

MEMORANDUM

TO: Personnel, Legislative and Public Affairs Subcommittee

SUBJECT: Process for Hiring a General Manager for the District

DATE: May 11, 2006

FROM: Marlin Petermann, Acting General Manager

The Board of Directors is currently faced with the responsibility of hiring a General Manager. There are several directions the Board could pursue ranging from:

1. Handling the hiring internally
2. Conducting its own state-wide or nation-wide search, or,
3. Hiring a consultant firm to handle recruitment, interviews, placement, etc.

To help understand the type of services provided by search firms, some promotional material from The Noll Company and an e-mail from Aureus Group are attached for your review and information. The cost of such services normally ranges from 25 – 30 percent of the candidate's starting salary.

If the Board decides to pursue the option of utilizing a recruitment company to perform the General Manager search, the District's Purchasing Policy for Professional Services (Policy 15.2 attached) would apply. An Ad Hoc Consultant Selection Subcommittee for General Manager Candidate Search would need to be formed and the Chairperson would need to appoint members to the Ad Hoc group. The Ad Hoc Subcommittee would bring a recommended search consultant contract to the Board for consideration.

HOW YOU, THE CLIENT, BENEFIT FROM AN EXCLUSIVE AGREEMENT

On the surface, it may appear as if you have more to lose than to gain by accepting an exclusive working relationship with your corporate recruiter. After all, why limit yourself to one resource when other firms may be able to provide assistance? The answer is that if you want to have control, it pays to dedicate yourself to one executive recruiter and develop a trusting relationship that will pay dividends for years to come. So the next time you are faced with that alternative, consider the following reasons to institute an exclusive search firm policy.

1. You receive the focused attention to your search you deserve and should demand. Quality search firms have exposure to dozens of opportunities each month in today's demand-side oriented market. You control their commitment to dedicate themselves to your search by offering exclusivity.
2. You save time and protect valuable information by disseminating corporate policy, hiring profiles, compensation plans, etc. to only one confidential source.
3. You eliminate the possibility of getting into a tug-of-war over a valuable candidate presented by more than one source.
4. You create a relationship based upon service and trust, not bodies. An experienced "search consultant" that is treated like a partner will counsel you on critical hiring issues and trends; i.e., counteroffers and incentive plans.
5. You can demand performance criteria from your search partner based upon your sole-source agreement. For example, if you select a firm that specializes in your field, and has the confidence to fill your requirements, an extended guarantee period is reasonable.
6. You become a team with your search consultant, combining your forces to implement a recruiting, negotiating and closing strategy that works repeatedly.
7. You do not have to tell the same 'story' over and over again. Once a competent recruiter knows your likes and dislikes, he or she can zero in on your target consistently without exhaustive effort.

The bottom line is that if you want more control over the process of identifying and securing your next critical hire, choose one search firm well and cultivate that relationship.

Look carefully for a recruitment company that knows something about your company, its products and your buzz-words. Make sure the recruiter has placed similar executives to the one you need. Consider the fact that this relationship deserves the same value that you put on your selection of an attorney or accountant. You wouldn't want to rely on more than one CPA if the IRS came knocking, would you?

Source: The Fordyce Letter, 1/98

