

Recruitment Firm Models:

The Difference Between Exclusive Search and Contingent Search



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Exploring recruitment firm models

The recruitment industry is highly competitive, with many firms to choose from in the Canadian market alone. When considering a recruitment firm, you should understand the differences between models before selecting which firm to use.

Most commonly, a firm will either offer exclusive partnership or contingent searches.

EXCLUSIVE SEARCH

Exclusive firms (often engaged with an upfront fee) take on the full responsibility of the search for your business. They are fully invested in a partnership with you and will get to know your business and the candidates to ensure a mutual fit.

You can expect updates on the search, such as the number of candidates in the mix, how conversations are going, any candidate red flags, hurdles based on the market, and feedback on the role or salary.

CONTINGENT SEARCH

With a contingent search, you only pay if you hire a candidate that the firm presents. This fee structure might be beneficial; however, the nature of this business model creates some drawbacks.

Because there is no upfront fee, contingent firms are often competing to fill a role for the same organization. This 'race' to get resumes in front of clients the fastest can mean the candidates presented lack essential qualities for the position or may not have been vetted for 'fit' for the organization's culture or needs.

Jorgen Sundberg said it well in the Undercover Recruiter. "The trick here is to represent the best candidate or candidates and to do this faster than the other channels."

Exclusive and contingent search compared

EXCLUSIVE SEARCH

CONTINGENT SEARCH

CANDIDATES

- Firms are looking for the best candidate that fits your organization and needs.
- They typically focus on passive candidates and may use their network to find the right person for the role.

- Firms work to get you a selection of candidates quickly.
- They focus on candidates actively searching for a job who are readily available for work.
- Contingent firms may share a resume with multiple companies to increase the chance of placing a candidate

FEES

- With an exclusive model, you are retaining the firm's services. You will pay an initial fee up front and a final fee once the candidate is hired. Like an engaged model, with a retained model you will be invoiced up front, at 30 days and close.
- An exclusive search firm is committed to the partnership and will see the process through to placement.

- You will only pay a fee at placement.
- Keep in mind that the recruiter is not obligated to continue the search if it becomes drawn out.

GUARANTEE

- It is common for exclusive search firms to offer a placement guarantee.
- The terms of the guarantee can vary from firm to firm, so you will want to clarify the details of the guarantee before signing on.

- The terms of the guarantee can vary from firm to firm, so ensure you clarify the details. Some contingent firms will provide a three- or six-month placement guarantee.

IDEAL FOR

- Businesses looking to find a candidate that fits the role, as well as the organization and culture. A long-term placement is desired.

- Organizations looking for quick placement, or a short-term, temporary fill.



Questions to ask when choosing a recruiter

To ensure you find the right firm for your search needs, have conversations with recruiters as part of your research process.

The discussion should include questions such as:

- Have you filled positions like this in the past?
- What industries do you have experience recruiting for?
- How long have you been in the recruitment field?
- What is the candidate retention rate?
- How long can I expect this process to take?
- Do you have references?

EXCLUSIVE SEARCH

Pros

- Value candidates' career needs as well as the client's needs
- Forms a partnership with clients
- Uses research and sourcing strategies focused on attracting and engaging passive candidates
- Placement guarantee
- Committed to following the search through

Cons

- Partial fee required upfront
- Search can take longer due to the importance of fit

CONTINGENT SEARCH

Pros

- You only pay at placement
- Quicker turnaround

Cons

- Fit is not the top priority
- Focused on applicants/ candidates actively searching for a new job
- Without an upfront fee, the recruiter may cancel the project
- Multiple companies can be forwarded the same candidate information.

Partnering with People First HR

People First HR offers an exclusive partnership model. We work in true partnership with our clients. It is our goal to place the best candidate that meets your organizational needs.

Our numbers speak for themselves...



Candidates presented between weeks
2 and 3 of the search



5-6 week placement timeline for
mid-level recruitments



97% retention rate

We start each relationship by meeting with the key stakeholders and asking questions about the team, the leader, the environment, and the day-to-day of the job to understand what the successful candidate will bring regarding experience and skill sets.

Engaged & committed PARTNERS

We are true partners and are committed to our proven process. We see each search through to candidate placement and beyond through our placement guarantee and post-search follow-up.

Team approach

Our recruitment consultants are well versed in technological tools and sourcing methods to ensure high-quality candidates are found and assessed quickly. They are supported by our professionally accredited associate recruiters, who are trained in the latest sourcing techniques. We tap into a vast candidate network through our colleagues that are well connected across industries and provinces.

Proven sourcing techniques

To find the best candidate for your open positions, our team uses the most up-to-date techniques for attracting and engaging passive candidates. By focusing on passive candidates, we broaden the candidate pool and can find candidates that match the skillset you require.

Accountability

Keeping our clients up to date on their searches is of the utmost importance to us. We commit to weekly search updates and provide written reports on all candidates presented so our clients understand where we are in the process.

Confidentiality

As we work with highly sensitive information, for both the client and candidate, we ensure our consultants are committed to confidentiality.

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