

Specializing in Several Industries

By David A. Knutson, CPC, CSP
The Knutson Group, LLC

There are many recruiting/executive search firms that specialize in just one or two industries. Most of these companies are small to medium sized firms, and they typically work on more of a local or regional basis, with a few working nationally. Over the years I have met many niche players and find that they are very knowledgeable in their chosen industry, but I also find that they are constantly looking for the same type of people.

Years ago I met a very successful recruiter that placed an average of 36 insurance actuaries per year at \$10,000 per placement. He knew everyone in that field and had been in the business for six years. Then all of a sudden there was a slow down in hiring, mergers were taking place, and that specialty was soon not the hot market it once was. He found that he was crossing off half of a target list to recruit from because they were already his clients, and he was boxed in with companies that were “off limits”. I can’t imagine anything worse than the feeling that your business has nowhere to grow.

Boredom is another reason to expand into new industries. I personally find taking on a client in a new industry to be an exciting challenge. The research that goes into discovering information about the industry, learning about new products or services, and gathering data about competitors is motivating. I remember going on an outcall to visit a potential new client several years ago. The client was so impressed with our retained search process, I came back with not only with a new search, but an annual agreement with the company for multiple searches over the course of a year and an ongoing monthly payment plan with settlement being made quarterly for any additional fees due. The first question I asked when I returned to my office was “What the heck is *reinsurance*???” There was a buzz and an excitement throughout the entire office for the next several days as we started researching more about the company, the industry and where to recruit candidates from to fill the positions.

I have often spoken before many recruiters at annual conferences over the years, encouraging them to be experts in a number of industries to remain recession-proof. If one industry is experiencing a slow down, the others will sustain their business.

More appropriately, I have witnessed recruiting firms failing to move vertically within their selected markets. If they are, for example, currently placing engineers in the manufacturing arena, they should be placing in the metals and plastics industries along with, let’s say, electronics. The positions they are capable of filling should be candidates from engineers up to the CEO level within those industries. Imagine the fee income generated if someone has broadened the horizontal market by choosing several industries and then working vertically to fill the staffing requirements up to the CEO level. The process is the same in each search assignment. I know that you have heard the phrase, “The higher the position, the easier it is to fill.” My experience proves that there is a lot of truth in that!

Just recently, I learned that I and another search consultant thousands of miles from where my firm is located have been working with the same client for 10 years, not knowing that each of us

had placed candidates in this company. The funny thing is we know each other and have played golf together many times. Go figure!

By expanding the industries you work in, you are giving yourself the opportunity to increase your billings, while developing strong relationships with a select number of clients. Today's technology and the tools available to us through the Internet and other resources make the task of exploring new industries to work in easier than ever. You have no excuse not to give it a try!

Dave Knutson is President of The Knutson Group, LLC, located in Scottsdale, AZ. He has 23 years of experience in executive recruiting and works with his clients strictly on a retained basis. He has been invited to do numerous presentations for national, state and regional associations across the country and offers a mentoring program teaching his retained search process. He has also served on the Board of Directors for NAPS as well as the Arizona Staffing Professionals Association and the Minnesota Association of Personnel Services. Dave may be reached at 877.282.1483 or email him at dave@knutsongroup.com.