

The State Of The Recruiting Industry

From my perspective as a consultant to the executive search and recruiting industry, there is a trend taking shape, and if you don't position yourself to be in front of it then you are going to lose out on potential opportunities.

The third party recruiting landscape has changed forever. Call it a 'correction' if you will, but I don't predict that our industry will ever achieve the robust status that it once had. Those days are gone and probably gone forever. Many in years past said that when baby boomers started retiring, there wouldn't be enough people to take their places so that meant opportunity for third party recruiters. That's a valid concept but there's one problem: most baby boomers can't retire.

So to position your firm in a place where you can do well, there will be one of two areas where you will find opportunity:

WalMart vs. Tiffany's

There will either be a high end/low end aspect to our business. You'll be able to generate sizable profits when you either capitalize on either a volume aspect or specialized aspect to our business.

Volume: create a niche and market it for mid level positions on a mass appeal with lower margins. Make it up on volume and add value through the sheer size of your operation.

Specialization: find a niche that promises a moderate amount of growth and difficulty in finding suitable employees, and specialize in just that very one narrow niche or sub niche.

Niches are categorized in three areas:

- 1) Industry
- 2) Function
- 3) Geography

You will have wide and narrow aspects to various categories. Here's an example. The owner of a staffing agency hired me for two hours of consulting to assess her business model and help her grow her firm. She had laid off all her staff and it was just her and a part time admin assistant. She lived in a large city in Florida and competed against the major staffing agencies (WalMart) and was losing business to them because their volume offered advantages to their clients, and also meant that she couldn't compete on price. I told her that she should make her clerical staffing agency's focus on one narrow niche: To recruit bilingual college-degreed executive assistants just for executives within the

area of her city. Her industry niche was broad and wide. She would work for any type of client. Her function was very specialized, extremely specialized. It wasn't just clerical staff, it was executive assistants. And these people were also niched in the areas of education and capabilities and skills. Her geographic category was also very narrow, just within one city. Because an executive assistant of a toy company could also work well as an executive assistant at a paint manufacturer, there was acceptable cross-over between industries for this type of employee, so she could open it up to nearly all types of organizations.

Ask yourself this question: How can I take advantage of the recent changes in our economy and use them to my firm's advantage? By thinking this way you'll be ahead of the curve and ahead of everyone else.

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