



MODULE 1 Building Your Vision

Mike: So, this module basically is pouring the foundation for a recruiter. And to be honest with you, this was the last module I came up with, when I kind of envisioned the entire call. I was going to jump right into finding and attracting people, places to go to find people, advertising, telling a story, and things like that. That was originally my first module. But, when I really began to reflect backwards on what I had done that had worked well in building our firm, it all started after I became clear on what my vision for our office was.

Upon until that point, I was like every other office out there. And we have done studies on this. The average recruiting office, and I said this in the preview call, I am going to repeat it now because it bears repeating, is about three to four recruiters with \$300,000, \$400,000, \$600,000 in revenue. It comes out in the Fordyce Letter, EM Info publishes these stats from time to time. And most owners, mostly because of, one, they are not clear on what they want to do, and I was one of those guys, and because of time restrictions, that is as far as we can grow.

One of the things I am going to get into today is a model that is different and widely publicized in the recruiting industry that can free up a bunch of your time, even as a billing manager. So, the things I am going to talk about, by the way, throughout the entire course, I have done as both the billing manager, where I was on a desk for one year and my top production was \$2,134,000, I believe, in personal production. That was with a team of people recruiting with me. I did not do it all by myself, but, my client base. And I have done it where I have done a two and a half million-dollar office, where I have done none of the production.

So, the models we are talking about and the techniques I am talking about today, work, whether you are on a desk or off a desk, and could be even a migration strategy off the desk, if that is one of the goals you had. For me, 10 years ago, when I first set the goal, it was a goal of mine to get off a desk.

The problem I see with hiring is most people just jump in and hire. They will come back from a meeting or a conference, they will talk to friends, associates, they will feel like they are behind, they weren't growing their office. And they will run off an ad, search on Monster, whatever, and hire people. And even some of my clients call and ask me what is the next desk I should develop? And that is a huge, it depends. "Where are you taking your office?" is always the answer I have for that question.

And you have got to answer why first. Why are you hiring? How does this fit in? How does this hire fit into a three, five-year plan? Assuming they make it three to five years. Where is your office going to be five years from now? I am going to give you a bunch of questions that are going to help you answer that, and I am going to read them off slowly, so I can help kind of get you focused on kind of what I am thinking about. I will have these questions. I do not have them typed up right now. I will have them typed up and

posted up on that user site probably by tomorrow at the latest, so you can download those questions. But, in a minute, I am going to go through them.

People come up to me and one of the questions I asked for the preview call is, “What are a few things you want to know about hiring and on boarding?” And the questions I got back, “What does a good recruiter look like?” “Where do you find great recruiters?” “How do you know if they are going to make it?” “How can you ramp up a new recruiter more quickly?” These are all good questions. Finding, attracting, on boarding, those are other modules, and we are going to get to those.

But today, we are going to answer what I believe is the most important question to answer that sets everything else up. And it is, “How do I better position myself as a firm and as an owner to attract great talent?” Ask that question first. “How do I better position myself to attract great talent?” The answer to that is getting clear on your vision for yourself, and then, getting clear on your vision for your firm.

Why is it so important? People join a visionary, people follow a visionary. I am not talking Martin Luther King style visionary in recruiting or JFK-sized visions of landing a man on the moon in 10 years, but I am talking about being able to paint a picture of what the firm is going to look like three, five, even ten years down the road. And then, being ready – you have to do this before you even start interviewing because you have to be able to enunciate this in the interview process.

Now, you can develop a vision. You can develop a small office vision or a large office vision. Different visions are going to appeal to different people. If you have a small office vision for yourself, and that is what you want for your lifestyle, that is fine. But, you are probably not going to be able to attract the same type of person as somebody that has a larger office vision, which is why there is no profile of what really works in recruiters because somebody that might be wildly successful with me could fail in one of your offices. And somebody wildly successful in one of your offices could fail for me, just based on chemistry and things like that.

And I do not want to repeat a lot of what I said in the preview call, but there is so many profiles that we have heard that work in one office or work once and do not work again. Recruiters do tend to be the land of misfit toys. We find the great ones the same places we find the ones that do not make it, that are really bad. And there is a couple reasons why people do not make it, and I am not going to get into a ton of it. But, a lot of it has to do, frankly, with the recruiting firm owner.

And it is getting into some of the things we are going to start getting into today, and we are going to talk about over the next six weeks or so, setting proper expectations and holding people accountable to them. And it is much simpler than it sounds because it was very painful for me, too, at the beginning. Once I started doing it, attrition rates and attraction rates, being able to get the person across the desk that we really wanted went up significantly.

So, again, small office vision, big office vision, medium office vision; just know what the vision is. And without a vision, what happens is your entire story is all past and present. All you are able to talk about is what you have done and where you are at, which is OK and that is part of it because part of your past is your stability, your history. If you are a newer office, I think part of that; there is a certain amount of people that are incredibly attracted to start-up opportunities and being in on the ground floor. That is going to be part of your story that is part of your vision on what you are going to do with the organization.

Now, and this is under vision if you go to that first page in the action guide, “How does vision tie in with hiring?” Now, in designing your vision, here is some questions that are going to help you a lot. These are questions actually I used 10 years ago when things really began turning themselves around. And again, you do not have to try to write these down because I am going to have them typed up. And by the way, let me back up a step. Imagine you are writing in the present five years from now, meaning it is 2013. And when you talk about a vision, you want to answer these questions as if it was the end of the year 2013 and you are going backward and you are describing the story.

You can do this for I would recommend a five-year, 10-year period. I did it in a 10-year period. You can do it in a five-year period. And then, you will see how this ties in. I am going to go through this kind of quickly so that we get to all the points today. “What special qualities and talents have I been able to develop in myself?” Again, that is of 2013. “What risks have I taken to grow my business?” “What are the few things I am doing now that I am passionate about and on purpose about?” “Who am I serving; how am I serving?” “What contributions have I made to the office that are truly exciting?”

“What are my employees thanking me for?” “What are my work relationships with my team like?” “What qualities are present and alive in these relationships?” “What qualities are now present in my relationships with my clients?” “What risks have you taken with clients and employees to help them grow?” And, “How have their results improved?” “What are my team members, my office, what are they bragging about now?” Again, 2013.

“How have I created balance between my personal life and my work life?” And this is important. And some of these questions, so often, we get caught up in running our business. We are a servant to our business. And the reason I got into this business and I forgot about it for a long time was I wanted the business to serve me. And for a long time, I was a servant to my business. So, a lot of these questions, when I answered them and I reflected on them a while ago, helped me shift that paradigm.

Another question, “How has my work become an expression of who I am as a whole person?” Assuming you are able to accomplish all the things you have built up in 2013 if we are using that five-year period, what am I giving back? “I stopped being a servant to my business when?” And fill in the blank. “The role I would play because money was no longer an option as later my firm was . . .” Fill in the blank.

In sum, if you could wave a realistic magic wand, you would say something like, “My firm would look like . . .” And you would then describe a vivid picture, almost as if you

were standing above it, describing it to a stranger. If there is any questions on that, again, put that in for the Q&A. When you are able to answer those questions, it is going to solidify the things you are probably already doing, and it is going to make you much more attractive to a new hire because people want to join something that is going some- place. Or at least if it is growing even slowly or tepidly, that it is clear on why it is doing that and what the benefit to the person is that is going to join your firm.

OK, so now, “Where do you want to be . . .” next question, “. . . five years, three years, one year?” Well, if you have that five-year vision, then you should start asking yourself logically for that to happen, for this to happen in five years, my revenues probably need to be “blank” five years from now. You probably need to be in this position three years from now. And probably by three years, I should have accomplished . . . And then, you just kind of logically look at the parts of that vision, almost like building a house, OK, you pour the foundation, you frame the house, you put in the sheetrock, the roof’s up, you are doing interior trim work.

And then, if you are going to accomplish that vision, where are you a year from now? So, for example, if I am going to be a three million dollar office in five years and I am around \$500,000 now, and this is just a pure example, I should be probably at least one and a half million to 1.75 million in three years, meaning I probably want to have about eight recruiters doing about \$225,000 each in production. That is just a pure raw number example, meaning if I want to be there in three years, next year I should probably shoot for \$750,000 in revenue with a few new hires, maybe only averaging \$150,000 to \$175,000 because I am going to be in a build out mode. So, you are not going to get the same type of tenured production out of new hires, for the most part that you are going to get from experienced people.

And the key here is you want to eat the elephant one bite at a time. If you are \$400,000, \$500,000, \$600,000 in revenue now, just for example, and you are looking pie in the sky at doing millions of dollars a year down the road, the number can be so overwhelming that it never happens. But, if you are able to look that out five years, back it into three, back it into a year, back it into a quarter and then, where do I need to be next month?

Once you start getting ideas on those answers, then the next question is, “What is the vision you have for your new hire?” The mistake I see, the biggest mistake across the board when I talk to people what their interviewing process, what their attraction process is, they talk to people about all the money they can make in this business. Generally, my experience with candidates that would be interested in the job, when you start talking about six-figure jobs and unlimited earnings, it is all true, but it creates skeptics. I am going to talk more about, obviously, interview process in module three and how we kind of interview by interview, set expectations.

But, get away from money. When you start thinking about attracting people, you want to get into the many are called, few are chosen type mentality. Human beings want what they cannot have. So, I do not want to be overly aggressive in my attraction process. I want to find people who get it. And the only way I can know if somebody gets it is if I tell them my vision, I tell them my story and it is attractive to them. And when you tell your vision and you tell your story, you also include the warts. And again, this is a little

bit more for the next module, but the nastiness, the challenge, the start-up, the mud they have to crawl through and the displeasure they have to go through during the ramp up.

People that come back after that are much more likely than if you just talk about drinking coffee in a 72-degree environment all year long, heated in the winter, cool in the summer, you are leaving maybe 5:00, 6:00, and all you do is talk to people and help people in their careers, those are the people that check out the quickest when they have to get on the phone all the time.

But with your vision for a new hire, one question you have answered even before you post your first ad is you should at least be thinking about and have in a generic sense, how is their role going to evolve, the new recruiter's role going to evolve when they hit \$250,000 in revenue? How's it going to evolve when they hit \$500,000 in revenue? What new challenges will you be giving them as a member of the firm and what are the options because it doesn't always have to be the same path.

By the way, these roles and these challenges should be congruent and tie in with your vision. When all this comes together, it is a much more sane existence for you. Trust me, I have been there. And when I changed in this mode, business became a servant to me and all my business decisions were tied to my vision, and I created much more clarity.

One of the things now, I recommend you do this because when you put it out in the open, it decreases the likelihood of one of the things we talk about. Part of the vision I have for people is that if they serve here a number of years and they are productive, I am going to give them a path to either buy off their desk, go off on their own. And I have done that a few times already. It takes all the hiding out of it because if you get somebody who's very entrepreneurial and is doing very well for you, I think one of the greatest ways to give back to them is in a fair way that is amicable and profitable for both parties, is to let them go off on their own. That is something some people are dead set against. That is something I sell here.

With a lot of people, they've come up to me and said, "Mike, I do not want your headaches." But at least when you are open about it, you do not have to cloak it for the entire relationship.

Next point is "Are your visions congruent?" "Are there any conflicts between your vision and your vision for them?" An example of that might be you choose to triple your personal billings and you want to hire eight people over the next year. Well, those are conflicting goals. There is just not enough time in the day. This is a relatively simple question. I do not leave it out on purpose. "Does your vision for them align with your vision of where you want to take the firm?" And if those things are congruent, there is a lot of harmony there.

Now, to pull all this off, all you need to do is you take your one-year vision; you build a solid business plan. Take your one-year vision plan that you have boiled down from your five-year, and you put it into specific timeframes and benchmarks into an annual business plan. Now, this isn't a seminar on doing business plans, but I will give just some 101 tips. Put dates around everything. If you plan on hiring three people next year, have target

start dates. I would do things like I never hired in the summer. That is just me, personally. I have little kids, so, my vision was always to spend a lot of time with my family. I do not do a lot of training, I do not do a lot of education, I do not do a lot of anything between the end of school and Labor Day.

So, on purpose, I would have a hire planned around September 15th, which means I would probably have to start interviewing in the summer, and that is fine because I took the whole summer off. But, I did not want the extra stress of hiring somebody and having somebody that I was training, responsible for in a new role in the summer. But, I might have a May 1, a September 1, a March 1, for example, target start dates.

Then, I would back into that with OK, if I am going to start somebody on March 1, I would probably have to post my ad January 15th. I probably posted it a couple times, and a variety of sources were going to go into it through direct recruiting, employee referrals. Put all those wheels in motion, so that I was interviewing between the end of January, the middle of February, would make a hiring decision the middle of February. Some people had to give notice. Target start date of March 1.

And all those dates, post ad dates, January 15th, it was in my business plan, then put in my calendar. The target offer date was put into my calendar. All these things that tie in with your vision that go beyond hiring that we do not have time to get into in this program, benchmark, put them in your calendar. When I started putting things in my calendar, they were much more likely to happen.

And one thing on the business plan, I like to say my office bills, fill in the blank, at the end of next year, again, even talking about next year and the future. If it was a million dollars, then I wanted people to average \$225,000 with me, say, doing \$300,000 of that. It might be me and ballpark three recruiters, but I would calculate the number of send outs per week, based on my office ratios because that is a key thing where we get frustrated with hiring and on-boarding and really creating predictability in our business, is we do not know what a half a million, three quarters or a million dollars in revenue equals in interview activity as an office.

And if you start managing to that number, it makes your hiring decisions a little easier because if you know you want to be a million dollar office, even if you planned on hiring three people, sometimes it is not enough and sometimes it may be too much. And it at least allows you to reevaluate. So, if a million dollars a year is nine interviews a week on average, based on your office ratios, you are managing to the nine interviews a week. And, again, you create so much more clarity.

So, I would talk about for me to do, if it was 10 interviews a week, just because I could do the math and I had four people, including myself, I would need each person to average two and a half interviews a week and I would manage that. Now, if that was too big of a number, then I had to add people. If it was too light of a number, then it allowed me to alter my business planning. So, whenever I looked at hiring, it was how many people do I need to get to this interview number per week for me to hit my revenue goal? And it is an entirely different way of looking at hiring versus just hire somebody. Again, pick your revenue goal. Then, you can kind of even back into the number of hires you are going to need.

On the next page, we get into different roles new hires can play in today's search firm. First thing I am going to ask as a favor for those on the call, and especially those that may have been in the business for a few years, listen to the section with an open mind. I have created a lot of controversy when I have talked about this kind of topic in public. But, I want you to break the old paradigm because I wonder why we still hire the same exact role we hired in 1970. When I opened in 1990, in talking with other owners that had been around in the 70's and 80's, the hiring model was pretty similar. You opened an office, you had a billing manager, you hired two or three account executives or business development people.

Each person was an island. I think we were a tech desk, a printing desk, a banking desk and manufacturing desk. And pre-computer era, so when my manufacturing person did not work out and I did not replace him six months later, I think it took me three years, but I finally took the box of 3 x 5 cards to the dumpster. And there is no leverage in this model unless you just constantly refill that desk.

The other thing is when you are hiring that model, where you train these, and I keep calling them islands within the office, is you are vulnerable somewhere around \$300,000 to \$400,000 in annual production, plus, when it is harder and harder for you to add value to them once they have tenure and they figured out the business. It is a lot easier for them to do the math and they start saying, even if they are being paid a very high commission rate, they can always make more going off on their own. Now, we know, as owners, if you have read industry trades, Fordyce has written about it, most of those people fail when they go off on their own, but you can't tell them that.

So, the models I am going to talk about now really build a team around people, and I am going to get into specifically and exactly how to do that. And the reason I am doing that in this module is I want you to think about this when you create the vision for your office, these types of models. And there is a few different ones in here and they can be blended and combined with your own creativity. And I am happy to go into any more depth on this on Thursday in the Q&A model.

So, here is some of the roles to consider when defining your vision. They allow you to hugely leverage your time. The first one is the marketing coordinator role. Tom Weder [SP], who is, I think, on this call, who's registered for this, in 1998, asked me one simple question when my desk was really taking off, "Mike, why are you leaving 40 voice mails a day on the marketing side?" And if I have not thanked you before, Tom, for that question, thank you because that actually changed my whole philosophy. Why was I leaving, as somebody doing three-quarters of a million dollars in personal production at that time, why was I still leaving 40 voice mails? Why was I using two hours to leave cold call voice mails?

So, I hired a marketing coordinator. I am going to describe what that role can look like if you are a billing manager and you need openings or you want to continuously market. As the economy softens, and if you have the capital, this could be an ideal role to allow you to stay focused on other parts of your operation, is this allows you to do two things simultaneously. One, is leverage your time for what you do best, which is probably getting on the phone with somebody, who has a mild interest in using you as a search firm to fill a position. And, two, your probably much more refined recruiting skills than any new recruiter is going to have.

My new recruiting negotiating skills were I was trained to quote 30 percent. I opened in the recession of '90, '91, so I was really good at negotiating. I would quote 30. The company would say, "We only pay 15." And I would agree to 15. So, if your new hires are just as good as I was, and I was 26 back then, negotiating, there is a way for you to do this where when I implemented this, we actually took, I think, my desk from three quarters of a million – that was a two-year period, and that is when it really involved – to two million. And then, I used this role I am going to talk about in a few minutes as how I then grew my office when I got off the desk.

But, basically, however you are marketing your industry is how you would train your marketing coordinator how to market. They would go out, they would find and identify somebody that had a need, either to talk with the candidate you are presenting, or had another need for another opening. They take a very basic job order, questions on kind of what the person's looking for, what their role's going to be, basic compensation parameters. They are not allowed to discuss fee. And they get some selling points and they find out to build a relationship with a hiring manager, to keep them on the phone long enough, if somebody's currently employed and doing very well, why would are they going to want to work for you?

They take those questions, they would say, "Our Managing Director, Mike Gionta's got (at the time it was) 10-12 years' experience building teams. We realize that each incremental hire is more important than ever to get right. Mike's got a dozen years of successful team building experience, and I have got his calendar in front of me. He's available, I have got some times. What does your calendar look like over the next two or three days? I would like to schedule a time for me, Mike, and you to really qualify this opening and discuss our process on filling it."

And then, I would get on the phone. The process is then, that the Marketing Coordinator would hand off the call to me for two seconds and I would say, "Bob, I understand we are talking tomorrow at 3:00 P.M. I just got beeped. From your perspective, Bob, on that call we have tomorrow at 3:00, what is the best possible outcome?" Sometimes, they do not say a lot, but if anything, what it does is reconfirm the call. And I will say, "Bob, I know you are busy and I know stuff happens. If anything happens, will you e-mail me or call me if you have to change that call?"

Without that call, by the way, without that confirmation that I would make, the show up rate was only 50 percent. When we made that confirmation call, the show up rate of the hiring manager went to like 80 to 90 percent. So, what did that do? By hiring a marketing coordinator, I suddenly got three or four hours a day in time, to the cost of \$2,000 a month, which is what we paid this person, what we still pay this person. All I did was work with qualified leads.

Now, the other thing that does, one, as I said it was a leverage point. Two, it is a mentoring and training opportunity because this person does not stay a marketing coordinator for two years. Generally, I put somebody in a marketing coordinator role that already has sales experience. Most of us, and I would have in the past, hired that person as a pure account executive, business development person. But, the attrition rate of those people was so high, one in seven make it, as we know, that I was forced to train them every day because they were working my desk.

So, in addition to the on-boarding process, which we are going to get into, since they were working on my desk, I had much more of a vested interest in their success because they were working off my list, off my database, things like that. So, when they had a question, I already knew the space, I already knew the industry. Plus, it was my desk and I wanted it to succeed. Frankly, even though we all want all of our account executives to succeed, we kind of get tied to our own desk if we are on a desk.

Then, that person, going back to vision, I would tell an experienced salesperson, “If you do this for three or four months or three to six months . . .” If it was a less experienced person, I might say six to 12 months. You have to really, when you are talking in the interview process, you have to really gauge it upon what you feel their capabilities are, and then, “. . . I am going to make you an account executive.”

I am going to get into the comp plan on this in module 2 when we talk about comp plans, so do not ask me about comp plans on this yet. Hold your questions for next week because it is different than a full-blown business development person. And then, I would give them a section of my desk that I hadn’t really developed because when I was doing tech sales, that is, I think, a 50 billion dollar or even trillion dollar business by now, there was so much we weren’t getting to, and I was able to splinter off related, but undeveloped parts of my desk and bring on a marketing coordinator to replace that person. And that might be a role in a soft economic time.

The way the marketing coordinator role evolved was out of the search associate role, which was a pure recruiter role, basically the same thing, working on my desk, working on my openings. Same exact process, hire them to go out and find and identify candidates, qualify them, find out motives for leaving. So, if you have more job orders than you know what to do with or you can’t get to them all, bringing someone in on your desk as a billing manager to put into a role to recruit on your stuff.

Or, if you are in an office where you are not on a desk, looking for somebody maybe doing \$250,000, \$300,000 a year and putting them to recruit on their desk, or even a marketing coordinator role on their desk, leverages the expertise that is already in house, versus recreating it from scratch. And then, slowly bringing somebody up to speed.

I was forced to do it because in the late 90’s, when I began marketing aggressively, we got more openings than we knew what to do with, and I just needed help recruiting. So, I just started slapping these people in, very unstructured, just putting them on recruiting assignments. And then, when we structured it, I said, “This model really works.” I looked at replicating it, not only with more people on my desk, but within other people within the office. And that was really the evolution of it was pure serendipity, in that because we were so blessed with all the openings we had, I just needed people doing it. And when I said it worked, then I started hiring these types of people for account executives in my office.

And here is what happens. When you put people in these roles, when you are surrounding your account executives with business development people, now you can take somebody, if they are doing \$300,000 in production and they have excess openings and they are not filling the right percentage, you can take that desk to probably \$450K at

a minimum, \$500,000 in production. That is one of the things we are going to get into in “On-boarding,” is setting the expectations of how to grow that team.

But, think about it, if you have people in your office and they have one or two people, I am not talking huge teams, just one or two people on their team helping them market and recruit and they are doing more air traffic control, prepping, debriefing, closing, billings, hire and negotiating, getting retainers, if that is what you are after, it is very difficult for them to leave you because they are no longer an island. They are dependent upon different aspects of the operation. And you might think, well, if they left, they could take their whole team, which I guess is a possibility, but if they left, I would put the senior search associate or the senior marketing coordinator in the role, and I would say, “Look, this is your desk now,” which would be very attractive, and I have done that, by the way, with people.

So, then, we took that model from my own desk – I started talking about with account executives – and coming out of the last recession, when we had to rebuild in 2003, we could not really build a lot of recruiters working on existing assignments because there wasn’t a lot of existing assignments. And one of the big mistakes I made in the late 90’s, 2000, we were an all tech office, which at the time, made us look brilliant, and in 2002, made us look pretty less than brilliant. What happened was then I said, “Well, I am going to diversify my office, so I am never susceptible again to just an industry imploding.”

So, we went out and we hired other industries. And when I hired other industries, I took the same model. Basically, if you looked at that model marketing coordinator role that I talked about and blew it up a little bit, I just put them on a strange desk. A couple times, it was an industry that the potential account executive had come out of, and I treated him or her just like a marketing coordinator. They took the very beginning of the job orders. Even though I did not know the industry, I still know how to negotiate, I still know how to sell process, I still knew how to discuss process and close and sell the benefits of using exclusive search or using the right firm.

And then, I would hand the opening back to them for them to work on. And this kept me engaged in the training process. And the more engaged you can stay in the training process, even if you are on a desk because all this requires you to do is take a job order with them and then, follow up on it when they start prepping and debriefing. As you know, when they are new, they are not doing a lot of prepping and debriefing. And I am going to get into in a couple minutes how to kind of protect your time and when to do those things.

And that is kind of the evolution. One of the things I would propose to you today, when you are considering going forward and hiring, is have a different vision for what a new business development person, account executive can look like. How can you add value to them in their ramp up? How can you leverage your expertise at the point where it is most needed, which is generally at the point of negotiation, both with the job order, and are you working with them to help close candidates? Are you sitting in on the calls?

First, brand new person, I would sit in on every first interview, second interview and offer debrief. And I would coach them through the call. It came through speakerphone. I

wasn't live on the call. I would put them in a room. I would write notes on a white board. They absolutely hate this at the beginning, so expect that. And then, they become dependent on it.

All right, next page, "Making the mental shift to be ready for hiring." I read this in the preview call, and I am going to read it again today because this is a mind shift. Billing managers still tend to get too caught up in their own billings when they want to build an office. And if you truly want to grow by hiring and developing your team, you will need to get much, if not most, of your fulfillment from the successes of others, and your ability to influence their attitude, feelings and determinations.

It is really not my quote. I have combined three other people, so really, kind of the synergy of it is my quote, but when I am able to close a job order for somebody, give it back to them and watch them make the placement and I give all the credit back to them, I never talk about my ability to negotiate. As you guys know, it is so important to build up their confidence early on. I am getting ahead of myself into on boarding, but deflect credit back to them, and get your fulfillment out of the fact that you were able to transfer knowledge. That is one of the greatest gifts you can give to others. It is one of the greatest gifts you can give back to yourself is when you are able to take your expertise through others, leveraging your time, leveraging your expertise to generate more revenue for yourself.

So, if you want to look at it from the purely selfish mode, I guess that is the way to look at it, you are going to leverage all those years of experience that you got yourself through others, so basically, in the same eight-hour day, you could have three, four, five, 10, 20 people generating revenue and they were all spawned off of you.

Part of also making the mental shift to get ready, people hire and they throw somebody on a desk. This is kind of the model I have seen go on over and over again. Make the mental shift. I looked at it. I was told to take numbers and go over their day at 4:30 in the afternoon. Well, as a billing manager and based on my personal biorhythm, I was toast at 4:00 in the afternoon. I had nothing left to give them with any enthusiasm or encouragement. And so, knowing that, I continued to do it for about 10 years until I stopped. And I gave myself permission, where I am much more energetic, is about 8:00 in the morning. And I put it in my calendar.

So, for me, I was a morning person. If you are an afternoon person, great, do it in the afternoon. When you are at your best, when you are at your most creative is when you should have your defined review times. The reason I am talking about this now, even before you go into the interview mode is you have got to start thinking about this, when it is going to go into your day. And, are you in a position – when you hire, you do not have an extended vacation, you are not stressed out by too many searches that you are going to be able to commit the time to properly on-board somebody.

The next point is have a defined schedule. We incorporate several trainers. I am a huge fan of Peter Lefkowitz. His stuff is at MorganCG.com. I am a huge fan of Danny Cahill, Accordingtodanny.com, Scott Love, I think it is Recruitingmastery.com. And what I have

done is over the years, I have bought almost everything from all of the other trainers. I have gotten a phenomenal return on it.

And what I have done, at least for the way we recruit – let me say I am happy to share all my resources with you guys – but for the way we operate our business and it may not be congruent with some of the way you guys run your office, it doesn't mean I am better or worse, it just means I am different, is I took the trainers that were most in alignment with my philosophy on marketing and development. Lefkowitz is on the recruiting side, the candidate development side. He's got some OK marketing stuff. Danny Cahill, Scott Love have some very good stuff on marketing, developing clients, taking job orders, prepping, debriefing.

And we have a written schedule because we do not bring a lot of people on into a pure business development role. We bring them on in a marketing coordinator role or we bring them on in a research associate role. Even if they have 20, 30 years of sales experience, we still put them in those roles, even if it is only three to four months. And the other thing you want to have with this defined schedule, is you want to have the schedule in writing, depending on the role you are bringing them on or for the day they start. So, I would coach you to have this ready even before you start the interview, so you are not catching up, doing everything the day before they start, so you have to prepare all these documents.

Kind of the first day, classroom training in our office is a day and a half. And they are on the phone the second day. I have found if you train, things like prepping and debriefing in week one, week two, before they arrange their first interview, you have to retrain them on it, anyway. I want to give them enough information, if we are hiring them as a research associate to recruit, all we teach them on is we give them some name gathering training, some how to take a good data sheet, how to approach a candidate.

And then, we have, based on the industry factors, we have typed out data sheets. Part of the first day in our written plan is telephone training. Our phone systems can record. By the way, quick asterisk, check if you do not know, my gut feeling is all your phone systems can record. It has to be programmed into a lot of them. A huge training tool for us. I am going to get into that, into on boarding.

And then, day two, we do kind of a quick 101 database, just how to do some basic data entry, not building lists and sorting and searching, but just how to enter a name, how to enter a note, just to get them comfortable with the very basics. The key here is that is all in writing and it is handed to them on the first day.

It is also another example of managing their perceptions of you and your firm joining as a professional organization. If everything's scatterbrained, the perception, which may not be true, but becomes reality with them, is I do not get a good feeling about these guys, these guys do not seem like they have it all together.

How and when to allocate your time. As I was talking about, I am a morning person, so for the first 30 to 45 days, I would schedule 45 days. Depending on the person, you get a feeling for who needs more and who needs less. As a rule of thumb, 30 to 45 days, month and a half, my time with them was 8:00 A.M. to 8:45, every day after kind of their classroom and I would go over their day. I told them they could not bother me, especially

when I was on a desk, until 11:30. That was open time, between 11:30 and 1:00 was open time for questions and after 5:00.

I am kind of repeating some old stuff, protect your phone time as a billing manager. I know it is been said and said so much I did not do it. When I talk to people that are in that role where they just kind of react all day, you kind of wonder where the day went. You did not really do a lot of training, you did not really do a lot of business development, and you get a lot of nothing. You were in a reactive mode 60, 70, 80 percent of the day, which is when I began to protect my time because I gave them all the time they needed. I did not want to react to them.

By the way, you are going to be tested here as soon as you tell them, “Do not come to me.” They are going to come to you. Unless I was getting involved with preps, debriefs, job orders were scheduled, remember, so unless it was preps or debriefs of a candidate calling in or some strange situation where someone’s hair’s on fire, that is the only time I want to be interrupted. Be ready to be tested and have your reaction ready before they test you.

And for me, it was I knew I was going to be tested, so I turned around and I said, “So, I am assuming this is a prep or a debrief.” “No, it is not a prep or a debrief.” “Then, what is on fire?” “Well, nothing’s on fire, but this will only take a quick second.” That is the line, by the way, “This will only take a quick second.” I let them ask in case it was something urgent. I go, “And that could not have waited until 11:30? Do not ever bother me with something. I do not want to be a jerk, but what was the expectation?”

I have explained to the new recruiter, what is happened was I was in a mode where I was in a string of calls or I was in a plan or I was doing whatever I was doing, and you have taken me out of that mode. So, it is not a quick second. It is going to take me 10 to 15 minutes to mentally go back to where I was at. Especially me, I am like advanced adult ADD. Arranging these calls and coming up with a curriculum that is logical and orderly, you guys have no idea how difficult this is for me. It is a huge challenge and it is leaving my comfort zone. So I guess for that reason, alone, it is worth doing. But, anyway, you are going to be tested. Be prepared. And if you do not pass the test, then your whole schedule goes to heck, anyway.

Put the times into your calendar. Again, that is the first 30 to 45 days. Basically do it where it stops happening somewhere around week two or three. People I coach, owners I coach one on one or in groups, I will ask them that. And they will say, “Yeah, yeah, I am going to do that.” And then, they will start talking about problems they are having with a new hire and they want some advice on it, I will ask them, “Is the time in writing?” “Well, no.” So, learn from all the people that are paying me a lot of money to coach them one on one.

And let me give you one piece of solid advice. When you hire somebody, just fill your calendar every working day on whatever period of time you have chosen to train and review. That training, review and attention is what is going to increase ramp up time, increase productivity and decrease the likelihood of them checking out. When we get into setting and managing expectations, you will understand why a lot more.

After the first 60 days, by the way, then it is at least once a week. And then, after the first six months and with all my tenured people, twice a month or once a month at the absolute minimum into coaching sessions. That is kind of a module five for what to do once they are off and running. And we are going to get into the structure of those coaching calls. But, just know for now that you want to kind of think for two months in your calendar, then once a week and then, twice a month. In the first year, I would not be doing any less than formal sit-downs, even though you have your informal training twice a month.

Again, this is all before you advertise, begin to clearly define new hire expectations. I received a ton of questions on this from the initial preview call. Thank you for all those people that put those questions in. It helped me. What it did is I refined the agenda, these five modules, based on where I saw a lot of questions coming in. But, when I get down to expectations, a lot of the questions were around what are industry standards? And we are going to get in much more depth on module four, but just to give you some ideas when you are starting to think for now, real metrics for success is big, it depends because the construction industry is different than finding estimators, which are very, very hard to find. It takes a ton of calls to find one.

Salespeople, it doesn't take as many calls to find them. But, I am going to give you some ideas to at least benchmark because quantity can be a standard. For some, these numbers might seem low. For some, these numbers might be high. Some people do not have any idea because from my experience, about 50 percent of the industry does not track presentation count. And that is the single biggest predictor, by the way. If you want to create consistency of revenue, begin to track recruit and marketing presentations. There is a tool up on RecruiterU.com\bootcamp2008 of a formula model. It is a Power Point model. You can download that slide there now, as a matter of fact. So, if you want to pull that up, this might help a little bit.

But, you can get, with bitching, moaning, fighting and screaming, by the way, you can get 60 to 75 live, cold presentations a week. Now, cold, sometimes they might follow up with somebody they talked to a couple months ago. That is a new presentation. If I am assuming this is a new person, these are all cold. I am not counting voice mails, I am not counting e-mails, I am not counting follow-up calls. 60 to 70 live, non e-mail, non-voice mail presentations per week, which is 12 to 15 per day.

We just got rid of somebody this week that had all the potential in the world, but made about 50 calls and nine presentations a day. What I am seeing with that person, I am seeing the tip of the iceberg. If you can't get them to make more than nine presentations when they are new, you are going to fight to get them to make five when they are experienced because activity levels always come down. Connect time might go up. Activity levels always seem to come down.

Let me define this real quickly. One question I always get is what do I define as a presentation? It is a cold recruit presentation, where I am calling somebody. I am asking them if they are open about hearing about another opportunity. Yes, no, or hang up, that is one. Same thing on the marketing side, I am calling somebody, I am getting into a live conversation. I am either presenting a candidate or marketing my service. Yes, no, or hang up, that is a live presentation.

And to get there, our experience is 75 to 110 calls a day. Different industries, different technique varies. I tell people, “Frankly, I do not care how many calls you make. If you can figure out a way to make 15 calls per day and make 15 live presentations, I am cool with that,” because the most important number is the presentation, and it is not the connect time, either. And, again, pull up that metrics tool.

Expectations for a successful launch, under the same category, I do not see a lot of job orders and send out the first couple weeks. If we get even a job order or a send out the first couple weeks, it is kind of a win. I am most focused on the activity levels the first two weeks. And if it happens to stumble into, if it is a recruiter working on an existing assignment that stumbles into somebody that turns into a send out week two. Week three, what we have seen with people that ended up being wildly successful. Some people get off to a quick start, do not get me wrong, but that is the exception and not the rule.

Week three and beyond is where you should begin to start to see weekly consistency, and it might just be an interview a week. And again, depending on the metrics for your industry, that is probably OK. If we have somebody doing one interview, one and a half interview a week their first year on some of our desks, that is going to generate a quarter of a million dollars in revenue, so I am fine with that.

If you are bringing somebody on in this mode, as I said earlier, you should be involved. If they are a business development person off on their own, I would be involved in first, second interview preps, debriefs and closes.

Lastly on this point is show them you are ready. We created a folder, a pre-hire package. Again, this is all before the interview process starts. You can find some on Ezinearticles.com. Ezinearticles.com, by the way, is a phenomenal resource for articles about almost anything. I post some of my articles on it. I just started discovering it as somebody who began to write. I think there is 112,000 authors and millions of articles. You pick any subject. But, if you probably did a search on recruiting careers, things like that, there are other recruiting trainers that have written on that site.

And I have printed off articles, we have put them in a folder, life of a recruiter, what a recruiting career is like. I try to get the ones that are blatantly honest. I also put in a one-page company background doing a brag sheet about what we were able to accomplish as an office, any articles on demographics, trends in the white-collar workforce. I do not want to overwhelm them, but I want to hand that to them.

You can have 250 folders produced at Vista Print for under \$500.00. And you might think, well, 250 is a lot. But, if you really get into an interviewing mode, you can upload your logo, they will print it out, ship it in a week. When we had a local printer, it was a lot more expensive. And that is VistaPrint.com, is a resource you can use to get some quick printed stuff, where you can stuff your articles into.

One of the things, and I am going to get into this in the next week in interviewing, is I hand that to them after the first interview. I like to see if they reference anything in the second interview. It kind of shows some initiative. But, that is really the contents. The last thing under, “Show them you are ready – pre-hire preparations,” do not put them in a

dirty desk. Put them on a PC that is got the desktop loaded with files, the New England Patriots football schedule, links, favorites to ESPN, My Space. Either have your IT or your admin come in and make that PC as clean and personable as possible.

Have your admin clean out the desk, get rid of all the old files. You might have folders in there with data sheets, job order forms, things like that. Clean it up. Throw out the guy's business cards that were in there before this person started. Again, perception of a professional organization.

Next page, "Profitable metrics to measure against," a quick editorial. Next week is much more on comp plans. I am going to dive into that in a lot more depth. And this is just a personal editorial. It doesn't reflect the views of a lot of other people, having a comp plan with a 50 percent bracket in it with a new hire, in my opinion, is wrong. Ultimately, getting somebody to 50 percent, different story. When you start at 50 percent, you do not have a lot of room to grow. In those comp plans, there is stuff I have seen printed, it goes back to the 70's, with that 30 percent of the first 3,000 or five percent increments, all the way up to 50 percent.

And that is when there were no PC's, no job boards, when health insurance was \$15.00 a month for a relatively healthy person. Our overhead model has shifted dramatically. The types of things we have to provide our people have shifted dramatically. When you do that, you have to be so much more cautious on all the other areas you invest. Somebody starts hitting the cover off the ball, and we'll put people at higher commission rates after they hit a million, million and a half in career cash in. And what you have, in effect, given them is a raise and you have recognized their performance. When you start at 50, you really have nothing to give them in recognition for what they were able to accomplish.

And the other comment on that, and I am going to talk about it next week is if you offer a draw, figure out a way to make it a salary because if somebody stays with you 90 days, makes no placements, you are not getting the draw back. I am not necessarily suggesting changing the amount of the draw, but the term, "draw," has an incredibly negative connotation. If you are making a salary and you lower your front-end commission brackets, it should be something that costs you nothing. And I will get into more detail on that. I just wanted to plant that seed for you to think about.

Next point is looking at some of the profit metrics of higher performing offices. I interviewed a few other people. I am going to keep them anonymous for their own protection. But, when you have those lower commission brackets in place and we do, if you are off a desk and you are not producing anything, assuming you are not in a franchise, so there is no royalty, you would have to take the royalty out of this, you can manage a firm with a 35, 40 percent commission bracket to a 33 to 40 percent growth profit margin. And I know several firms a million, two million, plus.

Once you get three million plus, you are probably into the high 20's, low 30's. The higher you go, there is a little bit more overhead, but you are taking a smaller percentage of a much bigger pie. But, in the one to two million-dollar range, a 33 to 40 percent bracket off a desk is very realistic. The year I believe I did a lot of that with my team that were

filling a bunch of openings for me, was around 58 percent. And that was with me driving a lot of the revenue. So, depending on what your model going forward is going to be, those are just some ballpark numbers for you to look at. And if I break that down a little bit, operations tends to be about 12, 13 percent, and that includes like rent, phone, Internet, buying some equipment, office supplies. And the balance would be payroll.

Next point, cost of sales and what it means to a recruiting promoter, these are the things, again, you should be evaluating all these things and trying to manage within some of these metrics. If I am going to add a person, what is the cost of a dollar of incremental sale? And especially when you are building teams. I am not trying to be greedy. I do not want to put a marketing coordinator on my AE desk or I do not want to put a search associate that is going to be recruiting on my business development desk, so I can make a larger profit. I am happy with the number being the same but growing the revenue base. But, the percentage profit should be the same.

So, I am trying to manage sales so that each incremental dollar in revenue and extra salary and commissions is in the 45 to 48 percent bracket. That includes benefits, that includes payroll taxes. That includes any costs associated with the employee that are non-operations.

One of the last points and we are almost at the finish line – finish line, like I said, it is hard talking to a computer for an hour – is cash flow considerations. As I kind of said in the preview call, at one point in my business a year and a half after I opened, I had almost no money left. And I had a few people on board. And you become a much worse mentor when you do not have a lot of money on hand, whether it is cash or a line of credit. I always try to coach people to have 90 to 120 days of either combined cash or receivables/line of credit available. It makes you a much better mentor. You are not trying to close business tomorrow. We should all be trying to close business tomorrow, but not unrealistically. You are not going to be beyond November 1st and be really pushing to close deals by the end of November.

And I have known a couple owners who said if people do not make deals in their second month, they are out of here. As I said in the preview call, I think that is insane. I am measuring activity. If people are generating after their second or third week, if they are getting to the point where their activity levels are high, their presentations are in the 60 to 75 range and they are getting weekly activity job orders or send outs consistently, I am going to stick with that person. I have stuck with those people six months without a placement. And 90 percent of the time, I am rewarded by sticking with a high activity, low placement guy initially because once they catch on – and generally, those people are due, by the way. If they've been on six months and they've been hitting the activity targets, they generally pop big over a couple of months.

But, net receivables for me is if you have \$100,000 built out and you have \$40,000 that you are going to be paying commissions and payroll taxes, I do not look at that as \$100,000 coming in, I look at that as \$60,000 coming in. And if you have not done all this already, and my experience is 40 percent of the people on this call do not know what this number is, what exactly is your monthly fixed cost, rent, phone, all the bills you pay, combined with all the salaries or draws you have, combined with what you pay yourself to

pay your own mortgage, take care of your own family, plus or minus five percent, not ballpark?

So, whenever I made a decision for us when we were running about two million, our overhead was about \$60,000 a month, salaries, draws, what I needed. So, I would always want to have about \$200,000 on hand or outstanding that I knew was coming in for me to hire incremental people. If I had more than that – this goes to the next question – is shoot to hire two.

If you are in the financial position to hire two without killing yourself, I would recommend it, even if you do not need two because if you hire two, you are much more likely to hold both people to a higher standard than if you only hired one. You are able to fire quicker. And that is the situation we were in last week. We hired two people. Both of them got off to a very slow activity start. We had the same conversation with both of them, which I am going to get into, how to manage that in the next couple modules.

One responded, one did not. When the other one did not, we were able to get rid of her day seven, versus month seven because what you see now, and again, you are seeing the tip of the iceberg, basically, the person was very passive aggressive. The targets we gave that person were very hittable, 12 a day. They would leave at 5:05 hitting nine, even though – we are on the East Coast – even though we had assignments on the West Coast.

The other benefit of it, beyond just being pure Machiavellian here, is when you hire two people and you have those eight to eight 45 sessions, you are leveraging your time. You are doing twice the amount of training in the same amount of time. And the beauty is, too, there is synergy. One person has questions the other one doesn't have and vice versa. Once they are around for a couple of weeks because we have them record calls and send them to the conference room and we kind of go over old recruit calls, or cold marketing calls, after I have done their evaluations and now, our team leaders do their evaluations of those calls, we can have them analyze each other's calls.

“What did you hear on the call?” “What did you hear that went well?” “What would you alter or improve?” “Any tips that you saw?” I want to see if they are picking up on some of the techniques that work. And again, like I said, check if your phone systems can record. If they were bought in the last 10 years because I think the one I bought in 1994 could record. But the one thing I know because some clients have told me they do not see any button for it. It has to be programmed in.

Templates of daily plans used by other successful firms, one, and I talked about this, in my opinion, again, do not stone me for this, the most overrated metric is connect time. That doesn't mean it is not a good metric. It is the most overrated metric. The reason I call it the most overrated metric is for me, it has the least predictive ability to predict future revenues. Presentations and send outs, if done in integrity, are the two with the highest predictive value on future revenue streams, which is why I really focus on them with new people.

Connect time with new people, they are so uncomfortable that they can have great presentation count, be in full integrity with what you want out of them for presentation count.

However, they are not good on picking up the little innuendos candidates or clients say, so they do not spend as much time on the phone.

So, generally, I am probably not saying anything anybody doesn't know here, a very high call count, even high presentation count the first couple weeks – very low connect time. I do not beat people up on connect time because if they stay with the presentation count, this is where connect time is a good measure to see if people are learning. Week two, week three, week four, connect time should be going up, with call count staying about the same, even declining a bit. That shows me definitively that people are learning.

So, when I talk to other people that I respect in the business, and one of the things I did was I talked to people I highly respected in the business when I did not know what I was doing in the business. And then, began to model that and study that and then, implement and tweak it within our own model. The templates they use with new hires, is they focus on the activities that one, are in the highest degree of control of the new hire, which is presentations. Some people I still think put too much emphasis on connect time, but I have already said my peace on that.

Week one is quantity, not quality. I do not want to be anywhere near a new hire when they get on the phone their first couple days. I do not want to record any calls a new hire makes the first couple days. You only dealt your judgment in hiring. That person, by the way, when I was on a desk was as far away from me as humanly possible. And if they had to be close to me, I worked out of my office those couple days because I would just sit there, and it was like fingernails on a chalkboard. Expect that. Just get them comfortable.

If you have taught them how to play tennis, you can teach them so much on what a good swing looks like, but they are going to have to hit balls into the net, balls over the fence, balls into the fence. Give them some latitude. Leave them alone for a couple of days. Just measure them on quantity of calls. Did they hit their presentation count? Answer their questions the next morning, tweak their activity. Start recording their calls. And again, I am going to get into a lot more detail on this in on boarding on the second week. And that is the key benchmark, by the way, is presentation count in that role.

On the last page, and this will kind of wind down for today, there is one tool that is really good for new hires. I do not care what role you put them in. Telephone discipline tool, it is the one at the top. I gave you a link from Scott Love. We use this one. We have used this one for 10 years. Basically, it is a real simple form, especially people that are very visual, they make half an X when they make an attempt. When they get somebody live, they make an X. You can use highlighters to fill in the boxes per hour you expect them to hit, based on what you want to get done. And it is very visual, and it is very easy.

That is what they bring to their morning meeting with me every month, in addition to any partially filled data sheets, job orders, whatever they were working on. Phenomenal tool. I am not going to take credit for it. It is Scott Love's. It is available free on his website, so that is why I put it there. You do not have to buy it. He also has a pretty nice recruiting flowchart up there I happened to see when I was looking for the discipline tool.

And then, two articles that I wrote just as a little bit of a backup to what we talked about today and what I am talking about next week, e-zine articles. Some of you may have already even read these articles. They were in the Fordyce letter. I just put those on there for you.

So, that is it for today. Let me kind of sum up real quick, any questions you have, e-mail me at info@therecruiteru.com. And in the subject box, Module 1 Questions. And if you are going to be on the call, what I am going to do on Thursday, this Thursday, two days from now is call on you and I would say, "Bob Jones has some vision questions. Here is what it is. Bob, please jump in." You are going to hit Star 6, you will jump on, you will be live on the call. And that way, we can talk about it. That will be the structure of the Q&A.

And with that, I will let you go. In summary, get the vision and the front end straight, and the back end stays in alignment. With that, thank you, guys, for your time. This was a lot less painful than I thought it would be to talk into a computer for an hour and 15 minutes. And I will talk to you guys all on Thursday, 3:00 Eastern time. Bye now!