

KinheadPartners Perspectives

SEARCH PROGRESS REPORTS: What You Should Expect

Few clients make specific requests of us in reporting progress on searches underway, and I think more should. Surveys indicate that clients too often feel under-informed on developments. Some of this is the nature of the beast, in that all parties are focused on the result, a slate of finalist candidates, and all that takes place before delivering the slate is just activity. But bottom line notwithstanding, search firms learn a great deal in the process of developing candidates, most of which would be better passed on to the client.

I think it's fair to say that clients deserve insights as well as regular updates on progress. And we like weekly reports because search retainers are paid to ensure front-burner treatment from search firms and five business days is a long time. Search is time-intensive, involves a process, the components of which aren't particularly interesting, but careful execution of each step is critical. And trusting that your search provider is executing every week is too much trust, because he or she may not be. This is not to malign my industry, and search people are generally hard-working, but they are busy and it is too easy, in the press of travel schedules and fulfillment on several assignments, for a search executive to do nothing in a week on any one project. Weekly reports require weekly progress or very inventive reporting.

Speed is important and clients should evaluate search providers on cycle time. But search is not an exact science. Careful process execution is no guarantee of success and search partners often have to return to research and run a

second plan phase. This is time-consuming, so early execution of the first phase is important.

Reports should be in writing, not just verbal, so there is an ongoing record of search progress. This assures your peace of mind, but also provides a record that can be evaluated post-search. Search clients would do well to go back through completed searches to analyze provider performance by key metrics. And today, most companies do. Regular written reports ensure you have something other than memory to analyze. And it bears repeating that weekly reports keep the search firm's feet to the fire every day, because search is a business with a feast and famine cycle, and in good economies, feasting can often lead to greater workload than search firms can handle, and still deliver to clients in a timely way.

For this reason, clients should ask how many searches the individual who will do the work has under way now. A good consultant can handle four, assuming they are in different phases. But if he or she has four and two of them are in the early stages, there is no room for another search. I think it fair to say that smaller firms are generally more conscientious about not taking on more than they can handle, if only because repeat business is more critical for small firms with limited marketing budgets and time.

Content is King

What kind of information should the report contain? With an open position and time marching on, clients' first priority has to be the status of the search and having confidence in a date they will see a slate of candidates. Efficiency of the search firm in developing a slate is difficult to measure, but evidence of progress

is best reported with a list of all potential candidates in play. Look over the excerpt of a sample report on page 3. This is the current incarnation of our client report, and we change it as clients make suggestion to improve.

This is concise and abbreviated to be a quick read, but includes critical detail, so you can understand exactly what took place last week. And, because all potential candidates remain on the list until the search is completed, it shows progress and evidence of an exhaustive plan. Listed are specifics on candidate backgrounds, with just enough masking to protect confidentiality. This tells you the kind of candidate the search consultant has chosen to speak with, and it tells you which he has chosen to investigate in more detail. If the candidate is not interested, the specific reasons are listed, so you can look for patterns. It tells you whether compensation is an issue, or geography, company reputation, the structure of the position or reporting authority, and so forth. It tells you why qualified candidates say no.

On the other hand, if we decided against pursuing the candidate further, the report tells you why, so you can check and understand the criteria we are using to rule in or out. This can stop disconnects between client and consultant early in the game, and it provides food for discussion in regular telephone contact with the consultant. These are insights most search clients simply don't get during those critical ninety days.

The Importance of Detail

Other information may come out of this detail. On a recent search for a unit CEO, another search firm was engaged for a parallel search for the same position in another group, and the other firm was reporting heavy resistance on compensation from candidates. Our reports indicated we were having no such difficulties in speaking with a parallel subset of potential

candidates, and this helped the client manage the other search provider.

Most searches are focused on recruiting from a small list of source companies, and a detailed report indicates the extent to which the recruiter has penetrated those companies. And this prompts another question. Should search consultants be required to work just until they have generated a slate of acceptable candidates, or to completion of their plan? We think the latter, because a second slate may be required and you want the consultant working on that slate while the first group is being evaluated. Our project plan, which accompanies progress reports each week, has search milestones and target dates, including Second Slate work in the timelines.

Detailed reports shed insight on what sources the consultant may be using, and should show evidence of multiple platforms up and running to attract candidates (original research, internal/external databases, search firm network, web-crawling research vehicles, etc). Are candidates clearly coming from the original research you asked for, or do these look like they came out of the search firm database? Both are viable sources, and both should be used. To tell the difference, original research-generated candidates will most often be working for one of the target companies agreed upon, whereas those generated from internal databases or the firm's network may not. Original research is so critical to any search, but without reporting in detail, clients have no check on whether it was carried out and to what extent.

Again, detailed reports provide a quality check on the provider, and the results will always provide valuable insight on the perception of your company in the eyes of those you wish most to attract.

Sample Candidate Report: Excerpt
Group President -- Energy Segment (GPES)
December, 200X

Background

The search universe for this project includes the major corporations supplying products or services to oil, gas and power generation markets, and smaller providers a candidate may have moved to after experience with a one of the major industrials. The first group comprises upstream providers in the extraction, platform building, pipeline and inspection, deep-sea drilling and construction spaces. Closer to the client business model and higher promise in terms of candidate quality are the manufacturers of products used in oilfield equipment and/or downstream oil & gas and power generation applications.

We are also speaking with the large consulting company energy practices in Texas for referrals, and looking at the venture and new technology groups within the major oil companies for start-up units.

The pedigree we seek – calling for a high potential growth candidate from a respected culture but still relatively early in his/her career, with significant oil & gas industry experience – is the key challenge because the universe is limited.

Quick Update

Two potential candidates have been ruled out since our last report for the reasons listed below. We have added one potential candidate and have had initial contact with three others who have indicated interest.

Candidates in Play Now

GPES Candidate 1 (North Carolina)

- BS Mechanical Engineering - University of Michigan 19XX
- MS Chemical Engineering - MIT 19XX
- MBA - University of Chicago 19XX
- Unocal – President - 8 years
- McKinsey – Engagement Manager (Energy Practice) - 5 years
- British Petroleum – Finance, M&A, Drilling Engineer - 8 years
- Shell – Engineer - 4 years

GPES Candidate 2 (Missouri)

- MBA - Harvard 19XX
- BS - Columbia (liberal arts) 19XX
- General Manager of a \$250 million turbine aftermarket business – markets to power generation and refining markets
- GE Energy - 13 years
 - Quality Leader, Master Black Belt Installation & Field Services - 3 years
 - Regional Service Director - 2 years
 - Substantial M&A experience in energy markets

GPES Candidate 4 (Washington, DC)

- BS Chemical Engineering - Vanderbilt 19XX
- MBA - University of Houston 19XX
- Boston Consulting Group – Management Consultant (Energy Practice) – 5 years
- Reliant Resources – VP Strategy and Analysis - 4 years
- Aker Kvaerner – XVP Petroleum Group - 3 years
- McKinsey – Sr. Engagement Manager (Energy Practice) - 6 years
- Exxon – Refinery operations - 12 years

ETC...

Candidates Ruled Out

GPES Candidate 5 (Los Angeles)

- BS Chemical Engineering - Case Institute of Technology 19XX
- MBA - University of Chicago 19XX
- Turnaround consulting firm - 4 years
- McKinsey Partner – Energy Practice - 7 years
- Arco Chemical – Engineering Management - 9 years
- *Can't relocate at this time*

GPES Candidate 6 (UK)

- BS Chemical Engineering - Purdue 19XX
- MBA - Kellogg 19XX
- Emerson Process Technologies - VP Gas Equipment 1 year, business development and Asian business management 2 years
- Huntsman Corporation – Engineering and Sales - 4 years
- FMC Process Engineering - 2 years
- *About to take on new responsibilities – not good timing*

GPES Candidate 7 (Houston)

- BS Business – University of Texas (Austin) 19XX
- MBA (Finance) UCLA 19XX
- Honeywell Process Management - SVPGM \$700 million, all oil & gas business – 28 years
- *Considering early retirement, single culture experience*

ETC...

Very often, search people, especially if highly specialized, will recruit fully qualified candidates you might not have thought of targeting, and this may provide additional avenues to pursue on future searches. Or if a search is not going well, or is taking longer than expected, while the consultant will explain his or her perception of the delay, detailed reports provide the corroborating data.

For a copy of a full Search Progress Report, visit the How We Work section of the Kinkead Partners Website at www.kinkeadsearch.com.

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