

Head Count Or Head Case: How to Scale Your Search Firm and Stay Sane

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The Magic Window

- Jobs – Unemployment under 4% - 254K
added in Sept.
- GDP – 1.6 Q1 – 3.0 Q2
- Inflation – 2.4% - Wages above 5% growth

The Magic Window

- Interest Rates Cut – Fed (Mortgages, Credit Cards, Loans all down)
- Retail Sales Booming
- Wall St – 42000!!!

**“I love the biz, but I’m not
in love with it, I want to be a
fulltime skier.”**

- Danny Sarch – 2000

1-2 Million Dollar Producer Annually

**Those who can't
do teach...those who
can't teach, teach gym...**

**Those who can do,
can't teach...**

Opportunity Cost

“The loss of potential gain from other alternatives when one alternative is chosen.”

'Hard' Reasons

- I want revenue independent of me
- I want diversity of risk (Multiple Niches)
- I have SO much work
- I want to build something I can sell
- I want my desk to be supplemented

'Soft' Reasons

- I want a team
- My people pleasing has no bounds
- I like being 'the guy with the answer and the final say'
- I like how it feels to develop and serve others
- Whatever is broken in me gets comforted by others

Let's Scale!!

Common Mistakes

- Too Fast – Under Capitalized (3-6 months operating capital in bank for 'Fat Hot Sheet' – Assume 3:1 Turnover Rate)
- Hire 12 in 18 months – You have 4 people on staff

Let's Scale!!

- New Niche – Newbie
- Managing is Fun! Prospecting is not!!
(Lead by doing it!)
- I need new work, and I'm terrified of cold calling
- We pay too much
- We keep them too long

Comp 'Burden'

- Base + Commissions
- Working Manager/Owner – 40% - Flat
from MRI 1970 – 1990's
- Base/Draw – 24-30K
- Burden = 35-38%

Successful Office with Balance of Rookies-Established-Superstars

- 2000 – Avg. Commission – 47.5%
- 2006 – 50% Above 500K
- 2016 – 50% Above 250K – 55-60% over 500K
- 2021-22 – 65-70%
- Average Draw/Base – 50-60K

Very Common Plan

- 60K –
 - 5% - 100K (65%)
 - 10% - 100-250K (32%)
 - 25% - 250K > (29%)
At 400K = 117.5K

Low Producers Can't Be Tolerated

Monthly Quota Model

- 17K month – 200K/year
- 85K Base
- Commission Starts at 50%

**‘Uh, I have ADHD how
can I do this faster?’**

2 Angled Recruiting Approach



ACCORDING TO
Danny!

- Pay Fees or Actively Recruit for Senior People
- Beware of ‘Account Manager Syndrome’
- Why don’t they do it on their own?

PS...Negotiate the Fee!

One Sales Job, Some Success, Culture of Discipline

- Enterprise
- Ritz Carlton
- Call Center
- Collection Agencies

Remote for Seniors

NOT for True Rookies



If the oxygen masks drop down, **put your own mask on first**, and then help the person next to you.

You Can Work A Desk

- Up to 10 recruiters – 100% Effectiveness
- 10 – 20 Desks – 50% “Give Aways”

Classic Test We All Fail as Managers

- She works hard.
- Is professional and fits in the culture.
- Everyone likes her.
- She brings energy and vigor.

Classic Test We All Fail as Managers

- She is fastidious about data entry, procedures, and does what you say as if it is the word of God.
- She is there every day on time

And...wait for it...

She Sucks

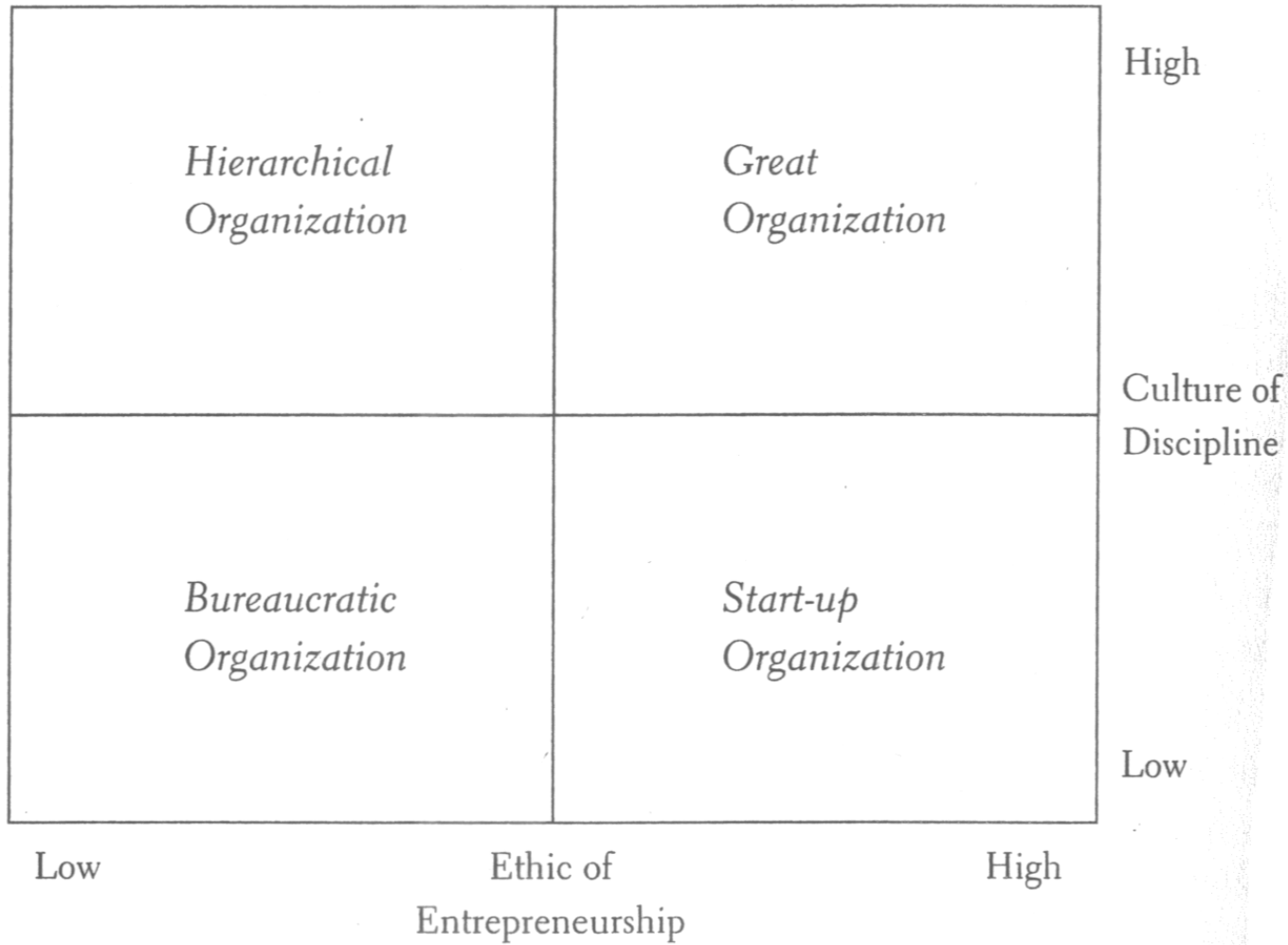
- Little or no activity.
- Low callback rates.
- Low email response.
- Epic plans, zero results.

This is a test!

Truth

The keepers 'get it' right away.

The Good-to-Great Matrix of Creative Discipline



Broken Windows Theory

- Few broken windows
- Vandals break more windows
- Squatters break into building
- Sidewalk litter accumulates
- Trash bags thrown from cars

Broken Windows Theory

Answer?

- Fix the problems when they are small
- Build a culture of respect

‘We’re Family...’