions, not just exclusively executive or technical roles.

But to work effectively with a search firm, you should consider having a plan for the partnership that goes beyond just calling out of the blue when you have a requisition for them to tackle. This includes:

- Working through the process of who and what determines when you work with a search firm
- Budgeting search firm costs and balancing those costs with the shorter time to fill
- Getting into specific requisitions and determining how to best partner for the desired results

Another consideration is to look at a blended approach that involves partnering with search firms and using an innovative solution, such as Scout, that uses sophisticated data analytics to match you with the most qualified specialty recruiters. In this paper, we'll cover these approaches, as well as how to best approach a partnership in a way that makes sense for your organization.



## Scout: Matching corporate recruiters to specialty recruiters

Scout is the most effective, most efficient way to find specialty recruiters to fill your positions. Using proprietary analytics — what we call Performance Based Matching — Scout sifts through the vast marketplace of search firms, pinpointing and connecting you with the best ones for each and every search. And it all happens seamlessly, with one contract, through your existing ATS — making the power of Scout easy to harness and positions easier to fill.



<sup>1</sup> U.S. STEM Workforce Shortage — Myth or Reality. Bayer AG. October 2013. [http://bayerus.online-pressroom.com/bayerus/assets/File/Exec\\_Summary2013.pdf](http://bayerus.online-pressroom.com/bayerus/assets/File/Exec_Summary2013.pdf)

<sup>2</sup> Recruitment Benchmark Survey. The Novo Group. 2013. [http://thenovogroup.com/wp-content/uploads/2013/02/Recruitment-Benchmark-Survey-2012\\_v2.pdf](http://thenovogroup.com/wp-content/uploads/2013/02/Recruitment-Benchmark-Survey-2012_v2.pdf)

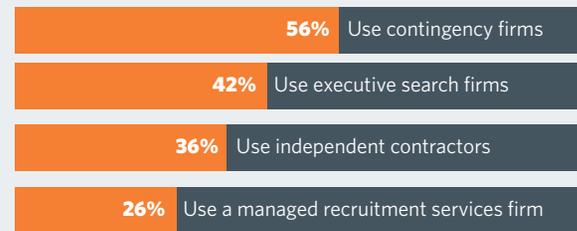
Using Scout, you can choose to only allow access to our network of specialty recruiters to certain members of your staff, which can help make sure your organization remains focused on the right jobs and stays on budget.



**MOST ORGANIZATIONS USE MULTIPLE EXTERNAL RECRUITING PARTNERS**

Four out of five organizations enlist outside help to attract talent to their organization, and most of them use multiple types of firms or recruiters to meet their talent acquisition objectives.

Source: Recruitment Benchmark Survey. The Novo Group. 2013. [http://thenovogroup.com/wp-content/uploads/2013/02/Recruitment-Benchmark-Survey-2012\\_v2.pdf](http://thenovogroup.com/wp-content/uploads/2013/02/Recruitment-Benchmark-Survey-2012_v2.pdf)



**1. MANAGING THE PROCESS: EXPLORING STAFFING NEEDS FOR MANAGING THE SEARCH FIRM RELATIONSHIP**

Before you start calling search firms or even using Scout within your ATS, you should consider how a search firm fits into your overall talent acquisition plan and what process you'll use to contract with it.

For some organizations, search firms will play a vital role across the entire organization, while for others, a search firm may play a critical role only in certain areas of the business.

This can help guide the process of how you manage your own internal staff when you use a search firm. For example, if you have only one person managing your staffing function, they'll need guidance to know when it's appropriate to pass a requisition on to a search firm.

For an organization with multiple recruiters, you might not want to allow every recruiter to open up new job

orders with a search firm. If you have recruiters who work on certain types of jobs (either based on the level of the position, location, or functional area), it might be clear who will manage sending requisitions to search firms. Using Scout, you can choose to only allow access to our network of specialty recruiters to certain members of your staff, which can help make sure your organization remains focused on the right jobs and stays on budget.

**2. BUDGETING BALANCE: WEIGHING SEARCH FIRM COSTS AND ADVANTAGES**

Of course, using a search firm has its costs, but it also has its advantages. After all, search firms collect more than \$12 billion in fees annually in the U.S., with contingency fees being quoted anywhere from 15 percent of the first year's salary to more than 30 percent. The advantages search firms bring to the table are well worth the cost and, as long as you're budgeting appropriately, can be included in any talent acquisition budget.



**CASE STUDY: Finding search firm success in partnership with Scout**

A regional branch of a large banking and financial services company, currently a Taleo Business Edition customer, joined the Scout marketplace to improve its search firm recruitment process. As a large, reputable financial institution, applicants were not hard to come by, but finding the right candidates to fill their roles was a challenge. When presented with Scout, an innovative technology that helps organizations identify the highest-caliber candidates directly through their applicant tracking system, this organization became an early adopter.

It signed up as an exclusive Scout pilot user in September 2012 and had the marketplace activated for all corporate recruiters and HR professionals. Once requisitions were identified as hard-to-fill and approved to be distributed to search firms, the company also posted the jobs to Scout. During the pilot, it posted 23 positions and advanced more than 25 percent of the candidate submissions received through Scout (40 total candidate submissions, 10 advanced in the hiring process).

What they said: “What I appreciated about the Scout experience was the fact that I did not receive an excessive amount of submissions for each job, but those that I did receive were highly matched.”

- Are you going to be opening a new location or considering other expansion? For volume hiring, a search firm can temporarily supplement your staff for surges in recruiting needs.
- Do you have requisitions that go beyond a certain number of days? For some organizations, engaging a search firm within so many days of the req being open ensures that even hard-to-fill roles are being proactively worked on.

Also consider that as tapping into the talent pipeline becomes more competitive, it will be more important to pick specific positions that search firms can assist with. Already, 83 percent of users on the career-minded site LinkedIn are passive candidates.<sup>6</sup> That is only going to increase.

**CONCLUSION:  
BUILDING A PARTNERSHIP THAT LASTS**

Using the steps we’ve outlined in this paper, you can build a partnership that makes sense for your organization. If you already have a search firm you work with (or you have search firm partners that you can tap based on referrals), you can apply these best practices to get the most from that search firm relationship.

In addition to a search firm relationship, using Scout can help supplement your strategy and available resources,



**83 percent of users on the career-minded site LinkedIn are passive candidates.<sup>6</sup>**



<sup>6</sup> Moran, Tal. The Mobile Secret to Recruiting Passive Job Seekers. TLNT. Sept. 11, 2013. <http://www.tlnt.com/2013/09/11/the-mobile-secret-to-recruiting-passive-job-seekers/>



**The results of Scout to date are clear. Scout allows organizations to easily find and manage specialty recruiters, while reducing costs and time to fill:**

- **30 percent average fee savings**
- **Marketplace of more than 4,000 specialty recruiters<sup>7</sup>**
- **One recruitment contract to manage, using Scout as an answer to search firm cold calls**
- **Scout manages process and payment**

making sure you have the largest network of specialty recruiters available.

If you don't already have a search firm partner, Scout can help you easily bypass some of the struggles when finding the best specialty recruiters for your jobs. With Scout, you can:

- Get matched with the best specialty recruiters, using big data relevant to your specific industry, geography, and job type
- Leave the heavy lifting to Scout, which will qualify the search firm automatically, using performance data to rank available recruiters and find those best suited to fill your jobs
- Manage contract and fee negotiation within Scout using a standardized contract and a unique bidding system that create competition and keep your costs contained
- Keep your process in check, with easy integration into Taleo Business Edition
- Build a partnership with specialty recruiters you may have never had the opportunity to work with if not for Scout

Best of all, Scout works in concert with the best practices outlined in this paper, so you can manage your process, budget, and job requisitions effectively, and get the most from your search firm partnerships.

See what Scout can do for you today. Visit us at [GoScoutGo.com](https://www.goscoutgo.com) to learn more about how we can help you manage your search firm relationships and drive your talent acquisition goals.

