

## HOW TO SELECT AN EXECUTIVE SEARCH CONSULTANT

...an unbiased approach to choosing who best fits your need

Search consultants come in a wide variety of quality, approach, and cost. What is important is to choose the one who will get the desired quality of results, do it in a timely fashion, and be pleasant to work with.

Is it wise to select a search consultant primarily on the basis of reputation...or having made a great presentation...or promised fast results...or charging a lower search fee...or recently having done similar searches? These are good but insufficient reasons by themselves.

To make the wisest choice of a search consultant we suggest the following:

1. Ask the search consultant to cite all the searches he or she personally led for the last two years (who were the clients and what positions were filled?). The significance of two years means the person placed has been in the position for one to two years...is the person working out?

*Be sure the consultant doesn't say the searches the firm did, but rather the searches he or she personally did. A search consultant will usually do between five and 15 searches in a year depending on how much business he or she has and how much assistance there is by other staff within his/her firm.*

2. Ask which of those searches do not have the candidate chosen through that consultant still in place. Ask why not?
3. From the searches mentioned choose two or three searches (perhaps two with good results and one without) and ask the search consultant for the name and phone number of the person or "client" the consultant worked with. Ask for a copy of the document used to describe each position, what we call an Opportunity Profile and one of the final Candidate Reports, (the consultant can "sanitize" parts to preserve confidentiality).
4. Call the clients and ask if the search went as expected; if not, why; and would he or she use the consultant again...why or why not? Also ask the client if they have used other consultants and how did those experiences compare to using this consultant.

**Notice that these questions are about the search consultant, and not the search firm, for the search firm is not doing the work, but rather the consultant. The results of your search depend on the search consultant much more than the search firm.**

Some additional questions to consider:

- How pleasant was the consultant to work with?
- Were progress reports timely and did they provide complete information?
- How understanding of your organization, needs and mission was the consultant?

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- How helpful was the consultant during the search committee interview process?
- Were there any significant differences between what the Candidate Reports indicated and what was revealed during the client's interview of the candidates?
- Was the searching for candidates exhaustive or did it rely on the consultant's database of known candidates?
- Were suggested names handled delicately, and did the finalist have a thorough vetting?
- If you are using a Search Committee, what specific searches has the consultant done for search committees (which can be quite different from when done without one)?

The true cost of the search is not just the search fee. In the overall context, if the right person for the position is chosen and stays a long time, the cost of the search whether \$25,000 or \$100,000, can be a wise investment. Conversely, if the wrong person is chosen, a cheap search fee can prove to be far more expensive than imagined.

Search fees in the business world among the top search firms tend to be one-third of the first year's estimated compensation and oftentimes have a minimum fee, (\$67,000 if the threshold compensation level is \$200,000). On the other end of the scale, some contingency search firms might charge as little as \$15-\$25,000. Sometimes the search fee is fixed rather than a percentage of compensation.

***Some Insights:***

Some search firms add on a 6-12% "administration fee" to cover a variety of small costs like telephone, printing, postage. The reality is that such costs are typically 3-5% of the cost of a search, so the amount above that is extra profit for the search firm. They often still charge for the consultant's travel.

Some search firms rely heavily on "assessment testing" of candidates and the leadership team. Charging extra can add up to another 30% in costs.

Some search firms can have lower costs and higher profits because they do less work.

- Is the consultant coming to Search Committee meetings?
- Is the consultant present to provide counsel as needed when candidates are presented?
- Is there a recommended search committee-interviewing format...is there a suggested "grading grid" for the committee members to use as they interview candidates?
- Does the consultant offer guidance to the Search Committee, if desired, on what questions to ask candidates?
- Some consultant save time by waiting until the client has interviewed the candidates and narrowed the focus to one and then finishing the reference checking...so are all the references checked first?
- Some search firms outsource research or reference checking to part-time "stringers" rather than full time employees in their offices.
- Just as Christian organizations belong to the Evangelical Council for Financial Accountability for the sake of adhering to professional standards and transparency, so

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professional search firms tend to belong to The Association of Executive Search Consultants ([www.AESC.org](http://www.AESC.org)), which among other things operates a “policing” function for ethics and professionalism for its members. Does the firm belong to AESC and if not why not?

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