

How to Double your Revenue without Doubling your Effort!

By Jon Bartos

We are no longer in the recessionary period of 2009. Though the growth is slower than originally anticipated, we are seeing monthly decreases in the unemployment rate and increases in the number of employment postings going up every day. It's becoming a better economy and now is the time to take advantage of the times! In talking with many recruiting firm owners and individual recruiters about the outlook for 2012, many have set goals to increase production 10, 20 and 25% over last year. Those are exciting numbers after the past couple of years we have had but let me ask you this, "What if you could double your revenue? Starting this month ... *and* without spending more time than you currently do at work. Sure, one can double revenue by doubling the amount of time spent marketing, recruiting and putting in the hours in the office, but no one wants to spend 12-15 hours a day working. The key is to double your revenue without spending any more time working than you already do.

Achieving this lofty goal is not simple but the good things in life never are. We all know there is not any one thing that can be changed to result in such drastic improvement, but by making a few select changes, it may be possible to find that magic formula that allows you to double your revenue without doubling your efforts. Are you ready for the challenge?

Get Committed to Increasing Your Service Fees

There are two ways to immediately increase your service fees. The first is to increase the percentage that you ask for. We are all creatures of habit. We get into a bad habit of quoting the same fees and are afraid to up our fees for fear that our clients may not continue to work with us. The standard for retained search firms today is 33.3% plus expenses. How does that compare to your fee? If you want higher fees, simply ask for more and back it up with a solid value proposition as to why you deserve it and take it to the next level with a performance guarantee. Adding a performance guarantee can go a long way in letting the client know you are prepared to deliver and are confident in your abilities. If you are at 25% - get it to 30%. IF you are 20% - get it up to 25%, then 30%. IF you are at 30% get to 33.3% plus expenses. You will never get it, if you don't ever ask.

The second way to increase your fees is to go higher up the food chain. If you are used to placing sales professionals, start placing sales managers and VP of Sales and Marketing. If you are placing Engineers, start placing Engineering Managers and VP of Operations. Making this change is very easy to implement, simply call one or two levels higher in an organization.

Get Committed to becoming more "Efficient and Effective" at the Recruiting Game

To improve your skills in the game of recruiting, it is necessary to understand and pay attention to the Primary Ratio's, the metrics that tell you how good you are at every integral part of the game. The better your skills and knowledge at each of these, the more placements you make – bottom line. This is such a critical area, where one small tweak can help you improve your revenue overnight! Let's start with the Primary Ratios, the ones that point to a very specific activity and indicate how good you are at it. The Primary Ratios apply to Marketing, Recruiting, Matching Skills, and Quality of Job Orders. These four key elements and corresponding metrics constitute 99% of what you need to master to reach any level of success in recruiting.

Marketing Primary Ratio (New Marketing Presentations/Job Orders)

This critical metric is important as it tells you how good you are at marketing. It indicates how many marketing presentations you have to make in order to get a job order. It measures your effectiveness on giving sales or marketing presentations to your clients. If this ratio is anything above a 5/1 ratio, it needs help. To see improvement in this area, increase your skills with additional training on how to give better marketing presentations. Having the ability to bolster your marketing skills will lead to an increase in the number of Job Orders. The more Job Orders, the better the potential to weed out the bad ones, giving you the ability to only work on the ones where you are guaranteed a placement if you find the match. Maximizing your marketing skills and reducing your ratio in this area alone will help you build business immediately. Shoot for a 2/1 NMP/JO ratio.

Recruiting Primary Ratio (Candidate Presentations/Quality Candidates)

Similar to the metric above, this key metric tells you how good you are at recruiting. It reveals how many candidate presentations are needed in order to obtain a Quality Candidate, an interested and qualified candidate that you can submit on your open Job Order. The better your skills are at recruiting (pinpointing and calling the right people) the lower this ratio. Anything above 5/1 is a big problem. The goal is to be at 3/1 or optimally 2/1. There are two facets to consider with this skill set. The first as mentioned in the previous sentence is that you have to spend time calling the “right” people. This requires investing time in research and planning to have the ability to eliminate the majority of non-applicable candidates up front and secondly, the ability to sell the opportunity once the right person is on the phone. If everyone you do a recruiting presentation to is interested in your opportunity, you are definitely on the right track. The question is, how do you get to that level? Here is where having the ability to sell is critical. Take time to role play and evaluate your current presentation. Are you still in the habit of regurgitating the job description with a few added words of enticement? That is so old school. Make it personal. Take time to sell the future, share with candidates how they can achieve their dreams based on this career move. Get good at painting a picture of how their goals and objectives will materialize with this opportunity and your effectiveness will increase overnight. Create a Picasso!

Matching Primary Ratio (Quality Candidates/Send Outs)

Even if you have exceptional marketing and recruiting skills, success will never be possible without the ability to match the candidate’s qualifications to the job requirements. Matching skills are necessary to achieve any level of revenue production, but more importantly, they hold the key to doubling your revenue. The lower this ratio, the better you are at knowing exactly what your clients are looking for and providing them with the qualified candidates that meet those expectations. Thus obtaining a higher level of sendouts and as we all know, sendouts are what makes placements happen. There are several ways to improve this ratio, but the first is to focus on truly understanding what your clients want, the specifics of what the job requires, the culture and the goals and objectives of the authority who is responsible for hiring. What are the key must-haves for the position and what is the dream candidate for that job? If this ratio is off track, this will be a quick indicator that you and your hiring manager may not be on the same page. The industry average for this ratio is 3/1 but realistically it should not be any higher than 2/1 and preferably 1.25/1 for maximum results.

Quality of Job Orders Ratio (Job Order/Placement)

The JO/PL ratio is a significant metric that shares with you the quality, or how good your job orders are that you are working on. To understand this ratio, when your JO/PL ratio is 10/1, this means you are working on filling 10 job orders and you actually fill one for one placement. This equates to wasting 90% of your time. And we all know that time is such a valuable resource, it's not an option to spend it without getting sufficient results. Thus, in looking at all the primary ratios, another way to dramatically improve your revenue is to make sure you are working on solid (qualified) job orders that will result in placements, not busy work. The more time you spend on good job orders is in direct proportion to how much your revenue will go up. It is a direct correlation, Good Job Orders = Revenue. Make it a priority to take time on the front end to get the detailed job order information you need and then take it a step further to qualify the quality of the job orders you take with the job order matrix. This will enhance your production substantially. (Check out Bob Marshall's Job Order Matrix www.rpmdashboard.com go to library section). The industry average for this metric is 8/1 however anything over 6/1 is a very serious concern. For contingency firms a 3/1 ratio is the target number to shoot for.

Is it really possible to double your revenue this year without doubling your effort and time spent in the office? Maybe, and maybe not. It will not be easy as it requires change and change is difficult. The potential however exists and everybody has the opportunity to take advantage of it. It is simply a matter of gaining the business intelligence that will allow you to develop a strong understanding of what your metrics are telling you and capitalizing on the available resources that will allow you to effectively measure and manage them.

Remember,

"If you do what you've always done, you'll get what you've always gotten."

-Tony Robbins

It's time to figure out your magic formula for success in 2012! Make the commitment to understand and improve your metrics and based on what they are telling you. Recruiting has always been a numbers game and performance is directly related to the numbers. For more information on understanding the primary ratios and creating a culture of performance base on metrics, visit www.rpm-usa.com. Take a look at a new tool called the RPM Metrics Dashboard by Revenue Performance Management.

Improved performance leads to increased revenue. Set the goal today to measure and improve your primary ratios and who knows what you will achieve!

Jon Bartos is a premier writer, speaker and consultant on all aspects of human capital and achievement. As President and CEO of Jonathan Scott International, he has achieved industry-leading success. He is one of an elite group of executive recruiters who have billed over \$1 million annually. In a 10 year period from 1999 to 2009, he cashed in over \$10 million in personal production. Jon has established Jonathan Scott International as a top 10% executive search and contract staffing firm. The office has won over 17 international awards in the MRI Network, including International Billing Manager of the Year and Top 10 SC Office. Jon also competes nationally in Masters Track and Field and is a four time National Champion in the Pole Vault. To help recruiters reach their potential, Jon developed the RPM Dashboard, a total revenue performance management system for the recruiting industry that allows offices and individuals to set goals, get a series of weekly dashboard views of performance metrics and receive specific suggestions for immediate improvement of critical areas. www.rpmdashboard.com. If you or your organization is ready to take it to the next level, contact Jon at 513-701-5910 or jon@jonbartos.com.