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A MONOGRAPH BY BRUCE DINGMAN

# Differences Between Search Firms



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## ***Differences Between Search Firms***

by Bruce Dingman

Just as there are significant differences between contingency and retained recruiters, likewise there are differences among retained search firms. Here's a description of issues to consider when hiring a retained search firm.

### **Three Things Must Be Present**

The firm should adhere to three things:

- The client and the organization must be one who can honestly and enthusiastically be represented.
- The possibility of finding at least four candidates of the type the client is seeking.
- The person selected will have a fair chance of being successful.

### **Ethical Issues**

Most recruiters are very ethical and professional, but some are only "opportunistic." Be sure to ask what organizations the search firm will seek candidates from and then ask if they have recently done any work for those firms. Are any of those firms therefore "out- of-bounds"?

The industry practice for professional search firms is that any client, who has been served within the last two years, is out-of-bounds. With The Dingman Company all the clients and their employees are out-of-bounds for recruiting away for two years after we last served them, and the candidate placed there is off-limits for seven years.

"Parallel processing" is when a search firm presents the same candidate at the same time to more than one client. In large search firms or firms specializing in one industry this is fairly common. This can result in the selected candidate no longer being available because he or she has just taken another job. As long as a candidate is under consideration for selection by one client he or she should not be presented to another client.

Searches in the "public arena" oftentimes require that committee meetings be public and/or public disclosure of the identity of all finalists which may needlessly diminish reputations and may even jeopardize their current positions. The Dingman Company therefore has declined to accept searches for government or public universities or schools.

It may be a conflict of interest to do two or more searches concurrently that are seeking the same type of candidate. There might be a difficulty in choosing which candidate to present to which client. A successful search firm can avoid this problem by not conducting simultaneous searches in the same industry.

### **Reputation of the Firm versus the Recruiter**

The quality of a search is dependent on the recruiter who does the work. While most search firms are retained due to an existing relationship or the reputation of the firm, the results of the search are dependent on the recruiter who does the work. When selecting a search firm, only deal with the recruiter who says he or she will be working with you and will have personally interviewed all candidates presented. It's the recruiter doing your search that determines whether you'll be happy or not.

### **Checking References of the Recruiter**

Most recruiters are good salesmen. So the "buyer" needs to ask the right questions in order to know what they are getting. If one asks what similar searches have been done, be sure you understand if the recruiter did them or the firm did them. Then ask to check with the clients of at least two of those searches to find out if the results were what were expected, timely and would you use that recruiter again.

### **Specialist versus a Generalist**

Clients often feel that if the recruiter has recently done a similar search they will have a number of good candidates they could quickly present. However, each search has its own unique qualities so this scenario rarely exists. A recent search may mean fresh contacts in that field, but usually most of the candidates are new to each search.

A specialist will already be networked in the industry but will also have numerous recent off limit clients, which can be a major disadvantage to the new client. A generalist may take a little longer to develop a familiarity with the industry and to find candidates, usually taking only two weeks more, but they aren't likely to have the same out-of-bound problems.

### **Speed versus Quality**

If a client puts an emphasis on how quickly the recruiter can present candidates, they may sacrifice the right match up in management style, values, personality and goals. If the results are really important, then waiting a little longer is worth the time.

Good search work takes time. If a recruiter promises results on the basis of speed then somewhere quality will be compromised, whether it is in the matching, the reference checking, or having personal interviews.

### **Price versus Quality**

In any profession, the buyer can usually find someone willing to sell the product at a cheaper price. But the quality is typically in relationship to the price paid. One-third of the first year's estimated compensation is common among better search firms. For education or non-profit searches a flat fee arrangement may be offered. For multiple searches in a year for the same client a discount is appropriate.

### **Use of a “Short List”**

To save time, some search firms will give the client a “short list” of candidate names and backgrounds, which they have reduced from all the resumes they have considered. If the search firm asks the client to select those that by background seem most ideal but in-depth interviewing or reference checking has not been done then this method produces inconsistent results.

A better method is to personally interview the top candidates and complete reference and background checking before the client interviews the top three to five candidates. This way there should not be any “surprises.” The “short list” method is less work for the recruiter, and the client may feel they have decided which are the best four out of 10-15 but the decision was made without having complete information. Chances are that some candidates that were selected were not the best available and some were passed over that should have been seen.

### **Location of the recruiter...does it matter?**

Usually not, but sometimes, yes. With the internet replacing “snail mail” and local ads, candidates are easily found nationwide. If the recruiter needs to fly to an interview it doesn’t matter too much cost-wise how far he or she has to travel.

If the search is for a VP-Human Resources or a CFO or Controller and no industry specific experience is needed then the search can be focused on local candidates. If the recruiter is also local then less travel is needed.

Although clients might think working with a recruiter close to the search assignment’s location is valuable it usually is not that important. Far more important is how good the recruiter is at making the right matches.

### **When does Reference Checking Occur?**

Many search firms present candidates after having checked only a few of the available six to ten references. The recruiter should check all references for each candidate in a 360-degree fashion, before they are presented to the client to interview. It can be risky for the client if the reference checking is not complete before the interviews because additional information might have negated the candidate from being considered.

### **Search Committee Experience**

If your search is going to use a Search Committee you need a recruiter who has had extensive experience working with Search Committees. The experience needed for understanding group dynamics and differences of a Search Committee selection process is invaluable.

### **Credentials**

Our firm was started in 1978 and our reputation for excellence and the highest integrity in the industry has been consistent ever since.

In 2008, BusinessWeek.Com selected Bruce Dingman as one of the World’s Top 50 Most Influential Headhunters.

When the “Top 50 U.S. Search Firms” list would come out, our firm was often listed, along with the larger, major firms.

Two different editions of “Career Makers”, a book profiling the top recruiters in the U.S. were published and Bob Dingman (now retired) was ranked in the top ten recruiters both times.

In 1998, “The Global 200 Executive Recruiters” (Jossey-Bass) profiled the top recruiters worldwide and Bruce Dingman was chosen for inclusion.

The Association of Governing Boards of Universities and Colleges chose The Dingman Company as one of 13 it suggests to be used.

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