

Making the Business Case for Using a Search Firm: Five Winning Arguments

In a trial, a judge asks the ultimate question, “How does the jury find the defendant?” In the business world, when making a case for a new project, process or initiative, the ultimate question is “Does the benefit justify the cost?”

When it comes to outsourcing a job search to a professional, as far as we are concerned, the case is pretty cut and dried. In fact, we think the case – the business case – for using a search firm is stronger than ever. The benefits do justify the cost.

That may leave some of our readers questioning our judgment. In today’s environment – characterized by historically high unemployment rates – it would seem that great candidates are plentiful and that hiring a search firm is an unnecessary expense. However, while there are certainly exceptions, we believe that most companies can make a winning business case for hiring external search consultants...even in today’s talent market. What follows are our five winning arguments for why this makes good business sense.

1. The candidate pool is shallower than you think.

Just because the unemployment rate is high doesn’t necessarily mean that the talent pool is deep and wide. This is especially true of positions that are more senior and more specialized. While there are many talented people looking for work, it can also be argued that - in good times as well as in bad - there are people who are unemployed for a reason. Finding a candidate with the right skills and the right fit may not be as easy as posting a job online and waiting for the resumes to pour in.

Plus, you must also consider that, in many industries, people who have been out of work for an extended period may not always be current on their skills and knowledge. Take the healthcare/benefits industry, for example, and witness the myriad regulatory changes resulting from health reform. While many job seekers are excellent at maintaining their specialized knowledge, it pays to have a search firm assess those skills and knowledge on your behalf to help you find the right candidate.

2. Internal recruiting resources are often stretched to the limit.

At many companies, there is simply too much work to do and too few internal resources. In the aftermath of the recession, human resources and talent acquisition functions at most organizations have shrunk. Survivors are overloaded. We know of internal corporate recruiters who are handling 30, even 60, open job requisitions at one time. They have limited time to fully focus on any one particular job and to identify 4-5 qualified candidates if they are juggling 30+ open positions.



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3. Specialized positions are more challenging to fill.

For organizations needing to fill many similar positions, economies of scale can probably be achieved in-house. On the other hand, searches for even one highly specialized employee can be more effectively and efficiently completed by a search consultant who knows the industry, understands the position requirements, and has years of networking history with qualified candidates. In other words, using a professional search consultant can shortcut the process when hiring specialized employees...and save a lot of dollars along the way.

4. Passive candidates are even harder to budge.

In good economic times, the best candidates are not looking. In a downturn, the best candidates are even more reluctant to make a move! It is simple human nature: most people would prefer to feel “safe” in a current position rather than move elsewhere where a “last in, first out” downsizing scenario may still be playing out. You will not find these passive candidates surfing job boards. This is why using a professional search consultant makes perfect sense. They have access to passive candidates, maintain relationships with them and can realistically sell your company and the position to them.

5. The adage “Time is money” still holds true.

Jobs that go unfilled carry a price tag in terms of lost revenue. Doing the math doesn't need to be a complicated exercise: if you don't fill a comptroller position for four months, you may instead be paying your public accounting firm six times as much to handle the duties of the job in the interim. There may also be incalculable costs in terms of opportunities lost when a job goes unfilled. Finally, time-to-fill is also important to the morale of a team missing a player, particularly if you are repeatedly asking people to work harder or longer hours while you try to fill the position.

While there are certainly more arguments in favor of using a professional search firm we believe these five alone make a pretty good case. You be the judge – let us know what you think!

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49%

of organizations said they will spend more on hiring in the coming year, versus just 16% who said the same in '09, according to Aberdeen's 2010 Talent Acquisition research.