

## Why Even Use a Sales Recruiter?

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Using an outside recruiter to help build and maintain your sales team can be a useful exercise, if, and only if, you are presented with quality candidates in a timely and cost-effective way.

Many business owners and sales managers frequently shy away from recruiters, generally for these reasons: high fees with retainers, poor candidates, and/or inadequate communication.

Assuming for the moment that a recruiter provides an excellent service at a reasonable cost, with guarantees, there are many benefits derived from using a search organization. A fully staffed and productive sales team means everything, but turnover and lack of sales articulation can be devastating.

Sales turnover is extremely expensive. Some studies indicate that replacing a sales person in any given territory can cost an organization anywhere from \$70,000 to \$150,000 or more, depending on the circumstances.

When a sales territory remains unattended your company loses in several ways. Obviously, sales opportunities are missed. Current customers can suffer a lack of support and that can lead to erosion of your base. Also, without a sales professional operating in a territory, your competition gets a leg up, making it especially difficult to recoup losses. If others in your organization are called upon to cover the needs in a vacant territory, that puts additional pressure on them and can act to dilute their productivity, producing a negative ripple effect throughout your organization.

Another consideration is the internal cost of searching for a sales person. Many companies use an internal HR person for sales recruiting, and this is fine, so long as that person can focus and deliver quality candidates, but there is still an expense associated. Recruiting is a full time engagement. It's an intensive and time-consuming activity. If the internal HR person has other responsibilities, focus can be lost which results in time lags and cost increases.

Another internal method of sourcing and hiring sales people is to task sales managers. Here again, time pressures can intervene. Ideally, sales managers should be focused on mentoring their reps and interacting with customers. At the very least, an assist from an outside recruiter can go a long way toward helping managers focus on their core responsibilities, especially if the recruiter's efforts actually pay for themselves.

If a good recruiter supplies a quality candidate who is then hired and becomes productive, profit from that sales person's efforts covers the recruiter's fee, even in a short period of

time. As an example, if a contingency recruiter (no retainer) charges \$5,000 per hire, and the sales person placed sells \$20,000 in gear the first 90 days at a 25% margin, the fee has been covered. This example focuses only on the equipment side of the sales person's performance. The service and supply aspect is simply additional.

Working with a contingency recruiter allows you to evaluate their service at no cost since a fee is charged only when you hire a candidate. This leaves you in control of both the process and the outcome.

Simply publishing a "help wanted" ad in your local paper sometimes works, but generally, the best people are already employed, not searching for another opportunity, and so they don't read want ads. Neither do they generally post their resumes on the web. Some business owners decry the time and expense associated with recruiting sales people via help wanted ads or search engines. There are obvious problems associated with having someone on your staff call competitive organizations as well. A recruiter, specializing in your industry, likely already has a database of contacts and can therefore quickly source and present good candidates for consideration.

The value added benefit a good recruiter provides is the provision of qualified, pre-screened candidates who carry a higher probability of success to your workplace. Hiring less qualified people, or taking a chance with inexperienced people, often aggravates the problems of turnover and expense.

Even the best organizations experience turnover occasionally. By using a recruiter to stay in touch with potential candidates, a constant flow of candidates can be provided and this allows you to react to turnover more quickly. Again, this saves time and money.

Many recruiters offer guarantees that provide additional insurance for your company. If, for any reason, the candidate you hired via a recruiter's service, fails to perform in a specified period of time, guarantees often provide a free replacement. Thus, you avoid additional expense should a replacement be required.

For an organization to grow and remain profitable, internal productivity is essential. If you can bring in talented, productive people and at the same time keep your existing employees concentrating on growth, it's an ideal situation. In this regard, a good recruiter can be a tremendous asset, especially if their service pays for itself and doesn't cost you anything to initiate.