

## Why I Will Use a Professional Recruiter

By Tony Trussell

The bottom line is that a “Professional” recruiter will make me money. For years I viewed recruiters as an expense, and an unnecessary line at that. A true professional changed my mind. Here is what I learned.

First, “professional” recruiters save me time and make me money. The traditional approach to hiring takes a lot of time and often leaves me empty handed. It is not uncommon to get 100 responses to an advertisement placed in the paper, trade journal and/or on-line search engine. Unfortunately, it is common for this search to leave me empty handed. Fact is, the best people are not reading or responding to advertisements.

<b>Without a Professional Recruiter</b>	Manager Time	HR Time	Direct Cost
Define the Job	2 hours	1 hour	
Create an Advertisement	1 hour	1 hour	
Place an Advertisements			\$1,000
Screen All Resumes, assume 100		9 hours	
Screen Qualified Resumes, assume 10	2 hours		
Phone Interviews, assume 5	5 hours		
Full Interviews, assume 3	6 hours		
	16 hours	11 hours	\$1,000

<b>With a Professional Recruiter</b>	Manager Time	HR Time	Direct Cost
Define the Job	2 hours	1 hour	
Create an Advertisement			
Place an Advertisements			
Screen All Resumes, assume 100			
Screen Qualified Resumes, assume 10			
Phone Interviews, assume 3	3 hours		
Full Interviews, assume 3	6 hours		
	11 hours	1 hours	\$0

Manager time saved	5 hours at \$50	\$250
HR time saved	10 hours at \$25	\$250
Out of pocket savings		<u>\$1,000</u>
Total savings		\$1,500

This is where my logic used to stop. It made the decision to avoid recruiters an easy one. I now understand the real cost comes from lost productivity. If I come up empty handed and need to start over, I lose about 60 days of production. An average employee should generate about twice their salary plus benefits in gross margin. An excellent employee should generate about 3 times their salary plus benefits in gross margin. For a \$100,000 per year position this amounts to \$20,000 for an average employee and \$35,000 for an excellent employee.

Second, “professional” recruiters make me look good and make me money. Even the best hiring managers miss hire 30-50% of the time. “Professional” recruiters win the trust of candidates and employers. They are able to cut through the bull and get to truth. The truth enables much better decisions on both sides. Better decisions means fewer miss-hires and fewer miss-hires make me look good. It takes me 6 months to get a new employee fully productive. If they leave the cost of on-boarding is lost and I need to start the search all over again. By my math, for a \$100,000 per year employee this costs me about \$100,000 in my time, staff time, and lost productivity. If a “professional” recruiter improves my success by only 10% they save me \$10,000. Worse yet, is the average hire who costs me \$100,000 per year in lost productivity, year after year. If a “professional” recruiter, helps me hire great 50% more often and that great person stays only 5 years they add \$250,000 to my gross margin.

Author Bradford D. Smart, PhD, concludes in his book, *Topgrading: How Leading Companies Win by Hiring, Coaching and Keeping the Best People*, "With an average base salary of \$114,000, the average total cost associated with a 'typical' miss-hire is \$2,709,000 - greater than 24 times the person's base compensation." And, this dollar amount increases or decreases as salary levels (and responsibilities) increase or decrease.

In summary, it costs \$30,000 to engage a “professional” recruiter to hire a person in a \$100,000 per year position. At a minimum, I recover this cost in 6 months. Over time, using a “professional” recruiter can make me much as \$250,000 for every great person they help me hire.

Buyer beware; not all recruiters are professionals. In my experience, professionals:

- Guaranty your satisfaction

  - Put real dollars behind their guaranty

  - Extend the guaranty for a realistic time period

- Specialize in one industry

- Take the time to know you and understand your culture

- Are brutally honest and totally transparent

- Have a track record of success

- Provide support after the placement is made.

R&P Group are true professionals!

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