



SOCIETY OF ACTUARIES

Article from:

# The Stepping Stone

July 2006 – Issue No. 23



## Using a Retained Executive Search Firm, Part II: From the Candidate Perspective

by Richard Dannenberg

*Author's Note: This article was prepared by Richard Dannenberg, founder of R.A.D. Search LLC, a retained executive search firm that specializes in the recruitment of senior level actuaries.*

In the January 2006 issue of *The Stepping Stone*, we covered the various aspects of what a company should expect when hiring a retained executive search firm. We first identified the key differences between the retained and contingency approach. Then we reviewed the criteria a company should use to decide which search firm to retain. Lastly, we identified the steps a company should follow to ensure a successful search.

To really understand what you, as a candidate, should expect when working with a retained search firm (whether the firms contact you or you contact them directly), a brief summary of the major differences between the retainer and contingent approach is needed at this point. (A more detailed explanation can be found in the January 2006 *Stepping Stone*).

### Contingent Recruiting

- The recruiter earns his fee once a candidate he presented is hired.
- Contingency recruiting is generally not on an exclusive basis; the hiring company can have its open position listed with a number of recruiting firms.
- Candidates usually are presented or marketed to a number of organizations.

- Contingency recruiting is usually used for entry-level to mid-management roles.

### Retained Search

- The search fee and expenses are negotiated up-front with the hiring organization. Search payments are made at the commencement of the search and at various times throughout the process. This is an exclusive arrangement between the company hiring and the search firm retained.
- Candidates recruited for and presented to the hiring organization are for that client only; they are not marketed to other organizations.
- Retained search firms aim to find the best-qualified candidate for a position. Many candidates presented are not actively seeking a new position when first contacted by the search firm.
- Retained executive search is typically used for senior-level positions.

The relationship between a retained recruiter and a candidate usually begins with either a phone call or written correspondence in which the recruiter identifies himself as a search consultant who would like to discuss a specific search assignment. If the candidate is not qualified or not interested, the search consultant may ask the candidate to act as a source of referrals for the search assignment. Unless it is a confidential search, a retained search consultant will



Richard Dannenberg, is founder of R.A.D. Search LLC, a retained executive search firm that specializes in the recruitment of senior level actuaries. He can be reached at [radsearch@aol.com](mailto:radsearch@aol.com), or on their Web site at [www.radretainedactuary.com](http://www.radretainedactuary.com).

---

Unless it is a confidential search, a retained search consultant will have no difficulty in identifying the client and should be able to share a detailed position description ...

---

have no difficulty in identifying the client and should be able to share a detailed position description and many numerous facts regarding the client and the position.

To better understand the relationship between the candidate and a search consultant, a summary of the search process from the search firm perspective is in order. Following each phase of the process is an explanation of what this means for the candidate.

### Client Meeting

Those responsible for the execution of the search meet with the client company to discuss the position and develop a thorough understanding of the position to be filled. Additionally, the search consultants familiarize themselves with the company culture and people, business strategy and potential challenges that may exist in hiring the best-qualified candidate. The search consultant will ultimately walk away with the profile of the skills, experience and characteristics the successful candidate should possess. This is critical information for the search consultant since he evaluates all candidates before recommending them to interview with the hiring authority. A timeline with deliverables will also be outlined.

*For the candidate: It is this information, as well as ongoing discussions with the client, that the search consultant will initially use to determine your qualifications for the open position. This will also allow the search consultant to answer your questions as to why the position is open, the experience required and any questions related to the overall search process (interview process, timing of hire, etc.).*

### Research and Sourcing

Using a network of resources including original industry research, proprietary databases, on-line sources and research into the client's competitors, a "potential candidate population" is developed. This list may number hundreds or may be as few as 50 people. It also may be reviewed by the client company to help the search firm prioritize its contacts or to delete names for a variety of reasons. In addition, this list will include contacts that the search consultant will use for referral purposes only.

*For the candidate: When a search consultant contacts you, it usually means that you have been identified as someone with the appropriate work experience for his or her search assignment. Even if you are not actively looking for a new position, it may be in your best interest to listen to what the search consultant has to say. Search consultants remember those who provide assistance and will be receptive to helping you should you contact them for marketplace information.*

### Recruitment and Evaluation

The search consultant will contact perspective candidates seeking to develop their interest in the position or to ask them to nominate potential candidates. The person who is interested will undergo a series of

*(continued on page 16)*



interviews and evaluations, usually over the telephone, prior to his or her resumé being submitted to the client for review. Search firms usually do not present resúmes one at a time to their client. They are usually presented in groups so that the client can compare backgrounds. Therefore, a potential candidate may not receive immediate feedback as to the client's interest in his background. The candidate should ask the search consultant when his or her resumé will be presented and when to expect some feedback.

The search consultant and client will discuss the resúmes presented and agree upon potential candidates with whom to move forward. At this stage, the search consultant will conduct a detailed, in-depth formal interview of the perspective candidate (usually in person). These interviews serve to confirm the candidate's suitability for the role. Once completed, the search consultant will make final recommendations to the client as to who should be brought on-site for personal interviews.

*For the candidate: This is when you have the opportunity to meet in person with those responsible for finding the best-qualified candidate for the search. This is your opportunity to find out as much as you can about the position and what it will take to be successful in the role. Additionally, you must be able to convey to the search consultant your level of interest in the role and how the client would benefit if you were selected. Be prepared to answer any questions regarding other opportunities you may be considering. You expect the search consultant to be open with you in terms of competition for the position; they expect the same in return.*

*This is also a time to have the search consultant lay out the timetable for the rest of the search/interview process. As a candidate, you should be prepared to*

*answer direct questions relating to your current as well as projected compensation requirements and issues related to relocation (if one is required).*

*If a search consultant feels that the candidate is not a good match for the role or the candidate has not been cooperative in some way, the search consultant has the option of removing the candidate from consideration for the job. The search consultant is an extension of the client; a candidate should interact with the consultant as though he were the hiring authority.*

### **Client/Candidate Interviews/Offer Negotiations**

The search consultant will then work closely with both the client and the finalist candidates to arrange on-site interviews. At the conclusion of each interview, each party is debriefed. Once a final candidate is selected, the search consultant will act as facilitator in the offer discussions with the leading candidate and assist in bringing the project to a successful close.

*For the candidate: At this stage of the search process, somewhere between 30-60 days have elapsed since the search consultant first contacted you. It may be as many as 90 since the search began. If the search consultant has been thorough and the candidate has been forthcoming in regard to his financial expectations, the negotiations should be a smooth and short process. Quite frankly, it is in everyone's interest to conclude the search on a positive note. The search consultants want their client to feel good about the offer being made as much as they want the candidate to feel good about accepting it. The search consultant will work with you and be there to advise with the process of giving notice and any other transitional issues as you leave one employer and join the new one.*

---

... a potential candidate may not receive immediate feedback as to the client's interest in his background.

---

Even though the search is completed and the candidate has started, the relationship with the search consultant should not be over. Most search consultants will stay in touch with their candidates to make sure that their expectations are being met. As a candidate recruited, evaluated and ultimately placed with the client company, you should be comfortable in approaching the search consultant with regard to any questions or concerns that arise during your employment with the new company.

Having reviewed the search process and the search consultant's responsibilities to his client, what does this mean for the candidates? Who is looking out for their best interests? In my opinion, while the search consultant is contractually obligated to the organization that has retained his services, the former's primary responsibility is to identify and help the client hire candidates that will blend in culturally and provide long-term benefits to the company as well as the candidate. It is not in the search consultant's best interest to have someone he or she recruits be unsuccessful or leave an organization prematurely.

The best search consultants want to make sure that the decision you make is the best one for you, your family and your career. The conclusion of a search should be viewed as a win/win for all parties involved. Search consultants are very interested in developing professional relationships with their candidates as well as other individuals with whom they come into contact during the course of a search. A potential candidate today may be a consumer of search firm services tomorrow.

Bottom line, for a search to be successful, both the candidate and the search consultant should expect the following:

- Honesty
- Confidentiality
- Timely communication/feedback
- Professional treatment
- Realistic expectations □

