

The Value of Our Work

By Bruce Dingman

From time to time, we're asked why our search fees are so high. While our fee structure is not outside the norm for retained search firms, we recognize that paying our fee can represent a hefty investment for some clients. In fact, some would-be clients have turned to cheaper solutions. Others, after careful evaluation, decide that the fee is worth it, and gauging by the amount of repeat business we receive, some believe it well worth the price.

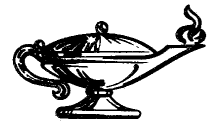
Some years back, the Association of Executive Search Consultants (AESC; www.aesc.org) did a survey on search fees. They found that one half of search firms charged 33% of the first year's compensation (salary and estimated bonus). Approximately one fifth of the firms charged 30%. And a third of search firms charged a flat fee. We are among the 50% of the firms that charge one-third of the first year's compensation. But the reality is that what we do is significantly more in-depth than the less expensive search firm.

So in using The Dingman Company, what is the client paying for? We won't elaborate on all the aspects of our services that we believe warrant the fee, but we'd like to give a simple overview of our work.

First, the client pays for the resources that we apply to the search. We are a highly professional, knowledgeable team using proven methods. We take the time to get to know the organization and the job, and we prepare an extensive Opportunity Profile, which is both an effective tool in attracting candidates and reflecting positively on the client. We typically search more broadly than is customary, interview to a greater depth, respond to all applicants (rather than to just those in which we have an interest), give frequent progress reports to clients, do thorough reference checking on all candidates to be presented (confidentiality permitting), verify all degrees and check the criminal, credit and driving records—all done before candidates are interviewed by the client. We evaluate all the information and select four final candidates to present to the client, creating an individual Candidate Profile averaging 18-20 pages in length

Secondly, and most importantly, the client is paying for the excellence of the results. The Dingman Company has a notable success rate of 97%. Only four times in 19 years and approximately 160 searches has a client selected a candidate who, for performance reasons, didn't complete at least two years of employment. While we hate to have even one candidate not work out, the reality is that our track record is solid.

There are recruiters who will cut their price, promise quicker results or say they'll find whatever the client is looking for. But check the track record of that recruiter before engaging them. Be sure the results they've been achieving for others are sufficient for



you. We'd welcome such scrutiny. We love explaining why the results we get for our clients make our fees well worth the price.

In the end, the amount of the fee is a small investment compared to the immense value of hiring an executive who will generate great results for your company for the next five or more years. Our history shows that this is what you can count on when we complete the search for you.

As a note, we do have volume discounts for multiple searches to take into account economies of scale, and once in a while, we will offer a flat fee arrangement to a first-time client. If this applies to your situation, give us a call to discuss the details.

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