

Time To Shine

5 Tips for Business Development
During the Economic Recovery





EXECUTIVE SUMMARY

With the economy improving, recruiters who focus on business development have a unique opportunity to take full advantage of the first stages of a rebounding hiring market. Experienced recruiters know that the greatest opportunity to expand market share comes in the two years at the beginning of a recovery.

Previous Sendouts research shows that most recruiters believe that 2010 will be a better year for business. Our recent survey of recruiters in the United States shows that 72 percent said they expect to have more job orders in 2010 than last year, and nearly 31 percent expect their placement fees to increase as much as 10 percent over 2009. (A detailed look at the survey's results is available now in the new Sendouts research report, "2010 Recruitment Outlook: Sunshine After the Storm.")

“RECRUITERS ARE BEGINNING TO PROACTIVELY DEVELOP THEIR BOOK OF BUSINESS AGAIN, BUT THE RULES HAVE CHANGED DURING THE RECESSION”

Whether hiring in your industry niche is still slow or has already picked up, it is important to remember that this is not a time to be timid. Past recoveries show us that now is the time for staffing and recruiting firms to forge new customer relationships and increase market share against competitors. “Recruiters are beginning to proactively develop their book of business again, but the rules have changed during the recession,” says Jonathan Herrick, Vice President of Sales and Marketing for Sendouts and a 15-year veteran of the recruiting industry. “Recruiters must remember that success in business development still comes back to a few basic principles, even if the application of those principles needs to adjust.”

Traditionally, the recruitment industry has not been proactive in filling the new-business pipeline. Recruiters and their firms, having withstood the worst of the recession, need to be prepared to implement bold marketing and development initiatives to build their business in 2010. Those who do have a tremendous opportunity to grow rapidly and build market share against competitors. In this paper, Sendouts offers you five tips to help you formulate the best angle of attack to build your book of business this year.





Tip 1: Differentiate yourself

Most recruiting firms struggle to develop a definable difference between themselves and their competition, starting with a definable value proposition – a clear statement of what is unique about you. When you sell a service – as the recruiting industry does – rather than a product, it's imperative that you be able to clearly differentiate yourself from the competition. You should keep in mind what you have to offer that the next firm does not: your unique abilities, your service, your industry knowledge, your style of business, your candidate database and the relationships you have with your candidates.

"You have to be far different from your competitors," Herrick says. "You can't offer just the same services. I think that's where a lot of these recruiting firms have missed the mark."

For example, several clients have had Sendouts develop a customized program for its clients to conduct "blind" searches of the recruiter's candidate database. Herrick says prospects can click "find a candidate," and if they want more information about a candidate, they can click a button to contact the recruiter. "It's like a candidate teaser," Herrick says. "That's a real differentiator."

Some suggestions to set yourself apart from the rest of the pack:

- **Cement existing relationships:** Go back to your strongest clients and leverage those relationships. This is not the same as mining clients for referrals. It is creating deeper relationships with those people. "It's about leveraging your existing relationships, and then drilling 10 miles deeper," Herrick says. "Recruiters should look at more than just the fees that your client pays. You need to understand your client's plans for the future and how you can play a part in fulfilling that vision."
- **Prove your value:** Recruiters need to become their own cheerleaders, returning to customers on an ongoing basis to present in concrete terms their unique value proposition. "When recruiters make a placement, very few of them take the time to justify exactly how they're adding value for the client," Herrick says. "You've done more than fill an open position; you have saved your client money. When you fill a position quickly, you minimize the cost of lost productivity." It is important to communicate that value to clients throughout the process.
- **Don't overlook the intangibles:** Differentiation can flow from several dimensions. Firms may focus on a specific market niche, on something unique about their recruiting process, on the quality of their recruiters or even something special about their culture. One Sendouts client, for example, recently used Twitter to promote a canned-food drive as part of its strategy to differentiate as a firm that "makes a difference in the community."

Prove your value

Knowing how to define your value will help you get your foot in the door and keep it there. If you do it right, when there is a change in decision-makers at the organization, your client won't wonder why they are paying you a \$20,000 fee. They will already understand why you are worth your full fee quote.





Tip 2: Identify your target market and create a plan for reaching it

Use your CRM to stay in touch

A robust CRM for recruiting, such as Sendouts, has the business processes, software and web capabilities to help a savvy recruiter slice and dice the details about clients and prospects in meaningful ways for marketing and sales development. "Even more to the point," Herrick says, "a CRM can help a recruiting organization do what the best marketing agencies and departments do – identify and target their best customers, manage marketing campaigns and generate high-quality sales leads on a consistent basis."

With the recession behind us and the business landscape permanently changed, it is imperative that recruiting firms revisit their target markets. To understand the needs of your clients and offer them sound advice, you have to understand the unique drivers of their industry.

"It sounds basic, but so many recruiters have failed to keep pace with the changes in the markets they want to reach," Herrick says. Recruiting firms can set themselves up for success if they carefully identify their target market and then prospect within the guidelines of that market. For example, if a recruiting firm decides to focus on a single vertical industry, such as energy, it can start building a database of potential prospects and have confidence that its future marketing messages can be carefully targeted to the unique characteristics of that industry. Industry expertise happens quickly in a firm when such an approach is adopted, and that quickly creates a powerful competitive differentiation.

When you are identifying your target market, you should:

- **Understand who your best clients are:** Go back and look at the clients where you made your most placements and focus most of your marketing efforts on these sources. Go back two years, look at the positions you placed, including title, location and salary level, and focus your marketing efforts on companies that need these types of candidates.
- **Stay in touch via email and direct-mail marketing:** After you have used your target market definition to focus your marketing approach, it's important to establish a marketing rhythm that enables frequent communication with your prospects. If you are able to demonstrate industry knowledge and insight into unique challenges of your niche, sales prospects will remember who you are.





Tip 3: Expand existing relationships

The fastest and most reliable way to grow your firm is to expand your business within existing accounts. To take full advantage of the improving economy, recruiters need to assess their existing relationships and directly ask themselves, their staff and their clients how they can best meet the needs of each existing client – regardless of which parts of the recruitment process they are providing now.

For example, Herrick has a Sendouts client who provided temporary staffing solutions and wanted to move into the direct-hire market. The problem was that the client had no direct-hire experience.

Herrick asked his client who his firm's best customers were and what types of jobs he'd placed. "He'd placed people on the plant floor," Herrick says. "I asked if he'd placed unit managers or plant managers in those same organizations. He says, 'no.' I said, 'Go back to that client and go after their placement business at a different level. Turn them into a direct-hire client.'" This strategy worked, and the client was able to diversify and generate revenue through a new line of business with an existing customer.

Recruiters need to do more of this kind of tactical thinking based on the clients' needs and your abilities as a recruiter to solve problems. This effort to add value will help a recruiter broaden their definition of what a client relationship can be.

- **Broaden your client relationships:** One key challenge in this industry is that recruiters have a relationship with one contact at a client organization and they don't build relationships beyond that contact. This leaves them in the shallow end of the relationship pool. Good contacts and good clients want you to succeed, so they will never block you from other opportunities. If they do, they're not a good contact or client.
- **Re-package your services and fees:** Another battle-proven tactic is to break up your services for an existing client. Recruiters need to shift away from the all-or-nothing mentality when it comes to services they offer. As Herrick explains: "There are a million things you can do on the sales side to create revenues that aren't your typical case of 'you've got a job order, I've got a candidate, so let's make a deal.'"

Diversify clients and diversify risk

During the recession, many recruiting firms learned the hazards of having too much business wrapped up in only a few clients. As hiring increases, try to diversify your risk by adding new key clients and considering adding emerging market niches.





Tip 4: Boost your online marketing presence

As the economy recovers and does so in tandem with the expansion of Web 2.0 and social media, successful recruiting firms will also develop a keener focus on search engine optimization (SEO), pay-per-click advertising and Internet candidate sourcing. Recruiting firms must become well-versed in using social networks such as LinkedIn, Twitter and Facebook, not only to find candidates but also to search for and connect with potential clients.

In the post-recession environment, good branding and marketing require extra attention to online marketing capability. At a minimum, a recruitment company's website should be integrated with a web-enabled job posting solution and ATS, which in turn integrates with job posting applications that can connect the company to candidates and clients across the Web. For example, through Sendouts, clients have integrated access to Indeed and Simply Hired so jobs can be distributed across the entire Web, into social networking sites and to job sites.

To maximize your online marketing efforts, you should:

- **Optimize your website for SEO:** Search engine optimization (SEO) may sound intimidating, but it doesn't need to be. Just make sure that your website copy includes the right keywords for your industry. Also, your website should be built in a way that search engines can index (for example, use HTML not Flash). Also, consider adding a blog. This is an easy way to add fresh content that search engines value highly in determining page rank.
- **Give away knowledge for free with thought leadership:** A regular blogging presence on your website or guest posts on industry blogs about specific issues in your industry niche can help establish you as a thought leader and expert. Herrick says that his recruiting firms who provide thought leadership to their clients are looked upon as leaders in the industry and have enjoyed stronger business in the last two years than those who haven't developed a thought leadership position.
- **Leverage free channels:** Popular sites such as LinkedIn, Twitter and Facebook provide free channels for you to broadcast thought leadership, distribute job postings and find both job orders and candidates. You also make it easier for prospective clients to find you and passive candidates to validate you.





Tip 5: Use consultative selling to build credibility

Position yourself as a trusted adviser with clients and passive candidates by identifying client/candidate pains and discussing how you have solved a similar problem. This approach allows you to showcase your recruiting knowledge, industry expertise and problem-solving ability.

To prosper during the economic recovery, recruiters need to carefully evaluate their sales process and take steps toward building an approach that produces consistent and predictable results. A consultative sales process ensures that recruiters understand the business needs of their prospects and are able to establish strong links between their needs and the services provided by the recruiting firm.

Implementing such a process requires a value-based approach to sales – one that seeks to add value to the prospect even when a job order is not imminent. By providing value at every turn, recruiters can become trusted advisers to their clients, and ultimately create a relationship based on the mutual exchange of value rather than one-sided sales pursuits.

“Recruiters who know how to provide value to their prospects rather than just handle job orders will build lasting relationships that are impervious to economic cycles,” Herrick says. “For example, by carefully analyzing the needs of their clients in a more substantial way, they will create new lines of business with existing clients and retain them long after their initial placement.”

Nurture your clients for referrals

There is no question that referrals are among the best sources of qualified leads for new business – but you have to ask for them. Most recruiters are not taking advantage of potential referrals to find prospects, plain and simple.

“You’ve got a 50/50 shot that an existing client will give you a referral,” Herrick says. “But now is the time to pull out all of the stops. If you’re doing a great job for a client, ask for testimonials and introductions.” As a best practice, set a specific target for securing a number of referrals each day.





TIME TO SHINE

Herrick has a positive outlook on 2010. "It's all right there in front of us," he says. "The economy is improving, job orders are starting to pick up and the recession has forced us to become leaner and meaner." Herrick credits the recession for catalyzing innovations in Internet sourcing and recruiting software that helped recruiters become more efficient and effective.

Now is the time to bet on growth. "Invest in marketing and business development now and you'll reap the rewards of the recovery before your competitors," says Herrick. "I know it's hard to invest time and money in business development right now – especially given the cost-cutting measures that most of us had to implement to survive the recession. But if you're not able to communicate your differentiation through effective marketing and a consultative sales approach, you'll lose new business to other firms. Now is the time for all of us to summon our best efforts and push forward with optimism and zeal."

ABOUT SENDOUTS

Sendouts™ is the leading, single-source provider of recruiting software for third-party recruiting and staffing firms. Sendouts Surge Web-based recruiting software enables recruiting firms to streamline their recruiting process, increase productivity, and make more placements. Additionally, Sendouts provides unparalleled training and support and is backed by an industry leading 98% customer satisfaction rate. Sendouts clients on average achieve an internal growth rate of 48% and increase job order fill rates by over 20%. Sendouts helps more than 1000 firms automate and manage the entire recruiting process, from sales to final placement. For more information, visit www.Sendouts.com or call 877-309-5222.

