

AT THE Pinnacle

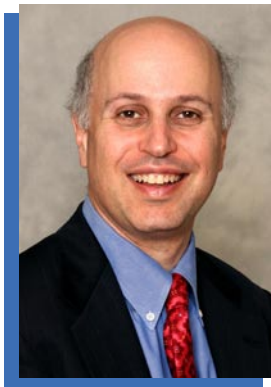
Fall 2006

The Pinnacle Society / Recognizing Excellence in Recruiting

From The President

Recruiting: Make It Worth the Pain!

My morning routine gets me up at 5:30 during the week, and I'm riding my exercise bike by 5:45. In the relative comfort of my recumbent bike, I sweat up hills and speed along some straightaways, all with



Danny Sarch

clicker in hand. The ride goes quickly when either SportsCenter or Grey's Anatomy (on Tivo, of course) are cued up in their big screen splendor. The sweat is real, but the hills are not.

Then I got a call from a good friend in the neighborhood. He invited me to go on a bike ride with him and a few other local guys who were in training for a Bikeathon.

"Where do you guys go?," I asked.

"All over. Into Greenwich, maybe up to the airport and then back down to Rye Brook."

"You mean...gulp...on real roads."

"That's right, Sarch, no SportsCenter, real roads, real hills, real potholes, real bikes."

I knew what he meant. I owned a real bike, of course, though it was primarily used to ride along with my daughters, who are still too young to give Dad a good workout. But I understood what he meant as a theory and had in fact never gone very far from my house.

So, on a beautiful Sunday morning in August, temperatures in the low 80's, hardly any

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Prep School

I was in Borders the other night (the middle-age version of strip clubs; I've taken to rolling up dollars, arching my eyebrows, and handing them over to the waitress when she brings me my latte), and when cruising through the employment aisle, in alternate hopes of either finding morning meeting material or a new job, I counted 23 books on how to interview. Every one of these books included a chapter or two on preparing for the interview. How to dress, what to say, what not to say, how to use the web to find info to make yourself seem more enlightened, and how to close to get yourself a second interview. And yet every recruiter on the planet gets a send out and then "preps" his candidate, and tells him/her how to dress, what to say, what not to say, how to use the web to find info to make them seem more enlightened, and how to close to get a second interview.

Danny Cahill
Tony Byrne Chair



Nowhere could I find a book telling hiring authorities how to interview.

At my last recruiter retreat, not one of the folks in the packed room ever preps a client.

They know they are supposed to. They just don't. When I ask why, they tell me that the client is a big shot, he knows what he's looking for, he already has a style, he's not going to listen to me.

Wrong, wrong, wrong, and lest you're not catching my drift, wrong. Once a candidate decides they are in the job market, they get themselves educated as to how to interview. Looking for a job becomes their new job, and they are obsessed with preparation. Many of them mastered the performance art of interviewing years ago and need very little prep. But your clients wing it. They interview intermittently and for different positions. They interview chronologically and have no strategy. They muddle through, make the hire, and forget about it until it comes up again. They get very little formal training.

Here's my radical notion. The industry has become one of no client prep and heavy emphasis on candidate debrief. But this has always seemed wrong to me. Do the client prep correctly and you determine the candidate debrief. I try to put the emphasis on client prep, and worry less about candidate debrief.

Some simple examples, given the constraints of the this article:

- 1) Ask the client if they have a strategy for the interview. What are they trying to measure at this meeting? (Suggest the areas you know your candidate to be strong in.) Do they understand the current market realities regarding the dearth of talent and the choices our candidates have?
- 2) Recommend the client use the "behavioral" style. (Suggest they forget the

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THE
Pinnacle
SOCIETY

Fall 2006

President

DANIEL SARCH
Leitner Sarch Consultants, Ltd.
(914) 682-4000 x 11

Vice President/Membership

SUZANNE FAIRLIE, CPC
(215) 659-9005

Secretary

KATHLEEN KURKE
Starbridge Group, Inc.
(703) 691-3900 x 202

Treasurer

JIM ASHWORTH
Marshall Career Services, Inc.
(817) 737-2645

Technology

DAVE STAATS, CPC, CSP
SearchPartner
(615) 312-8210

Newsletter

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Advanced Medical Resources
(800) 393-2674 x 227

Hospitality Chair

GAIL KAPLAN
Kaplan & Jass
(617) 422-5678 x 224

PR Chair

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Joseph Michaels, Inc.
(415) 732-6142

Charity and CPC CEU Chair

PARI BAGHERI, CPC
Technical Staff Recruiters
(713) 972-1404

Our Purpose

The Pinnacle Society was established to honor high volume producers in the Personnel Contingency and Retainer Placement employment services industries. It provides an educational forum through which members share information and ideas.

Attaining The Pinnacle

Nadia Gruzd

Nadia Gruzd had just finished her first three months as an elementary school teacher in Johannesburg, South Africa, when she decided that teaching the three "Rs" was not for her. By the time she interviewed at a fourth employment agency, she had a wonderful answer to the standard first interview question: "So what do you want to be doing?" She replied: "What *you're* doing."

"I was fortunate enough to begin my career in recruiting at Emmanuels Personnel, an office support recruiting firm run by a wonderful woman, Litsa Roussos, who would travel overseas annually to recruiting conferences and bring back a world of knowledge which she shared with her recruiters." Nadia herself eventually became a trainer at the company.

When political uncertainty in South Africa stimulated Nadia's emigration to Canada, in 1992, she brought glowing references from Litsa to folks who had just opened up a healthcare recruiting firm in Vancouver. There were only two other rookie recruiters in the office when she arrived. "They had nothing, no database, not one job order in place." Not surprisingly, for one whom we know eventually became a Pinnacle Society member, the owners made Nadia a manager after two months. When she left, two years later, she'd hired and trained 22 recruiters. Then two events combined to change her

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Nadia Gruzd, CPC, CIPC

Unlimited Nurse Search, Inc.
12520 High Bluff Drive, Suite 250
San Diego, California 92130
858-350-3997
858-350-3995 fax
ngruzd@unlimitednursesearch.com



Jim Crigler

Jim Crigler, the eldest of ten children, says he was "a scrappy but responsible kid" growing up. "You had to be scrappy just to get noticed in such a big family, yet I was always the one taking care of my younger siblings. You can't imagine how many diapers I've changed in my life." Drafted into the U.S. Army in 1970, "military-instilled discipline really got me pointed in the right direction. Through a series of lucky circumstances, I ended up in warrant officer flight school." He went on to serve four years in the US Army as a helicopter pilot, including 13 months in Vietnam. "I met a lot of great people and learned how to handle combat level stresses, but when I returned from the war, I made the decision that the military was not the career for me."

"I'd always wanted to be in big business," Jim reminisces, so when he left the service he spent three years getting an undergraduate degree in Business (BSBA), magna cum laude, and went immediately to graduate school for an MBA, but left just six hours short of that next degree. "I had a young son. I really needed to get out in the world and make some money." Which he did, in telecommunications, then in its infancy.

Jim began in telecom sales — where he was number one producer in his first job — and worked his way up to VP of sales in less than seven years, eventually running a \$140 million business unit in Chicago. "I loved it. It was the heyday of telecom, with rapid expansion, and great people. In my 14-year career I

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Jim Crigler, CSM

Management Recruiters of Winona
1600 W. Gilmore Avenue, Suite 100
Winona, Minnesota 55987
507-452-2700
507-452-2722 fax
jimc@telecomcareer.com

An Industry Under Pressure

Kevin San Juan

We all need it. We all want it. We all have it. At the same time, it's a very serious problem for all of us — as individuals, as employers, and for me as a recruiter because it's depressing my clients' willingness, and ability, to use my services. What is it? Healthcare insurance.

The price we pay for it is outrageous, even as the level of care is going down. Health care workers have been stretched into a very thin line. There are shortages of professionals in almost every health care discipline. When some Hospitals and private doctor groups lose people and can't replace them, or won't replace them, or take too long to replace them, the existing staff is really stressed. (This is not a good retention plan.) As insurance companies and government agencies (Medicare/Medicaid) dictate reimbursements — constantly changing, usually for the worse — hospitals and physicians are seeing more patients and earning less. In addition, the great number of uninsured individuals being treated every day is taking significant profit away from hospitals.

The result is not only that we pay higher premiums, but hospitals and other medical delivery organizations don't have enough discretionary funds in their budgets to pay fees or buy new equipment. I know, because my business for the last 19 years has been finding and placing medical technology professionals. It's getting to be a much tougher job. And the prospects don't look good. Schools aren't graduating enough skilled people in most fields. Generation "Z" (if that's what followed generations "X" and "Y") is simply not going into science, and job stress is driving out many already in the field. Not only do doctors and other medical caregivers receive less while working more, their quality of life in the workplace has palpably diminished. Night nurses ordinarily responsible for 30 patients are now overwhelmed by the need to care for up to 60. (This situation is hardly fair to the patient, of course, but I'll leave that to your imagination.) When an industry's ability to earn revenue is dictated by reimbursement regulations, and fees are capped, the entire sector is strained.

The Effect on Recruiting

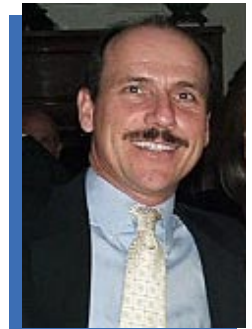
The acute need for health care professionals, even more pressing with an aging population, means that recruiters who never gave a thought to healthcare, who know nothing about it, are jumping into the business, driving fees down, letting themselves be negotiated down, giving it away. Sure, I can separate myself from this herd, and do, because I have almost two decades' experience. I know my niche inside and out. I have a great network. I hear the industry buzz as it happens. I have my database and my long-term clients. I'm also a Pinnacle Society member, which says something about my personal abilities in any circumstances. Nor will I 'burn' clients, as many new to recruiting are apt to do. Moreover, while these newcomers are still putting their ads out, I'm sending candidates out. Hospitals,

you see, desperate for quick results, will work with whomever has the ready candidate. And that's me. The cycle time is low, and I can knock these placements down in rapid succession. Wages and fees are up in the last 18 months and I'm making the most of it. And I'm holding fast. I walk away from fees below 25 percent

Nonetheless, the crisis in health-care has the potential to affect my business. I'd like to work on retainer, in order not to waste time, but larger health care organizations aren't paying up front today, unless they're looking to fill positions of director or above. While privately owned imaging, software, and equipment businesses are willing to give up retained work, physicians, who are an important part of my market, won't pay before fulfillment. That's because doctors don't run their practices as true businesses. They're sole proprietors, or partners, and I've had to adjust to their ways. Organizations run by doctors top off at \$80 million and the average is \$7-15 million. Most will, of course, pay fees, because they need the talent, but typically only as a last resort, and they hate to do it, even when you find them a person they love. They think of fees as their personal money, and that it's discretionary. That's why many never stop searching for employees on their own, usually through ads. Hospitals also run ads, but because their need is so great, they have budgets for recruiters, even if those budgets are being strained by the uninsured. Nursing homes can't afford me except at the director level.

The shortage of healthcare professionals means I work harder to bring client and candidate together. Some professions in certain parts of the country are so scarce that we won't even consider taking on the search. The candidate is in a powerful position and can be very fussy about where he or she will go and how much money they want (heard this before?). Nonetheless, I'm able to separate myself from the rest by sending out studs and studdettes, the best of the best, high quality for high fees. We have one or two send-outs to each job and we'll get the offer 85% of the time.

The changing face of medical insurance reimbursements to providers is huge, and it's going to impact all of us and our businesses. If hospitals and doctors are seeing the same number of patients and earning less, it will have an effect on the supply chain and all the vendors in that chain. They will have less purchasing power, thus putting pressure on pricing. A solution, although not the "A" solution, is to see more patients, negatively affecting both employees and patients. The reduction in reimbursements for radiological, MRI and other high-tech examinations means imaging companies are going to take a



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Recruiting: Make It Worth The Pain! *Continued from page 1*

wind, I took off. Tires pumped, water in tow, garbed in helmet and sunglasses, I took off on my adventure, out of my comfort zone.

I met my four other riding companions at the house of the "leader," Jeff. Jeff's daughter has a condition called FD, and we all were riding in support of him and his family. Jeff eyed my 15-year-old bike suspiciously. Let's face it, nobody has ever confused my physique with Lance Armstrong's.

"Danny, what kind of shape are you in? Have you been riding at all?"

Well, I ride every day, in my basement, before heading off to work."

But I've only been making the calls in the comfort of the "recumbent bike" of my office and not venturing out onto the bigger hills in the rest of the world outside. How much am I missing in my own personal growth because I've stopped pushing myself outside of my professional comfort zone?

I watched them all exchange glances. At least one other rider had a bike that was ten years older than mine. But I was the newbie. And they weren't sure whether the newbie could cut it.

Jeff had a 20-mile course planned for us, to the other side of Rye Brook, near the high school, then into Greenwich and up to Westchester County Airport, and then a final nice downhill ending back at Jeff's house. The common denominator was hills. Lots of hills. Such is the beauty and the peril of biking through Westchester.

The first hill came pretty quickly and my recumbent bike training was immediately put to the test. To my pleasure and surprise, I was stronger than three of my four companions and handled it well. Once the pedals started moving, competitive instinct took over and I wanted to get to the top first.

And it was a great ride. We rode next to some of the nicest homes in famous Greenwich, CT (Russo country!). I tried to swerve a bit into the driveways to see if I could set off any alarms from the closed circuit cameras and gated entrances. The rewards of getting to the top of the real hills were especially gratifying. First, the training that I had done actually meant something in the real world. Second, I took a bit of a chance by putting myself out there a bit in front of relative strangers and was rewarded by that great feeling that only comes when we

take a bit of a personal risk and come through stronger on the other side.

Yet, while racing first among my group up one of the intense hills, I turned to see a Lance Armstrong clone yell: "I'm on your left!" as he went zooming past me. Though out of my comfort zone, I saw very clearly how much further I had to go, how much more fit I could still get, and how fast I would never go, no matter how hard I trained.

Back home with a smile, a cool drink and a ripe nectarine, I couldn't help feeling how I wish I had the same feeling every day at work. How much of my day-to-day routine had become rote? My practice was reaching new heights and my personal billings have never been better. But I've only been making the calls in the comfort of the "recumbent bike" of my office and not venturing out onto the bigger hills in the rest of the world outside. How much am I missing in my own personal growth because I've stopped pushing myself outside of my professional comfort zone?

That's my personal goal for the rest of this year and the beginning of next. I will try new things and talk to many, many

How many of us, so entrenched and skilled in a particular niche, never again venture out? It's as if the grooves of the niche become steep mountains in their own right, forever trapping us in the valley of a comfort zone that soon will make us bored and boring.

new people. I will again experience the joy of the new, the agony of the flop, the thrill of reaching the top of the hill and the exasperation as the faster, leaner rider from another firm zooms past me on the hill.

How many of us, so entrenched and skilled in a particular niche, never again venture out? It's as if the grooves of the niche become steep mountains in their own right forever trapping us in the valley of a comfort zone that soon will make us bored and boring. The ennui will lead to cutting corners, and downward into mediocrity.

Sarch 1.0 was the new recruiter fresh out of college. Sarch 2.0 was the scared 27-year-old, all of a sudden in practice on his own. Sarch 3.0 is the Pinnacle member of the last eight years with a practice empowered by a wonderful group of peers and specialized training from Mr. Cahill. Sarch 4.0 is around the next corner, no longer satisfied with the recumbent bike and artificial hills.

I can't wait to get going. ▲

Attaining The Pinnacle



Jeffrey Hindman

Jeffrey Hindman began his college career at Indiana University, transferring to Western Michigan University in 1975 the better to pursue an avid interest in aviation and flight technology. While still an undergraduate, he represented the manufacturer of small, high-performance planes at the Oshkosh Air Show, and it was only natural that his first job out of school was as a corporate pilot, for a large food distribution firm. Unfortunately, when the company failed to buy its leased plane, Jeff was grounded. He responded by telling his boss that he wanted to learn the food distribution business “inside and out.”

Beginning in sales, Jeff worked a territory on straight commission three days a week and gave the boss two days a week, free, in order to see how things worked from the inside. Not surprising for a future Pinnacle member, Jeff was the number one performer by the end of his first year and a half. Well on his way to mastering the outside of the business, Jeff was brought inside full-time. “I really wanted to learn a business rather than get treated badly by restaurant owner customers.” He started out as a 24-year-old assistant manager, in St. Louis. The following year, he became a full manager in Kalamazoo, and three short years later he was back at corporate HQ as VP of national accounts. Subsequently, he became VP of sales and marketing and then regional president, with three distribution centers reporting to him.

At this point, Jeff recalls, “They needed someone to go to California to fix a troubled subsidiary, and I drew the short straw.” This became a turning point, the kind that characterizes the careers of so many independent-minded Pinnacle members. “I had a falling out with the company board chair on the approach we ought to take to repair the subsidiary. It was really a question of philosophy. The chairman owned the stock, so I had to go.”

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Jeffrey Hindman, CPC

The Hindman Group, Inc.
17295 Chesterfield Airport Road
Chesterfield, MO 63005
636-777-7850
800-241-9220 Fax
jhindman@thehindmangroup.com

Prep School *Continued from page 1*

resume and say, “When in your career have you had to go through an IT conversion while growing?” Once you get the questions they’ll ask, inform your candidate.

3) Ask if the client is going to discuss money. (If they say no, and then do anyway, they want your candidate.)

4) Who else will meet your candidate? What is their frame of reference? Influence in the process?

5) Let’s play “gotcha” . . . What questions about the candidate’s background give our client pause or are red flags? How will the client expose them?

6) Where have the others you have been interviewing impressed you? Fallen short?

7) How can we determine the candidate’s technical knowledge? (Inform your candidate.)

8) What idiosyncratic preferences do you tend to have?

9) What’s an AH HA moment for you? Have you ever been blown away and hired on the first interview? Why?

10) Let’s let the candidate close. Don’t invite him or her back. If

they’re not enthusiastic, the hell with them. Do you agree? (And prep the candidate accordingly.)

Recruiters I train are wasting a tremendous opportunity to influence the outcome of send outs by not prepping the people who need it most, your clients. They are not all knowing, and all powerful. My friend and mentor Richie Harris once told me, “A client is a candidate with a job.” If you could take the pulse and measure the cortisol levels in both your clients and candi-

Do the client prep correctly and you determine the candidate debrief. I try to put the emphasis on client prep, and worry less about candidate debrief.

dates when they meet, they are at equally elevated levels. If a candidate comes in and leads the interview and performs well because we uncovered “inside info” that they really need, then we’ve done a service for them. For all the other stuff, they can go to Border’s, where they’ll find me in a dark corner in the self helpless section, on a leather chaise lounge, waving my book marker phallicly, waiting on a lap top dance. ▲

Pinnacle Spring 2006



The Friedmans



Pinnacle Cup winner



Pinnacle couple of the year



**"Pinnacle Wives"
Nancy Ashworth &
Wendy San Juan**



Jackie & Richie



Karen Rousseau, Gwen Hix, Shannon Curry



Doug Coley & Jim Ashworth



Looking Good



Lisa Iannone



"This is fun, isn't it?"



Carl Coco, Craig Lindell, Jim Ashworth



Will it rub off?

San Juan, Puerto Rico



Lina Savage



Life is good



Life is better!



The Konnerths



Saturday morning business meeting



Very sweet



"I swear, Richie told me it was true."



"We're goin' out!"



Teddy & Brian



The Currys



Dave Staats, Tim Flanagan, Tom Keoughan



"Then why don't you just ask Danny?"

Jeffrey Hindman *Continued from page 5*

Looking for a company of his own, Jeff almost acquired one, but the deal fell through. While still seeking a business, he signed on as VP and GM for the food service subsidiary of a large private label field broker of frozen vegetables. A year later — after declining the offers of two companies to become their president — Jeff finally got his own firm, a food distribution company in St. Louis, which he operated quite successfully for four years until he had to sell it — “it was a fire sale” — when “I was suddenly hit by customers with \$850,000 in bad debts.”

The year was 1994. “I was only 41, and, having lost everything, I searched for a new beginning. One day, I was speaking with several recruiters who knew my situation, and they said: ‘You’d be pretty good at this.’ I’d hired recruiters in the past

“Business has been good, even as the workforce continues to shrink, because the retiring baby boomers have to be replaced. Recruiters should be busy in this candidate-focused market.”

to find people for the companies I’d managed, and I knew a little bit about the business, so I looked into the possibilities.” Jeff chose a firm and began its food division. “They trained me well and I became the top producer by a factor of two in the first year. But six months later, I left. I just couldn’t live with the owner’s ethics and way of doing business.”

Jeff now started his own recruiting firm, and having signed a 100-mile radius non-compete with his former employer, he spent the first year commuting 105 miles every day to get to his clients. With newly hired associates, he quickly grew the company, moving the main office to California for family reasons, in 1997, but keeping the original establishment in St. Louis. At its height, Jeff’s company employed nine recruiters placing high-level executive candidates in ingredients, food service manufacturing, food service, distribution, supply chain, and logistics positions. He also had three recruiters in a new IT group.

When the dot-com bubble burst, the IT group disappeared. Moreover, the events of 9/11 seriously depressed the food industry. Jeff lost most of his recruiters through attrition; they moved on to other industries or got out of recruiting entirely. As his markets shrank — “things got really bad in the ‘90s” — Jeff found this a good time to transition from contingent to retained, but unlike many, he didn’t reduce his fees, believing that it

would be difficult to raise them when the economy improved. In any case, business has been good, even as the workforce continues to shrink, because the retiring baby boomers have to be replaced. “Recruiters should be busy,” says Jeff, “in this candidate-focused market.”

In anticipation of a personal move back to St. Louis, Jeff laid off his two remaining employees in 2004. Now, he works solo, with an assistant. “It’s a lot simpler just worrying about yourself. And I can probably make more money working that way. By not spending valuable time training others — most of whom don’t stick — I bill more. And I still have my networks.” Nonetheless, Jeff holds out the possibility that he may someday build up a multi-recruiter firm once again.

As to the Internet: “It’s a great resource and tool for research and marketing, but I don’t believe in job boards. They tend to be crutches. Recruiters waste a lot of time there. The only candidates on boards are the unemployed, and they’re probably unemployed for a reason. A majority of them are likely to be poor performers. That’s why they’re looking for jobs. That’s why their companies let them get away. I want to find high performing, happy people, the kind I’m paid to find. Those

“The Pinnacle Society is the most interesting and stimulating of all for me, personally. The ‘rub off’ from other Pinnacle members is terrific. There are some big hitters there. I feel privileged to be part of Pinnacle.”

who rely on boards are ‘harvesters,’ not recruiters. I rely on the classic recruiting methods: word of mouth and networking. Find the names of people in companies with the positions you need and cold call to get them out. Call people you know in the industry and ask: ‘Who do you know? Who’s qualified?’ Lure them away. It’s a novel technique called ‘recruiting.’ ”

Jeff is co-chair of the placement and recruiting section of the American Staffing Association, immediate past president of the California Staffing Professions Association, and president-elect of the Mid-America Professional Staffing Association. “But the Pinnacle Society is the most interesting and stimulating of all for me, personally. The ‘rub off’ from other Pinnacle members is terrific. There are some big hitters there. I feel privileged to be part of Pinnacle.” ▲

Jim Crigler *Continued from page 2*

opened up more than 80 sales offices in 50 markets and trained over 3,000 sales people. It was a fun, wild ride."

But something was missing. "Sure, as I climbed the corporate ladder, the money was awesome and the stock options were terrific. But the 70–80 hour workweeks were brutal. You hardly had time to see your family. And I had zero time for hobbies or community. There was no balance in my life. I found that my life was designed around a job." So, at age 44 — in 1994 — Jim took a year-long sabbatical "to get to know my family, to give a

"Do I really 'connect' with most of the people I call every day? Am I doing more than simply making a rote presentation? Am I making a contact that will lead to a send-out and placement? Am I having fun in my conversations?"

little bit back to the community and to myself. I wanted to find a business in which I could design my job around my life."

A friend suggested that Jim try recruiting. After all, he'd been a top salesman early on in his career and had hired a great many people since then (without, Jim notes, ever using a recruiter!). Jim dismissed the idea at the time, despite having made the acquaintance of a recruiter whom he had come to respect greatly, and spent six months looking into more than 35 businesses, "from restaurants to car washes to retail to insurance." Whatever his choice would be, it had to allow him to live in a country setting while earning at least \$250,000 annually. When none of the business possibilities engaged his passion, Jim called his recruiter friend: "Do you mind if I come down to Florida to work for you for a week, free?" He welcomed me. I sat down at a desk and made 80 calls a day, just to see if I could do it, go back to being a salesperson. By 5:00 pm on Friday, I had found several good candidates for a sales manager position, subsequently placing one of them." (Jim eventually bought this Florida search firm)

Jim has been with Management Recruiters of Winona (Minnesota) for 11 years now. He says the company provided excellent training. "The learning process is continuous, I learn every day, I've met some truly great people, and there's nothing so invigorating as evaluating and solving a client's problem." Jim manages a team of eight recruiters — "it's like herding cats" —

directly mentoring at least one or two a day. He teaches mainly by example, often having them listen in to his conversations for an hour at a time on the extra phone in his office. "Frequently, something clicks with them." He asks his experienced recruiters to perform this exercise with new hires. "It's a tremendous training tool."

Citing his own experience — which reflects the careers of numerous other Pinnacle members — Jim observes that "you can take the business you love into recruiting." Indeed, this once highly successful telecom industry sales manager became, in his new line of work, regional and national telecom recruiting rookie of the year, and recruiting manager of the year, in a niche he knew a great deal about even before he made those first 80 phone calls in Florida. (Jim's recruiting is not confined to telecom, by the way. He also places sales and marketing managers, directors, and VPs in other high tech industries.)

For Jim, as for many, there has been a shortage of candidates in 2006, but "this means that it's easier to justify higher fees. And despite the scarcity of candidates, my business is up 30 to 40% and our fees are up 30% from two years ago." Jim acknowledges that there are problems in his marketplace, including more counter offers and candidates being wooed by their own employers. But he believes the shortage makes the search business the right one to be in. "It looks so good for the next couple of years that I've changed my retirement plans."

Jim thinks the questions a recruiter should ask regularly are: "Do I really 'connect' with most of the people I call every day? Am I doing more than simply making a rote presentation? Am I making a contact that will lead to a send-out and placement? Am I having fun in my conversations?" In order to answer these questions affirmatively, he says, "you have to analyze your performance each and every day. You've got to go beyond the numbers." For example: "I think the manner in which you leave voice mail is important. You've got to develop and test approaches that raise the percentage of return calls that lead to presentations.

Jim has fulfilled one of his lifelong dreams: he lives on a 200-acre, "very private" ranch where he raises Scottish Highland cattle, keeps bees, and has hobbies to his heart's content. He also makes a "very decent" living. His office is four miles away from his ranch (counting his one mile driveway). He's fit the job into his life. He's taking the time to get back to his family, "which is the reason most of us work," and he's involved in the Winona community.

And Pinnacle? "It's an absolutely wonderful group of people, learners and professionals willing to openly discuss problems and issues in order to improve. Who better to hang out with." ▲

Tales from the Pinnacle Files

“Employer Inns”

Tim Flanagan

In case you are not familiar with “Employer Inns,” I’ll give you the run down. One of the most effective ways of filling a local job for me has been to schedule multiple interviews between candidates and clients at our offices. The interviews are usually limited to an hour. The clients like it because they can compress several weeks’ worth of interviews into an afternoon. They can compare the candidates while each is still fresh in their minds and make instant decisions about whom to pursue, and schedule seconds right there and then. The Employer Inn system also eliminates wasting time at the client’s facility on someone he really doesn’t like but feels obligated to put through the process. The candidates like the system because they don’t have to take a half-day off to interview for a position they may not really want to pursue. (Because I work a very narrow client market, candidates at an Employer Inn sometimes recognize one another, which can be socially awkward, but careful scheduling usually avoids this.)

I especially like Employer Inns because I’m in control of the process. I can debrief candidates and clients in person. I can also bond a bit with clients, since we spend that time together and usually share a meal. Employer Inns usually work smoothly, but not always. Here are my uncensored notes made following an unforgettable day.

Today’s Employer Inn client has two positions open and I want to interview three candidates, each for 45 minutes. It took most of yesterday, but I was able to schedule everything. Now, all of a sudden, logistics become at best haphazard when receptionist Missy calls in sick. Her role is to keep candidates happily waiting and occupied in the outer office before sending them in to the conference room, where the client is conducting the interviews. When the first interview is concluded, the candidate exits a side door and enters my office, for debriefing. As he arrives in my office, I signal Missy to send the next candidate into the conference room. When I’m done the debriefing, the candidate exits our offices without returning to the conference room, where the next candidate is still being interviewed. We repeat this process every hour or so. But today, no Missy, and I’ve got to do it all.

After sending email to everyone who works here saying that I’d be hosting, and where I’d be hosting, and with the conference room clearly set up for interviews — sets of note pads, pens, schedules and resumes neatly arranged — I find that my colleague Steven is using the room 10 minutes before my first interview. I wait five minutes, ask him to leave, and then clean up the table and chairs and rearrange my materials. As I finish, I get a call from my 3 PM saying something has come up and he can’t make it. Suddenly, I’ve got 45 minutes of dead space to fill. So, I get hold of one of my backup candidates who agrees to take the 3 PM slot. That means I don’t have to do the ‘old soft shoe’ to entertain my clients for 45 minutes waiting for the next scheduled candidate to turn up. I print the new resume I need, alter the schedule, and put everything back together just as the client (a team of two, actually) arrives.

But that’s not the end of the story. When the client asks for a few minutes alone before receiving the next candidate, I start debriefing the first candidate. The client decides he doesn’t really need a few minutes, wanders out to the reception area, starts chatting with the next candidate, and actually takes him back to the conference room and begins to interview him! Meanwhile, having sent the candidate I was debriefing home, I’m looking everywhere for the missing next candidate. (Think of those old-time Keystone Cops movies.) I locate him, of all places, in the conference room, being interviewed. Fine. The interview finishes, I debrief the candidate, and we carry on. The day works out OK, but now I know why no one else does these darn things! ▲



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Successful Conversion

Ted Konnerth

At the Spring meeting, I presented my plan to convert to 100% retained. In less than five 'effective' months (some transition time from weaning away from contingent), I have booked a contract value of retained business that is around \$425,000. I have experienced one shoot-out, and lost. So all of the to-date retained business has been solely due to asking for retained, period. Fee pressures have been virtually nil; receivable challenges have been minimal. I've TopGraded my staff, fired two mediocre performers, and hired three producers.

Through July, my billings are up 81%.

So far . . . life is good. ▲



Lunch Break

Ed Bradstreet

Prior to representing candidates to our clients, our firm conducts a thorough interview in person. A candidate for a product development engineering role offered to come to our office at lunch time to interview. Fifteen minutes into the interview, the applicant pulls out a liver-wurst and onion sandwich and starts eating while answering questions. Why did he do it? He was hungry. ▲



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15–20 percent hit on reimbursements in 2007. They were able to put off the reimbursement change date from January 2007 until later in the year, but by then, for example, one imaging group I know is going to take a \$2–4 million hit. Imagine that: same number of staff, overhead is higher, same number of patients, or more, but they earn \$4 million less. Where do they cut? Not the doctor's salary. Perhaps it's the recruitment budget. Other firms I know, like a radiology group run by a friend of mine, will consolidate offices, hire staff from groups going out of business or shrinking, and cut the recruiting budget. There will be a great many candidates out there on the street. (This is what happened to physical therapy in the 1990s when reimbursements went through the floor. Employers cut salaries to conform to the lower reimbursements. Now there's a PT shortage because people stopped going into the field!)

Despite the somber healthcare forecast, when the new reimbursement regime goes online, I'll have an even stronger alliance with my clients. Yes, they'll be picky, and only come to me when they're forced to. But they know I have the talent. (The day when, as a rookie, I sent out a bad candidate to a doctor was the day I swore never to send out less than high quality candidates.) And I'll tell them I'll do it on a retained or exclusive basis to save them the time it would take — which they don't really have — to search on their own.

Refocusing

But seeing the handwriting on the wall, I'm pointing my company in a new direction. I'm refocusing, going after a different

segment of the healthcare industry, and larger fees, to avoid getting sucked down the big drain of reimbursement. I'm looking to see what ideas my Pinnacle colleagues may have about doing business with larger companies that have discretionary money to burn on recruitment. Perhaps in IT, accounting, or biotech. Sure, I know healthcare best. It's where I've been successful. And if I walk away I'm going to take a big revenue hit, which I don't like at all. Moreover, if I make the wrong choices, it will be worse. (Of course I won't stop cold turkey. I'll segue, picking up revenue in the new area as I lose it in the old one — theoretically). Danny Cahill made a big shift once, took a hard hit, and rose to the top. I'm no Danny Cahill, but his inspiration makes me think I can make it.

My refocusing, by the way, isn't entirely theoretical and speculative. Ten months ago, in starting a firm supplying medical temps that includes a host of titles and specialties, I began to take advantage of a paradigm shift in medical care employment: many nurses and technologists don't want to work 50 hours a week, or even 40. They work when they want to work, and still get high wages because of their scarcity. Even physicians and executives are choosing to work on time-limited contracts. I see all this as a fabulous revenue growth track thanks to my 19 years of building a reputation and the luxury of being able to rely on the same database and network.

Finally, let me say that it's not all doom and gloom for those of us who have to carry health insurance for our employees. My company's premiums went up only 4.6% this year, a very modest increase compared to 28% last year. Life is Good. ▲

Nadia Gruzd *Continued from page 2*

life. "I got pregnant." That was welcome. But, "they started playing with my commission." A dangerous thing to do with a talent who expects to be appreciated financially for superior work. "So I decided to go out on my own." That was 1995.

Her new firm, Worldwide Staffing, specialized in placing healthcare professionals throughout North America. "I became an immigration expert, since I was dealing not only with Canadians, but even more with candidates from all over the developed world looking for opportunities." Nadia herself eventually became an immigrant to the U.S., "something I very much wanted to do because it's easier to do business here, the tax situation is better, and most of my business was with U.S. companies." She opened a branch in San Diego — which soon sponsored her Green Card! — and it became a division of the Canadian firm.

Nadia sold both of these very successful companies in 2000, staying on and essentially running them for the new owner. But the new boss made changes in business practices that didn't work. So Nadia negotiated her way out of her non-compete, and, in the wake of 9/11, started her present recruiting enterprise, Unlimited Nurse Search, Inc. The following year, 2002, a year of decline for so many, and working solo out of her

home, Nadia had her best year ever. She moved to an office in 2003 and now manages ten recruiters, with more being added nationwide.

Thriving on the placement of healthcare professionals from around the world in order to satisfy dire U.S. healthcare needs, Nadia has developed partnerships with hospitals that allow her to provide volume placements, for example, 50 nurses at a time, very quickly. Nadia is well positioned to take advantage of many hospitals' growing preference for hiring full-time nurses as opposed to more expensive temporary ones. "They call us. It's a great position to be in."

All job orders are shared among her recruiters, but unlike most search firms, Unlimited Nurse Search focuses on placing the candidate rather than on filling the position. They cater to the candidate, Nadia says, because they must do so in a job rich environment. While formal mentoring is a regular Friday custom at Nadia's firm, "I am also always available for hands-on training to deal with each individual situation." She adds that her upcoming first-time presentation at NAPS this year is a chance to "share and give back to this wonderful industry in which the sky is the limit for those who apply themselves." ▲

Our Purpose

The Pinnacle Society was established to honor high volume producers in the Personnel Contingency and Retainer Placement employment services industries. It provides an educational forum through which members share information and ideas.