

# RECRUITING FIRM TRANSFORMATION SYSTEM

90 Days to Transforming Your Business into  
an ELITE Search Agency

## Session 3: The Value Proposition of Shared Risk



*Transcending Potential Worldwide*

# The Value proposition of shared Risk – Background

- Important Concepts from Session 2

- 10/1000
- Structure of Day/Planning Time
- Client and Candidate Value Proposition

(Focus, Track Record, Client Base, Position, Skill Set, A Process, Unique Differentiation)

- Anything Worthwhile – Takes Hard Work
- Not about a Script – Changing the game
- Using Technology for Communications
- Documents for this Session Available



# Your Value Proposition and Branding

- For Clients
- For Candidates

(Focus, Track Record, Client Base, Position, Skill Set, A Process, Unique Differentiation)

- Synergistic
- Understanding Talent Management



# The Process of Selling Shared Risk

1. Work with the right people: Hiring Manager, HR Officer or “C” level executive
2. Mutually Understand that the position is mission critical for a top performer to be hired
3. Understand the Search Profile(ensure its fillable) and the employer Value Proposition
4. Explain the current (contingency) process and its flaws
5. Finding the pain and maximizing it
6. Explain your value proposition
7. Sharing with them the (Shared Risk) process that will give them the desired result
8. Back it up with Proof Statements (References, testimonials, etc)
9. Make an offer – to make it a no brainer decision for their first business transaction with your firm.
10. Over deliver...



# Important Topics with Client

- Defining Top Performers and “A” players
- Brand Alignment
- Process Alignment
- Talent Recruiting Methodology
- Employer Value Proposition
- Setting Expectations and Delivery and Execution
- Reporting – Weekly /Bi Weekly Candidate Value Proposition





# The Value Chain and Shared Risk Process

***Contingency->Exclusive->Shared Risk->1/3, 1/3, 1/3***

New and Existing Clients

## ***Shared Risk Process:***

**1. Insure you are talking to HM/C Level/HR Officer**

**2. It all Starts with the Magic Question**

*“Is this a position where you can afford a Mis-hire?”*

**3. Bridge to Discussion on Talent Management**

- 1 out of 2 hires end up being mis-hires
- 1 out of 4 hires is a top performer
- Cost of Mishires – 15-24x's their salary
- “A players produce as much as 24x “B’s”
- 38% of companies cannot find Qualified Talent (Career Builder)



# The Shared Risk Process continued..

## 4. Explaining the Contingency Process

- Parties Not Mutually committed to success of Search
- Multiple Search Firms
- Speed is Key Component
- Search for Qualified Candidates
- Lots of candidates delivered quickly
- Quality control lies with Client
- Brand in the Market (Talent Pool)
- Chance for Mis Hire the Greatest
- The Candidate Experience
- The Client Experience
- The Result - Choose the best of the talent pool provided. Average at best..



# Finding and Maximizing the Pain: Questions and Hiring Manager, C Level or HR Officer

## 5. Questions “Finding the Pain”

- *In your current process for critical positions – are you seeing top performers?*
- *Are you bringing on board top performers?*
- *What is holding you back?*
- *What is it costing the company by not hiring top performers?*
- *What if I could show you a process – to Change all that?*

## 6. Articulating Your Value Proposition:

(Why use you opposed to anyone else)





# Explaining the Shared Risk Process and Result

## 7. Explaining the Shared Risk Process

- Search Firm and Client are Mutually Committed to the Success of the Search
- One Search Firm
- Quality is key component
- Search for Top 10% performers based on Experience, Track Record, Skill Sets
- Little Chance for a Mishire
- We work together on Search Profile, E Value Proposition, Target Companies
- Weekly Reporting
- The Client Experience
- The Candidate Experience
- The Result – Little Chance for a Mishire
- Choose the best of the best



# Proof Statement and the Offer They Can't Refuse

## 8. Proof Statements

- References
- Testimonials
- ROI Studies

## 9. Offer they Can't Refuse

- Money Back Guarantee if you don't deliver
- 30 Day exclusive for the first time only

## 10. Under promise and over deliver

## Existing Clients Versus New Clients



# Conclusion

- Follow the Process of Selling Shared Risk
- Starts with the Magic Question  
*“Is this a position where you can afford a Mis-Hires”*
- Understand Talent Management Concepts
- Understand and Articulate your Value Proposition
- Explaining Contingency
- Explaining Shared Risk
- Its all about the end RESULT
- Make them an offer they cant refuse....
- The Value Chain  
Contingency->Exclusive->Shared Risk->\$\$\$



## SESSION 1: INTRO

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- Research on top agencies and 63 multi-million dollar producers worldwide
- 18%/50%/94%
- Understanding contingency search
- The history of contingency search
- Understanding shared risk search
- Reasons why you need to go to shared risk
- Reasons why your clients NEED YOU TO GO THERE
- Other transformations in the executive search industry:
  - Outsourcing
  - Business models of highly-effective executive search firms

## SESSION 2: THE FOUNDATION OF A HEALTHY RECRUITING BUSINESS

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- 10/1000 activities
- Zebra
- Synergies
- Value proposition to clients
- Value proposition to candidates
- Structure of day
- A day in the life of a recruiter: activity targets, results targets
- Metrics for marketing
- Metrics for recruiting
- Technology setup for marketing
- Technology setup for recruiting
- Touch plans for both client and candidate
- Metrics management system (RPM Dashboard)

## SESSION 3: THE VALUE PROPOSITION OF SHARED RISK

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- Explaining contingency search
- Explaining shared risk search
- The candidate experience
- The client experience
- Explaining why go \$ down
- The Magic Question
- Key: Finding the pain and maximizing it
- Objections and rebuttals of shared risk:
  - We have never done this before.
  - We have other recruiters on the search now.
  - Let me think about it/Let me run it up the ladder/Meeting with...



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## SESSION 4

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- Narrowing down your Zebra
- Understanding "Talent Management"
  - Peter Drucker: Knowledge Worker
  - Jack Welch: Straight from the Gut / The Bell Curve
  - Brad Smart: TopGrading
  - Geoff Smart: Who
- Transition to trusted advisor
- The process and transition to ROI call
- Role play the search assignment call
- Transition to the ROI call

## SESSION 5

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- The ROI call (Return on Investment for client) and transition to service agreement
- Types of service agreements: Exclusive/Shared Risk/Fully Retained
- What positions lead to which service
- Establishing value in the process used
- Client communications
- Setting expectations
- Targeted candidates
- Setting clear expectations for communications with clients
- Setting clear expectations with candidates on all aspects
- Matching
- The weekly update call and reports
- Setting clear expectations for delivery
- The Executive Summary
- The Comparative Analysis Spreadsheet
- The resume
- Re-qualifying the client
- Re-qualifying the candidates

## SESSION 6

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- Win-win service agreement negotiations
- Moments of truth situations/rebuttals
- Role play

## SESSION 7

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- Keys to success and putting it all together...
- Review:
  - 18/50/94
  - Shared Risk
  - Understanding talent management
  - Understanding why your client NEEDS shared risk
  - Taking an existing client up the value chain
  - It's all about process and perception
  - The Magic Question
  - Explaining contingency search
  - Explaining shared risk
  - The process of the ROI call
  - Selling the shared risk
  - The performance guarantee
  - Delivery



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