Guide to Evaluating, Selecting and Using an Executive Search Firm
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Historically, community health organizations have tended to conduct searches for senior executives on their own, without the assistance of professional executive search firms. However, current market conditions have increased the importance of strong leadership, which has made recruiting skilled senior leaders more challenging than ever. Using a professional, retainer-based executive search firm is an excellent way for senior care organizations to increase their ability to find and attract strong senior leaders.

A retainer-based search firm will provide you with access to far greater potential candidates than will posting the position in newspapers, trade journals or online job boards. A retained search firm will also provide you with higher quality candidates much more consistently than will ads or contingency-based search firms, or “agencies.” The expertise of retained search firms focuses on recruiting senior level, C-Suite executives (CEO, COO, CMO, CFO, CIO, etc.), whereas agencies tend to work more with lower and mid-level positions.

A professional search firm invests considerable time and energy in learning your unique culture and strategic objectives, so that they can bring you only those candidates able to thrive in your organization and achieve your long range goals. Making this “good fit,” and giving the client the ability to choose among several well-qualified candidates who fit well, is keynote to the value of using a search firm.

The highest caliber candidates are most often recruited through the use of a professional executive search firm. These are individuals who, generally speaking, are not on the open market considering a career move - they are not reading ads or circulating resumes. The strongest candidates are typically doing quality work for a competitor or similar organization, and may consider a position only when confidentially approached by a professional search firm about an opportunity that is packaged and presented well.

Selecting which search firm will conduct your search is an important decision. Below are four questions about the selection and use of an executive search firm.

I. When should we use an executive search firm?
II. How do we evaluate and select a search firm?
III. What questions should we ask before assigning a search?
IV. What is the best way to work with a search firm?
I. WHEN SHOULD WE USE AN EXECUTIVE SEARCH FIRM?

The following situations suggest using a search firm:

- **The organization needs an individual with skills unfamiliar to it**
  Entering a new market, expansion leading to new organizational responsibilities, developing a capability or service new to the firm, changing a corporate culture—all may require someone with a different background than already exists within the company.

- **The desired candidate has an unusual background**
  A good search firm can find the candidate with a truly unique background. This may be a record of accomplishment in two different areas, or bridging functional concentrations or technologies, combined with specific personality or motivational characteristics.

- **A qualified person for the job does not currently exist in your organization**
  The necessary talent is simply not available for promotion from within.

- **The culture of the company is unique, and personality compatibility is essential**
  Each search is geared to the specific needs of the client. Sophisticated evaluation and interviewing techniques are used to ensure that each candidate presented has the right “chemistry” to fit in with existing leadership.

- **Second best will not do**
  When it’s critical to find the very best talent for the job, a search firm can conduct the necessary national or international search for the right executive.

- **Conventional recruiting methods have failed**
  Quality upper-level executives rarely utilize the “open” market when seeking a change. Using search vastly increases the scope of your candidate pool, beyond job seekers, throughout or beyond your industry, and on a national or worldwide basis.

- **A fresh, objective perspective is required**
  A classic example is when the company is considering, but has reservations about, an internal candidate. The broader frame of reference a search provides will allow the internal candidate to be evaluated objectively.

- **Confidentiality is an issue**
  There is no need for customers or competitors to learn of the firm’s top-level vacancy or of a new strategic direction. Search firms work discretely and behind-the-scenes, and are experienced handling sensitive assignments. The search firm uses confidentiality as a leverage to stimulate candidates’ interest, which a direct approach cannot.

- **You simply don’t have the time**
  A thorough search is time consuming and demanding; most senior executives cannot dedicate the time and effort necessary to conduct an effective search. By contrast, a search firm has the time and specialized resources to conduct your search well.
I. HOW DO WE EVALUATE AND SELECT A SEARCH FIRM?

Hiring a search firm is like retaining a physician, an attorney, or any other professional. It is important to examine references, method of operation, and past accomplishments thoroughly. The truly professional search firm recognizes this responsibility and welcomes your thorough examination of its credentials. Issues you should address when interviewing a search firm include:

- **What is the track record and reputation of the firm?**  
  Ask for specific client and candidate references. Beware of the firm that hides behind the veil of “confidentiality.”

- **What research capability does the firm have?**  
  In recruiting jargon “research” refers to assertively identifying and accessing potential candidates who are not seeking a career move, most likely currently holding counterpart positions to the one being recruited for. A search consultant is most effective when backed by strong research support. Inquire about the firm’s research personnel and their training, about computerization, and about their research techniques. You require a firm whose research technology surpasses the “old boy network” of a few industry contacts.

- **What is the training and experience of the consultants?**  
  Do they have sufficient experience to properly manage your search?

- **What search process do they use?**  
  Be sure to acquire a full understanding of it, and ask to examine the documentation supporting it. What deliverables can you expect, and by when? Is this in writing? Are client and consultant responsibilities spelled out?

- **How much of the firm’s activity is repeat business?**  
  This is a strong indicator of quality service.

- **Can the consultant challenge you to think through your own perception of the position to be filled?**  
  This marks the real difference between an order taker and a problem solver. The questions asked you by the search consultant are a good indicator of their understanding of your situation, interviewing prowess and business savvy.

- **Are you comfortable that the consultant handling the search represents your firm well?**  
  The professionalism demonstrated by the consultant is symbolic of your company from the candidate’s initial perception.

- **What role does the consultant play in guiding client/candidate interaction in the later stages of the search?**  
  This part is critical. The good consultant makes certain all final candidates are evaluated against the same yardstick, and provides the extra “wedge” that may be required to leverage the candidate into the new position. Activities may include conducting an interview seminar for line managers, designing a customized rating system for candidate
comparison, properly preparing both client and candidate for their meeting, and at times sitting in on interviews. Compensation negotiation, in-depth reference analysis, relocation facilitation, and making the actual offer are other crucial late-search activities that vary from search to search but could “make or break” the effort.

- **Do you have a comfortable relationship with the search consultant?**
  He/she is someone you will communicate with frequently during the months of a typical search. Bad chemistry may reduce the effectiveness, and certainly the pleasure, of a search engagement.

- **Does the firm have adequate staff for bench strength, if needed?**
  Total reliance on one person may be risky.

### II. WHAT QUESTIONS SHOULD WE ASK BEFORE ASSIGNING A SEARCH?

- **Who are the firm’s “hands off” companies?**
  Make certain this list doesn’t include too many of the companies you specifically want as targets.

- **Who will actually do the search?**
  Be sure the consultant you meet is more than a set-up person. Many large search firms delegate search implementation to junior staff members.

- **How will potential candidates be identified? How will the candidates that emerge be screened and qualified?**
  The best search firms have tried and true resources for identifying prospects, and utilize a rigorous, often multi-level, methodology for identifying those that are the strongest.

- **What are the firm’s policies regarding fee?**
  How will they track and account for out-of-pocket expenses? What is their billing schedule? Be certain these issues are dealt with up front to prevent uncomfortable confrontations later on.

- **How does the search firm package and promote the position and client?**
  The best search firms pay great attention to packaging the position and organization in a way that will attract candidates (who may not be actively looking), and to promoting the position well to either broad or targeted markets.

- **What is the search firm's current workload?**
  Can the necessary commitment be made on your search right now?

- **How often will we communicate?**
  Be certain to agree on the reporting procedures to be used throughout the search. Telephone communication should occur at least weekly, written reports at least monthly.

- **What happens if the search is canceled?**
  This should be agreed on beforehand.
• **What happens if the first-choice candidate cannot be landed?**
  How long does the firm agree to keep working on an assignment if the first-choice candidate rejects an offer? A good search firm will make the commitment to keep at the search until it is successful. Period.

• **How will the search firm be held accountable if the selected candidate’s tenure is very short?**
  What happens if the selected candidate is a major disappointment within six months, an unusual but not inconceivable occurrence? Within a year? What if they must depart within a short time for reasons beyond their control?

### III. WHAT IS THE BEST WAY TO USE A SEARCH FIRM PRODUCTIVELY?

- **Cooperate with the consultant in scheduling him/her to meet with members of management able to add insight into the search.**
  The consultant getting a clear understanding of the organizational culture is of critical importance and can only be gained through personal contact with leaders other than just the hiring manager.

- **Make clear the points you feel are confidential and should not be revealed to sources or potential candidates.**
  At what point may the consultant reveal the identity of the client?

- **Remain accessible and responsive to the consultant at all times.**
  Return phone calls quickly. A successful search depends on close and frequent communication. Selecting one contact person who is regularly available and who can coordinate the search from the client’s end is of value.

- **Respect the search firm’s expertise.**
  Years of senior recruiting experience has attuned the search firm to the optimal strategies and most dangerous pitfalls of the search process.

- **Do not contact candidates directly without speaking with the consultant.**
  This will undermine the consultant’s ability to “leverage” the candidate.

- **Inform the consultant immediately of any changes in the organization or position.**
  Not to do so would be to waste the consultant’s time and your money.

- **Be prompt in scheduling interviews with presented candidates.**
  Remember, they are not “applicants,” and their interest fades quickly when the time delays mount.

- **Remember that the goals of the client and search firm are the same.**
  It is important to work with, not indifferently to or against, the consultant.
• **Be honest** Whether happy or unhappy, say so. Give open feedback and critique at all times, so the consultant may learn and improve how you are served.