

NOW WHAT DO I DO?

By David Rains and Ed Hamel, CSAM

It's one of those weeks. If it's not one thing, it's another. You keep a stiff upper lip, because you know it comes with the territory of managing your business. The weekend is almost here. Then it happens. Out of the cloud of chaos like a lightning bolt from a storm, it hits you. Your top producer has resigned.

After an unsuccessful counteroffer attempt and kicking yourself for not seeing this coming, you get a grip and start considering your options. You even get a little philosophical and think this could be one of those blind blessings. Of course your left-brain is screaming, "How am I going to replace that \$360,000 in 'fees generated' that's walking out the door?" How and why did this happen? Then you find out that some recruiter called your rainmaker and offered him some deal that he said was just too good to pass up. If you could get your hands on that recruiter, you would strangle him for messing with your people.

So, how can you stop a recruiter from talking to your people? What will work and will not work? First and foremost, as one of those recruiters, I can tell you that you cannot stop two people from talking. An industry this small and short of great talent is going to have movement between companies. There are some steps that you can take to minimize the risk of having a recruiter offer your people opportunities.

•First, you should know that money is #3 or #4 on the list of reasons people will accept a new opportunity. They may say it is the money; but, I am in the middle of more new hires in one month than most are in a year, and the #1 reason for a change is either opportunity or the lack of opportunity at their present position. Number 2 is visualizing getting more respect in some form.

•Now, this is not to minimize the aspect of money because it is still #3 or #4. So, if you are paying below par, be aware that the good recruiters know this and you will be an easy target.

•It is too late at a counteroffer stage to attempt to keep that rainmaker. Don't even try. If it is known by your people that you cannot be negotiated into concessions, they will not test the waters or leave until it has been carefully thought out and the decision made. You can't counteroffer these people anyway, and the others are just using you. Never give in to the temptation of a counteroffer. Just smile, wish them well, and get them out of your organization as soon as possible.

•A huge key to retaining your people is atmosphere. This counters money and, sometimes, even opportunity. People who feel they are part of a team, part of a great company atmosphere, and that they are accomplishing great things, do not leave. Instill these feelings in your people, and you will keep all of the good ones.

•Internet and websites are great; however, when you publish your key personnel's names and contact numbers on websites, you invite every recruiter in the world to call your people and make them offers. Sooner or later, one of those might sound too good not to look into. Of course, you still cannot stop the very best of recruiters from talking to your people, as the best are very adept at gathering names. After all, that is the recruiter's job, to know who is where and doing what. It will stop the sheer number of recruiters or the lazy recruiter, as they will have to ferret the information out of sources instead of getting on the internet and checking out your website.

•The last and probably the best principle is to engage the best recruiter for yourself. An ethical recruiter never, never sources the company who is his client. This may smack of protection to you; however, I submit that the recruiter who is out there every day, bringing you the best candidate available, is a person you want to have on your team anyway.

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Fraud Story

by Vinnie Galano

I started factoring for a company in January of 2000. It was a little machine shop that did maybe \$75,000 a month in sales with very large chemical companies. Everything was going along smoothly, until we made a collection call in April. The debtor told us that he had paid the client directly because the client told him he was no longer factoring.

We called all of the other debtors to see how many had been called by the client. It turned out that three were called and the client had taken a little over \$70,000. When I called the client, he did not take my call. I immediately faxed over a threatening letter, and also sent it to him by certified mail, attempting to scare him into responding.

Well it worked. Not the responding part but the scaring part. He died.

So that's how you steal and not go to jail (although I wouldn't want to be him at the pearly gates).

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