Search Options & Fee Structure

You have to sell before you can negotiate, and the FIRST Rule of Negotiation - **BUYERS WANT OPTIONS**!!!!

Whenever a potential client brings up fees the next thing you say should always be exactly this: (MEMORIZE)

"_____, if you're looking for contract or contract-to-hire (temp or temp-to-perm) we quote our bill rates based on market compensation value and your budget. Our contract-to-hire (temp or temp-to-perm) services requires our candidates to be on site for a minimum of 520 hours with a $300 conversation fee.

Contract: Contract assignments are for a fixed amount of time. You will typically provide us with a start and end date (these may sometimes change in the middle of an assignment).

Contract-to-Hire (C2H): Contract-to-hire assignments are for a fixed amount of time, and then they roll over into your company as a full-time permanent assignment. It's like a "try before you buy" option. This is a trial position to gauge the candidate's ability to work for your company on a regular full-time basis. Our employees will be eligible for transfer to your payroll after 13 weeks or 520 work hours.

Our bill rate is currently 60% mark-up of the positions' pay rate. For example:

Sample Pay Rate	Sample Bill Rate
$11.00 per hour	$17.60 per hour
$13.00 per hour	$20.80 per hour
$14.00 per hour	$22.40 per hour

The 60% Mark-Up: Benefits

An industry-standard mark-up of 60% allows us to provide you with exceptional service, as well as the following:

- Payroll Burden (F.I.C.A., State Unemployment Tax, Federal Unemployment Tax, Social Security, Worker's Compensation Insurance State Disability Insurance, and General Liability Insurance)
- Payroll
- Employee Training
- Applicant Screenings

This mark-up also allows us to provide our employees and candidates with exceptional benefits, such as 401(k) retirement plans, holiday pay, vacation pay, bonuses, a full range of medical, dental and vision coverage, direct deposit and training. With our contract and contract-to-hire services, we handle all of the stressful backend work for you.

Temporary and Contract Terms:

Agency will send an invoice to the client on a weekly basis. The invoice will document actual hours worked during the preceding pay period and payment is due upon receipt. Delay in payment could result in the removal of contract or temporary candidate from the assignment.

John, for our Direct Hire Search Services we have three different pricing models we work with here. Let me outline them both to you and you can tell me which one will work best for you in this case:"

Plan A (The Contingency Search): (your risk)

- 25% straight contingency client pays nothing if you aren't successful.
- 30-day replacement policy.
- Guarantee at least 3 interviewable candidates within 30 days, that have been pre-screened, assessed, and reference checked prior to submittal.

Plan B (The Engaged Search): (equal risk)

- $5000 engagement fee to begin the search.
- 28% contingency fee less the $5000 engagement fee.
- 60-day replacement policy.
- Guarantee at least 3 interviewable candidates within 30 days, that have been pre-screened, assessed, and reference checked prior to submittal.

Plan C (The Retainer Search): (their risk)

- 30% retainer fee
- 1/3 to begin the search.
- 1/3 at the face-to-face interview stage.
- 1/3 once the candidate is placed.

- 1 year sliding scale; depending on level of position replacement policy.
- Guarantee at least 3 interviewable candidates within 30 days, that have been pre-screened, assessed, and reference checked prior to submittal.

”Now John, which one of these options feel good to you?”

You can feel free to create your own options. Check out the following chart and feel free to use this as a guide to determining how you will deliver your service offerings:

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	Contingent Search	Engaged Search	Retained Search
Best For:	Companies who wish to maintain ability to fill positions with internal or other recruitment efforts.	Companies who wish to experience an individualized search process where positions are filled no matter how difficult the search is. A dedicated resource will be assigned.	Critical Positions Confidential Search Guaranteed Results Positions where the real-life industry experience and knowledge is critical.
Resources:	Full access to our database and recruitment within our known candidate profiles.	Full access to our database and recruitment within our known candidate profiles. External recruiting through our extensive network.	Full research to include primary research through our network, honed over 25+ years in industry; secondary research including patent searches, industry publications, etc.

*** YOUR COMPANY NAME does not currently offer a contingency option. We are happy to supply recommendations of excellent recruiters who may have the capacity and bandwidth to conduct a contingency search. **(If you choose not to offer contingency search as a service.)**

Candidate Exclusivity:	Candidates may be presented to and represented by us to other clients.	No - candidates may be presented to other clients simultaneously.	Yes - candidates will be presented exclusively to you the client.
Candidate Assessment Third party, behavioral web-based reference checking using Skill Survey+ (More Info?)	Candidate assessment includes resume, and recruiter comments.	Candidate assessment includes resume, limited work product examples, and recruiter comments. Verbal presentation by lead recruiter to hiring team.	Full Candidate assessment to include professional profiles, resume, work product example and pre-screening video submittals. Verbal presentation by lead recruiter to hiring team. Skill Survey conducted for candidates selected for face to face interviews.
Service Fee:	25% of first year base salary	28% of first year base salary	30% of first year base salary
Performance Guarantee:	We agree to present qualified candidates within your scope of requirements.	We agree to present qualified candidates within your scope of requirements and with a defined period of time.	We agree to present at least three qualified candidates per opening within a defined period of time until an offer is accepted.
Replacement Guarantee:	30 Days	90 Days	1 year sliding scale; depending on level of position.
Payment:	25% of first year base salary paid upon successful placement.	$5,000 of fee paid up front with remainder paid only upon successful placement.	1/3 retainer up-front 1/3 face-to-face interview 1/3 upon start date

All information and rates subject to change without prior notice.

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Sample Fee Schedule

The fee for our placement service for a full-time hire is based on 1% per $1,000 of the annual compensation package capping at X%. We charge fees only when a referral or introduction of our candidate has resulted in their being hired. The following is a standard fee schedule with a maximum fee of 35%:

The table below illustrates an example fee schedule:

Annual Starting Salary	FEE	Annual Starting Salary	FEE	Annual Starting Salary	FEE
$ 1 to 10,000	10%	$18,001 to 19,000	19%	$27,001 to 28,000	28%
$10,001 to 11,000	11%	$19,001 to 20,000	20%	$28,001 to 29,000	29%
$11,001 to 12,000	12%	$20,001 to 21,000	21%	$29,001 to 30,000	30%
$12,001 to 13,000	13%	$21,001 to 22,000	22%	$30,001 to 31,000	31%
$13,001 to 14,000	14%	$22,001 to 23,000	23%	$31,001 to 32,000	32%
$14,001 to 15,000	15%	$23,001 to 24,000	24%	$32,001 to 33,000	33%
$15,001 to 16,000	16%	$24,001 to 25,000	25%	$33,001 to 34,000	34%
$16,001 to 17,000	17%	$25,001 to 26,000	26%	$34,001 to 35,000	35%
$17,001 to 18,000	18%	$26,001 to 27,000	27%	$35,001 & above.	35%

Direct Hire Terms:

Terms are all negotiable. Payment Terms are generally payable upon receipt of invoice, but will vary based on individual agreements with each client. For convenience, the fees are invoiced on the date of a candidates' acceptance of employment.

Direct Hire Referrals:

All referrals are made in confidence. If the client is in receipt of your fee schedule, or if a candidate has been referred and interviewed, the client is in acceptance of the terms and conditions of the fee schedule.

Example of a Direct Hire Guarantee:

The letter below is a sample guarantee within the fee agreement.

A sixty (60) calendar day pro-rated guarantee will be honored if the full fee is paid in full within (10) calendar days of the start date of candidate's employment. Payment received thereafter will be subject to a thirty (30) calendar day pro-rated guarantee. If for any reason, the candidate terminates employment within the applicable guarantee period, we will be given 60 days to find a suitable replacement for the employee with no additional charge. If a suitable candidate has not been found within 60 days you will receive a refund for the pro-rated portion of the fee paid, or issue a credit for such amount in the event agency does not provide a suitable replacement

within (30) thirty days. The refund will be equal to 1/60th or 1/30th, as applicable, multiplied by the number of days remaining in the guarantee period as the last day of employment.

If any candidate referred by agency to the client is not hired, but within one (1) year from the initial referral date is referred by the client to another position, group, division, subsidiary, or unrelated company resulting in the candidate being hired, an invoice will be issued to the client for the placement fee.

The above guarantee shall not apply if the candidate's employment is terminated due to a layoff for any reason, elimination of position, a substantial change in the job description or reporting structure, or a charge in the candidate's compensation package. YOUR FIRM shall not be liable for any compensatory or other damages resulting from the employment of the candidate.