

# Dallas Business Journal

## How to evaluate an executive search firm

*Be sure to select a search firm that best suits your unique needs*

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**GREATER METROPLEX** — Though the demand for executive searches is currently below normal, a professional search is still the most appropriate way to meet particular talent criteria.

Choosing the right firm to conduct a search for a key executive is crucial. Individual search firms may be better suited for certain projects and clients than others.

Often, corporations engage an executive search firm based upon factors like size, name, number of offices or price.

While these are important, when working with a search firm the subtleties of that organization and your relationship with it can be the main determinants of success or failure.

When evaluating search firms you should consider the following factors:

■ **Expertise in your industry or special need:** Some industry or functional “experts” may not be the best recruiters. Your best choice may be one that has good exposure to and working knowledge of your market, a network into that market, can ask penetrating questions and knows how to sell. Also crucial is how experienced the principals who will handle your search are in your area. A company may advertise expertise in a particular field, but that expertise may be limited to someone in a faraway office who will not be involved in your project.

■ **The level of the assignment:** You do not want a CEO- or board-level search firm looking for a manager or vice presi-

dent any more than you want a staff-level recruiter attempting to evaluate a senior executive.

■ **Success or completion ratios:** What percentage of the firm’s searches were completed successfully in the past three to four years? Reliable sources indicate that “name” retained firms achieved 50% to 55% completion, while for contingency agencies it can be as low as 5% to 10%.

■ **Off-limits restrictions:** If the search firm works with too many clients, including your competitors for talent, your selection of candidates may be restricted. You need to know whether the search company will offer your active candidates to other companies while you are still evaluating them, and whether and for how long your company be off limits for its future searches.

■ **Search partner involvement in the process:** Will your designated search partner be involved in the research, search, screening, evaluation, negotiation and closing of your candidates? Some search partners sell the deal, delegate the project(s) to an overworked or underqualified team for delivery, then go on to sell the next deal. Many are measured on revenue — searches sold — rather than completions.

■ **Do you trust and respect the key individual and team?** These individuals will determine the success of your search. Will they persevere with the project if and when the going gets tough? Will you be proud for them to represent your company?

■ **A “brand” name does not necessarily mean a particular search firm is best for you.** A boutique or lesser-known firm — given proper due diligence — might be

your best bet. It’s the individuals involved and the prioritization and commitment to your project that make a search successful.

■ **Candidate evaluation capabilities and procedures:** How does the search firm evaluate prospective candidates for presentation to you? How does it present the candidates? How does it contribute to your decision process? Is it really looking out for your best interests, or just trying to sell its favorite candidate?

■ **Comprehensive search process:** Good candidates come from many sources. Can and will the search firm do the more difficult and tedious tasks required to selectively source your competition and industry for top talent? Even in a candidate-rich market, it’s still important to tap the working, “non-looking” candidates. You want the best candidate from any and all sources, so a comprehensive search is important.

■ **Tenure and repeat business:** It’s best not to trust your career or business to a rookie. The right recruiter for you will have been successful on the tough searches, will have strong repeat business and will have references to prove it. Check them out.

The products of these searches, the newly hired executives themselves, are critical to an organization’s success. The initiatives and decisions in which these executives are involved can make or lose millions of dollars.

Don’t underestimate the importance of, or the details involved in, a proper evaluation and selection of the right recruiting organization for your search projects.

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