



Searching for a Search Firm? Advice on How to Choose Wisely By Laura Gassner Otting

The recruitment and retention, and perhaps the retiring or firing, of a chief executive ranks among any board's singular most important duties. It goes to follow that if choosing the right chief executive is a top responsibility, then engaging the right search firm (when needed) becomes the first step towards success. However, many boards become stymied in their approach to the "search for the search firm" and, as a result, stumble at this crucial starting block.

Any good headhunter will tell you that you have to ask the right questions to get information that can help you make better decisions. Yet, these too many poor choices made by too many search committees are often guided by, regrettably, too many poor questions. On paper, and in the planning process, they seem like the right questions, the ones we have all heard before, but they fail to get to the root of the information that is so vital.

It is not unusual in a "shoot-out," those all-day affairs where search committees interview firm after firm after firm, to have each committee member ask the same question of each firm. It is also not unusual for each firm to give strikingly similar answers: "yes, we find top tier talent; yes, we charge an industry-standard fee of one-third of the hire's first year's cash compensation; yes, we guarantee our work." So, how is a committee to decide?

Our approach is different. At NPAG, we like to go first, taking advantage of opportunities to help search committee's members ask better questions throughout the day, even if making sure committees are asking the right questions means that sometimes we are not the firm eventually hired. We know that asking the right questions improves the process for all involved and helps to ensure a good fit and clear expectations on both sides. All search firms are different; asking the right questions are the key to engaging the one that is appropriate for your organization at this moment in your evolution.

Finding the Right Questions Means Thinking Through the Necessary Answers.

Recruiters are notoriously good at asking questions. Rather than thinking through what types of questions to ask, recruiters start by thinking through what types of answers we need to receive in order to make the most informed judgments we can, and in order to guide our clients to do the same. The question is merely formed from the pursuit of that nugget of information we seek. This article, then, approaches the "search for a search firm" similarly, indicating the type of information we think is necessary to help our potential clients find those nuggets most informative to their process.

Information Sought: Ability to Quickly Identify Interested, Qualified, Top-Tier Candidates.

Surface Questions: "Which searches have you done that are exactly like ours? How many searches have you done within the last year with organizations with our mission, for individuals with this functional expertise, and in our geographic location?"



This question aims to find out if the search firm knows your industry, if they understand and have access to the opinion makers, mavens, and moguls of the particular sector, and if they can give you a handful of candidates immediately for your search. Consider a search firm who just did a search for an organization like yours, for a similar position, just down the street. Is that organization trying to do the same kind of work in the same type of way, and would someone who works well within that culture really fit with yours? Are you sure you want those candidates recycled to your organization while the firm makes the fewest possible phone calls on your behalf? In spirit and intention, the question is wise, in actuality the question can lead a committee down the wrong path.

Your committee may decide that it instead needs to understand how the search firm learns about your organization and your particular place in the universe so that they can identify not just the obvious choices or the perennial bridesmaids, but the stars who will take your organization – not the one down the street – to the next level. Search is not easy and it can be time consuming. Hiring a search firm only on the basis of a deep track record in one area can lead to recycled candidates and assumed knowledge about your organization that will only forestall the deepest fulfillment of your mission.

In order to make a better assessment of a firm's ability to help your organization, make sure that you understand not just the result of their searches and their track-records with similar organizations, but also their process. We suggest you ask how working with the firm will prove to be an investment from which your organization will reap rewards long-term. Ask how, in addition to the top-tier hire you expect, your organization will be stronger after the engagement ends than before it began. Ask what you will learn along the way, and ask if they will share enough about the art and science of search that you will be able to take that knowledge and apply it to other important hires you'll make in the future without the assistance of a firm.

In the end, any good search is a deeply invasive process; the firm will learn about you in ways you never imagined and take away with them information that can make a difference between surviving and thriving. What is your reputation in the field? Who is funding your competition? Which employees are hungrier than others; which employees demand more investment? What are your board members really thinking? And, let's not forget about those hundreds of individuals that the search firm identifies as targets for nominations and applications. Is your search firm going to share all of this with you throughout and after the process? They should; after all, you are paying for it.

Information Sought: Shared Interest Level in the Importance of this Search.

Surface Questions: "How many searches does your firm conduct at any given time? Who will lead this search? How many searches will our particular search consultant have in their portfolio while they lead our search?"



We are all familiar with the bait-and-switch in sales; you meet with and are impressed with the principals, you sign a hefty contract, and someone much more junior shows up on day one. You feel cheated, and you should. It is dishonest, especially if you didn't ask who would be doing the work. However, asking that question is only the first step; it is fair for your organization to require a meeting with the particular team who will be assigned to your search before hiring the firm. The job of the principals of any firm is to sell the work; meet with the people who will not just be selling the work, but also doing the work; it may be the principals, but it may not.

When you meet with the team, of course ask them how many searches they handle at any time, but more importantly, ask them how they construct their portfolio. Six searches all at different stages as the process, where each has a team of three recruiters assigned to it is a lot less of a work load than one sole proprietor handling three all starting up at the same time.

Even more important for your decision making, learn how the search firm will ensure that your search is as important to them as any other search on their plate. Consulting fees are based on compensation, and future business comes easiest from clients with the biggest networks; if you can neither afford a high salary nor have a big platform, how can you be sure that the firm will pay enough attention to your search to reflect the huge investment that this is for you?

We suggest that you ask the firm not about their biggest and most flush clients, but their smallest, their most scrappy, and those who were using a firm for the first time. Listen to how they describe them – is it a labor of love, it is core to their mission, or were they doing the client a favor? This will give you insight into the core drivers of this firm and whether they are aligned with those of your organization.

Information Sought: Wisdom to Help Make Decisions about Candidates.

Surface Questions: “What is your background in this issue area? Do you give your clients guidance and direction about which candidates to hire?”

A common mistake made by mission-driven organizations and search firms alike is to hire search principals who are steeped in subject matter expertise. Thirty years of experience as a medical school dean or as a social service executive director do not, unfortunately, teach someone how to be an expert in medical school deanship searches or social service executive directorship searches. They do, however, enable that consultant to be subject matter expert on what they would do were they in the position. It also gives them a deep, if aging, rolodex. In short, it makes them an ideal search committee member.

However, if you seek someone not to *join* your search committee but to *lead* it, ask your search firm not only about their subject matter expertise, but also about how they would assess the needs of your particular organization through the sector-wide lens of



organizational growth and talent recruitment. While many at NPAG have significant sector-specific expertise, we know that such expertise acts only as a platform upon which rests a deeper knowledge of and experience managing the situations that arise in talent recruitment and organizational development. We suggest you seek a firm with a lens broad enough to help you to make decisions based on wisdom from years of leading a process that will *find* you the right talent, rather than upon knowledge gleaned from formerly *being* the talent itself.

Information Sought: Comfort Level with the Certainty of Success.

Surface Questions: “How often would you say your searches do not end in a successful hire? Will you guarantee the hire? How many times have you had to redo a search?”

Organizations large and small need to know that their investment was worthwhile. This means that the search must result in a stellar hire who moves the organization to great heights over a period of many years to come. Searches can be expensive, but not nearly as expensive as bad hires; the cost of the search pales in comparison to the loss of key funders, the disengagement of board members, and the resignations of valued employees. It is incumbent upon search firms to take this work seriously and to get it right.

Asking about success rates and guarantees is an indication of many things. It might tell you on the surface about success, but could also be an indication of how often a search firm places a safe candidate, the one that will neither make waves nor help the organization soar to great heights. It might also tell you about a search firm’s unwillingness to take on clients who are in crisis or who foresee difficult times ahead.

Guarantees are important, but all too often search committees use them as a crutch, sometimes even abdicating their own responsibility to ensure a hire’s success, knowing that if things go wrong the search firm is on the hook. Rather than asking for a blanket guarantee, we suggest you ask if a firm is willing to stand behind its work. Ask about times they have helped clients through risky, but rewarding, hires. Finally, ask them about clients they have turned away and why.

Better questions get to the process: not “How often do your searches fail?” but “What do you do to make sure that the searches don’t fail in the first place?” Ask your search firm how they will partner with you in the process so that neither of you holds the bag alone in the end, but together you come to decisions based on a deeper understanding of your needs and your culture, your opportunities and your challenges, your past and your future. Finally, make sure you ask not just whether the search had to be re-done before the first year was up, but about the average tenure, especially in searches with heavy development responsibilities where turnover tends to be more frequent.



Information Sought: The Search as Reflection on the Organization Itself.

Surface Questions: “How will it look to our peers if we hire the (big, small, fancy, scrappy, etc.) firm? How will you as a firm represent us externally?”

A search is an opportunity to tell the world your story, possibly your new story. If done right, your funders, your friends, your staff, your board members, and yes, your competition, will see this position description. It should sing from the hilltops about where you have been and where you are going, and the type of person who will get you there; especially if your chief executive has been on staff for a long time or if the transition is a rocky one, this document is the first piece of armament in the battle you are waging for the hearts and minds of your various constituents. Your search firm will send it out far and wide, and then follow this first airdrop with targeted calls on your behalf. They will represent you and your future, and therefore, they’d better know how.

Rather than asking the search firm how they will *represent you*, ask them how they will *learn about you*. The depth to which they seek at the outset to understand your organization and its people will be indicative of the thoughtfulness they will employ when describing you to potential candidates and other nominators, those important opinion makers, maven, and moguls mentioned earlier. The search firm you hire will, indeed, be a reflection of your organization and your approach to this transition; make sure their approach models yours.

Likewise, you should seek to understand how the search firm will handle internal candidates, board members, or other known individuals who may or may not be real candidates in the eyes of the search committee, and how they will handle other candidates who simply do not make the cut. We are proud that many “bridesmaids” who have landed in other, more appropriate positions were so happy with the way we represented the client and the search process – honesty and integrity aren’t difficult, but it does take a little extra effort – that they subsequently hired us to lead searches for their new organization or have become partners or board members to the client where they didn’t, in the end, make the cut. If the firm you are interviewing can’t say the same, you should consider the impression of you that they leave in their wake.

Information Sought: Successful Placement of Candidates of Diverse Backgrounds.

Surface Question: “How many diverse candidates have you placed?”

Many firms will put forth impressive statistics about numbers of diverse candidates placed over a certain period of time. Most of them define this simply as color of skin. None of them tell you whether those candidates have been successful, or how they worked with the client to ensure that they were. Doing so often means have more difficult conversations that go beyond that simple definition. If diversity matters to you, go deeper on this line of questioning.



Ask how the search firm helps you define diversity in your organization; it might simply mean racial background but likely it means more, whether it is life experience or something else. We tend to start with the question of “Why do you want diversity?” as a way of helping the client define what that diversity – that thing that is different from what they currently have on staff – means for them. Once defined, we as their recruiters are empowered to speak from an authentic place to diverse nominators about why they should encourage their diverse stars to apply, knowing that this organization is not just checking off boxes but is serious about inclusive hiring and retention practices.

Information Sought: Simply Put, Cost.

Surface Questions: “What do you charge? How much are expenses? What is the overhead fee? Can we get a discount because we are a nonprofit?”

Traditional firms charge somewhere in the neighborhood of one-third of the hire’s first year’s cash compensation. This is somewhat industry standard, along with a certain charge piled on top for overhead and a pick-up charge, usually 20-25% of first year’s compensation for any additional hires made from that pool within a certain amount of time. We at the Nonprofit Professionals Advisory Group found this arbitrary, and have crafted an approach to search reflective of our passionate beliefs. You should ask the firms you are interviewing about their beliefs.

Don’t just be satisfied by understanding *what* the search firms fees are, seek to understand *why* the search firms fees are that way. Firms that work mostly in the corporate sector may be able to give discounts to mission-driven clients; you may not feel they have adequate background to do this work and that even at a discount it isn’t worth it. Firms that only work with mission-driven clients, however, come to this work out of a love of the sector, a professional background in it, an affinity for the missions of their clients and ought to have a theory behind the way they have structured their fees other than just “industry standard.” The nonprofit sector is a place of innovation, and you should demand an innovative fee structure.