



SANFORD ROSE ASSOCIATES®
EXECUTIVE SEARCH

SELECTING A SPECIALTY

One of the most significant decisions that we will help you make is in the selection of your niche. Most SRA Owners choose to specialize in some combination of a specific function, industry, location and level of expertise – which is what we refer to as FILL.

Let's break each of those four elements down. First, you have Function. What is the role or sector your companies work in? Examples of possible functions could be accounting and finance, or human resources, or sales or IT.

Second, you have Industry – examples are Construction, Consumer, Healthcare, Financial Services, Insurance.

Location – pretty self explanatory. What is your defined geography? Is it a region of the country? Is it a city? State? Nationally? We'll talk more about this in a minute when we walk through an example, but typically your location parameters will depend on how many companies and candidates are available in your area. You need to make sure that you have a big enough territory to build a sustainable business, but not so big that again, you become jack of the entire world and master of nothing.

Last, you have Level. What positions and titles do you place? Entry level, middle management, senior level – obviously the more clearly defined, the easier to become an expert.

So again, you are defining your niche by function, industry, location, and level – and a successful market master has to have the right combination of these four criteria in order to ensure that they truly understand their client's market.

That being said, most niches tend to be heavily weighted towards one of three areas. Some recruiters choose to define their niche with a heavy emphasis on the "industry" component; they work construction, or aerospace, or pharmaceuticals, or legal, or medical device. The level of depth that they have in that industry is determined by the recruiter – they might perhaps choose to place all functions within that industry because it's a smaller industry, or they might select a couple of functions within that industry in order to narrow down their scope. So again, some niches are heavily weighted towards the "industry" of specialization.

Some niches are heavily weighted within the "function" of specialization. Some recruiters choose to define their niche by placing human resource professionals, or IT professionals, or finance and accounting. They may work in a variety of industries because the functional abilities of the candidates they represent can span from industry to industry. A prospective client is not hiring this candidate because of his or her industry experience – but instead for their functional experience.

Last, some niches are heavily weighted by geography. The recruiter may choose to span a variety of industries and functions, but niche their practice by geography. In this situation, a recruiter might place candidates only in Omaha – but place multiple functions and industries within Omaha. Perhaps they choose to focus specifically in the city or region in which they reside, so they have a higher level of face to face interaction with their candidate and client pool. So recognize that the ability to define your niche is critical – but the way a niche is formulated might vary from recruiter to recruiter, from region to region, and from company to company.

For example, I could define my niche like this: I place finance and accounting professionals (function) in the healthcare industry (industry) in the states of California, Oregon, and Washington (location), in the roles of middle management and above (level). Simply saying "*I place finance professionals*" or "*I specialize in the healthcare industry*" is too broad, not well defined, and sets too large of a search area to ever be able to become a market master in your niche.

So, this should be clear – you need to niche yourself in a market that's small enough that you can maintain a level of dominance in terms of market expertise in that niche; however, it must also be large enough that it can provide you with enough space to accomplish what you want and need to accomplish.



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Building from your previous business experience is one of the best ways to not only get up and running quickly, but also to have tremendous immediate credibility with clients and candidates. One of the biggest challenges you will face, as a recruiter, is to bridge the gap between being perceived as a vendor to your clients and candidates versus being perceived as an invaluable partner and knowledge resource to those clients and candidates. One of the best ways to bridge that gap is to develop true expertise in a very specific niche – in addition to expertise in the search process.

By gaining in-depth industry insight beyond the obvious, you position yourself to bring unique knowledge to the market – knowledge worthy not only of the time invested when partnering with you, but worthy of the professional fees you charge as well.

There are three objectives in market mastery – (one) to know every potential company prospect in your niche, (two) to know every potential candidate prospect in your niche, and (three) to know the market trends and business insights above and beyond that of the general market. Your goal is to become known as an insider to your market - not just a recruiter.

Here's how you go about building a business around the Market Mastery approach. As a market master, most every search you take will be for reasonably similar positions, so you will have recyclability with the candidates you recruit. This provides for a deeper understanding of the people in your market, their reputations, their departmental structures, compensation and benefit packages, and so on. With this volume of intimate market knowledge, you know more about the market than the people in it.

This level of insight generates a snowball effect that looks like this – when you have success in completing a search, will get you more similar searches, and the more you get, the more you fill. The more you fill, the better your expertise and resulting reputation. The better the reputation and expertise, the more clients will be willing to retain you, if appropriate, at higher fees and more favorable terms.

The bottom line is that your clients want to hire specialists. Patients no longer see a general surgeon; they go to an orthopedic surgeon that specializes in specific areas such as the spine or the shoulder. Consumer product companies hire specialty reps that deal with specific distributors such as convenience stores, restaurants, or big box retail chains. The drug industry does not just have one pharmaceutical sales rep that handles all products; they have a rep that handles cardiovascular products, and another that handles oncology products.

Being a market master can also help secure your longevity in the search business. In great times, when the economy is flourishing and companies need to hire 100 people at a time, they will talk with virtually any recruiter. However, if and when things turn, and they only need to hire 15 people and not 100, they are going to be overly selective as to whom they choose to partner with. In that situation, they aren't going to partner with the recruiter who knows very little above and beyond what's written on their candidate's resume. They want to talk to the recruiter who not only can continue to deliver them the best talent, but who can also give them competitive insights as to how to stay viable in the marketplace, can share with them best practices to retain the top employees they currently have, and suggest new tangential areas of possible business development opportunities. In times of economic downturn, only a select few recruiters will survive – and it's those who can provide the value that only a true Market Master can provide.

Recruiters must therefore become experts in their space, as companies increasingly rely on search firms to be experts not only in the generalized world of search, but in the world of search in a specific industry, or a specific function, or a defined geography, or at a specific level of candidate – whichever combination of the Market Mastery method suits you best.

We will assist you with this niche definition throughout EntrepreneurExpress and Phase 1 training to help you define the world in which you will now be the relied upon expert!