

RETAINED SEARCHES: 3 THINGS TO KNOW BEFORE ENGAGING WITH A RECRUITER

"Think about retained searches as an extension of your internal talent acquisition capabilities."

by Mary Newgard | Capstone Search Group

In 2022 every insurance organization will have unusual, set apart, or outside the norm hiring projects. Think about retained searches as an extension of your internal talent acquisition capabilities.

Some roles you can fill through job board advertisements, but not all of them, right? The more ineffective job boards become to find candidates, the more you have to lean into new sourcing strategies.

Retained Searches Increase Recruiting Success

Looking at Capstone's recruiting data over the last three years (2019-2021) we've found that passive candidates are three times more likely to respond to solicitation on a retained search versus a contingency search. Why?



- Because the messaging comes across as legitimate and valid. The approach sounds elevated and set apart from the barrage of other calls, emails, and LinkedIn messages they receive daily from recruiters.
- In contrast to a "fling it in there and see what sticks" contingency approach, retained searches are intentional, methodical, and structured, much like your own strategic sales process. The process devotes more time and resources to research, networking, and direct solicitation.
- You and the recruiter engage more collaboratively to set project goals, track progress, and measure success. Transparency and partnership are the hallmarks of a retained search.



Engagement Terms & Conditions

The most common question I get about retained searches is, “Can we still recruit on the position?” The answer is yes or no. It all depends on your preference and what makes sense for the search. How involved you want to be in sourcing is just one of many choices you have when structuring a contract.

Here are some other engagement parameters:

- **Exclusivity:** Four to six months is the typical window of engagement.
- **Retained Fee:** 30% to 50% is the average retainer and varies based on level of position. The remaining fee percentage is due only when you make a hire.
- **Tracking & Reporting:** The recruiter provides you with reporting information like prospect lists, candidate communication/cold call activity, referral conversion, and more.
- **Other Agreements:** Retained contracts do not replace in-force contingency agreements. In fact, you should have both in place, so any hires produced from a retained search are covered under a separate contract.

Are Retained Searches Only for Executive Positions?

Not at all. Retained recruiting is a successful way to fill numerous insurance positions — senior level, highly technical, and more.

Sales Executives/Producers: “Intend to Be Intentional”

This tag line is the best way I can sum up producer recruiting. Sales candidates don't easily fall in your lap. Select a contingency search if you're casually interested in seeing profiles. Go with an engaged search if you have defined goals to hire producers in a given four, six, or 12-month period.



Management and Executive Leaders: “A Long Road Ahead”

The farther up the pyramid you source, the fewer candidates that are out there, so your decision is between quality and quantity. A contingency search is quantity driven. You advertise an executive position on job boards, letting anyone and everyone apply. Then, the interview process becomes much longer because of all the screening that's required after the fact. In contrast, a retained search only allows the most qualified candidates into the process. Well before you go to market with an advertisement, you and the recruiter discuss personas, search parameters, target source companies, interview processes, due diligence, and more.

Volume Driven Hires: “A Lot of People in Little Time”

Paying recruiters contingency fees for a lot of mid-level, one at a time, is costly and unsustainable. If you combine these roles under a retained contract, you leverage the volume of hires to contain costs and negotiate special contract terms like flexible payment options, reduced placement fees, and longer guarantee periods.

“Ask the Insurance Recruiter” is a monthly column written by Mary Newgard, Partner, and published in partnership with **Insurance Journal Magazine**. Visit Insurance Journal Magazine's website for a complete list of previous articles. For questions and comments, email Mary at mnewgard@csgrecruiting.com.

