

Turning the tables

How to evaluate an executive search firm. By David Nosal.



As a practitioner and leader in executive search for over 20 years, I have made note of a number of important yet little-known challenges that can prevent clients from the search outcome they deserve. I will focus here today on two of the most critical, but frequently overlooked – access to talent and search leadership.

Most clients know to validate a search consultant's industry and/or functional expertise through past search experience. But I am continually surprised to hear about searches gone awry because a client didn't realize that the firm it retained couldn't approach the right executives or that the consultant who sold the work delegated project execution to someone less experienced.

Candidate access

Even the most renowned search expert within a particular industry or functional area won't be able to deliver the best candidates if they are off-limits to his or her firm. Candidate access is probably one of the most common reasons why search professionals can't complete an assignment – and usually, to the astonishment of a client who purposely selected what he or she perceived to be one of the 'safest' brand names in executive search, because the firm was one of the largest.

At the heart of the matter lies very basic arithmetic. Simply stated, the larger the search firm, the more client relationships it maintains and the smaller the universe of companies from which it can recruit due to off-limits restrictions. As a result, clients will sometimes spend hundreds of thousands of dollars in professional fees only to learn that the executive search firm retained can't approach the most desirable

executives, because the latter are employed by current or recent clients.

Search leadership

Benefitting from promised expertise is another common area of client dissatisfaction when a search consultant sells, but does not personally execute on assignments. People in the industry refer to this model as 'leverage', which involves passing searches off to junior associates for execution.

Leverage tends to be most prevalent in the large search firms – and particularly those that are publicly held – who face substantial revenue growth pressures. When a search firm must drive more and more revenue each year, its search partners need to sell a greater volume of business and therefore carry ever larger search loads. The more successful a search partner is in selling business, the more difficult it becomes to complete the work without leverage, which can deprive the client of needed insight into candidates and the many nuances of executive leadership issues.

Recruiter's tips for interviewing search firms

To help ensure that the search firm you engage with has the ability to deliver the best outcome, companies should incorporate the following into their evaluation process:

- Confirm candidate access by compiling a list of all target companies for the engagement in question. If the search professional cannot guarantee – in writing – access to all target companies, pass on the consultant and the firm he or she represents.
- Incorporate into the engagement agreement a paragraph stipulating that the

lead consultant will personally contact, interview and reference-check candidates as well as manage compensation negotiations. If a more junior consultant will be involved in the project, the lead search partner should clarify who will be doing what. To validate whether the search firm lived up to its commitment, all a client needs to do is ask candidates coming in to interview who called and pitched the assignment and ask the selected candidate a few additional questions to confirm that the lead search partner played the agreed role.

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Candidate access and search leadership seem like such fundamental things that many clients fail to scrutinize them. Caveat emptor. Take these few added steps to help ensure the search outcome you deserve. ■

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