

Are you ready to come out of recession?

Alastair Campbell asks Mike Walmsley how recruitment companies can make the most of potential growth as we emerge from recession - and to share his experiences as a non-executive director

Mike, this isn't the first recession that you have worked through - how did you achieve such rapid growth at the end of the last recession?

I remember coming out of the last recession extremely well. At the time, a number of our competitors had gone under, but we kept doing the right actions day in day out. Then, just after the recession ended, there was what I call a *whoosh* effect.

What do you mean by a "whoosh effect"?

The *whoosh effect* is my personal description for the upsurge in new business at the end of a recession. However, that only happens if you lay the right foundations. In the business I ran, my staff spent at least 5 hours per day on the phone, networking and attending business development meetings because we *strategically* focused them upon relentless business development.

So, would you say you put in a lot of preparation, which at first didn't generate too much in the way of results and then all of a sudden it was like you lit the blue touch paper?

Not really, the activity generated good results even in a down market. I think that the groundwork - the 'above and beyond' groundwork that many of my competitors didn't do - may have given us that unassailable position for the take-off. Then suddenly there was a torrent of business.

You famously set up *Elite Leaders* a few years ago and many people in the recruitment industry will also know you from your DVDs. For people who don't know about *Elite*, can you tell me what the idea behind that was?

The concept of 'Elite' was based on my experience of becoming managing director when I was 34 years old. I look back on my time as MD, and I'm very proud of it - but I made a number of mistakes that could have easily been avoided. At the time I didn't have a mentor or non-exec. I had no-one *external* to bounce ideas off and to challenge things. So after exiting from Parker Bridge, I

formed the Elite peer-to-peer learning group to address this. I kicked it off with 12 non-competing managing directors around a board table once a month and we confidentially shared ideas and experiences, both good and bad, about each others' businesses. Ultimately, it grew to 100 members across the UK in different groups.

Working with so many recruitment managing directors must have been quite an experience. What were the main things that you learned?

It was a fascinating experience, but the most surprising thing was that pretty much *everyone* faces similar challenges. Broadly these are - recruiting and retaining better staff, managing those people more effectively and winning substantial amounts of new business. I think these were the common themes that came through in every group, in every city.

I understand that you sold *Elite Leaders* last year and that you are now acting as a non-executive director for a number of recruitment companies?

That's right. A number of the members had got to know me well over the years and one or two asked me to help with their strategic growth. I really enjoyed this more hands on challenge. This has now multiplied into half a dozen non-exec directorships where I chair the board meetings each month and help steer the strategy of the company to achieve maximum shareholder return.

So you are able to use all of the experience that you gained as MD at Parker Bridge plus your experiences from *Elite*?

Yes, and even more than that because I now have a real *fascination* for ongoing learning - and I really enjoy keeping ahead of the competition. I'm constantly learning about the latest and greatest things in recruitment, via LinkedIn or Twitter and other social media for example. Plus, when I speak at international recruitment events, I tap into the very best ideas and bring back fresh ideas from the outside



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world to give commercial and competitive advantage to my companies.

What sort of best practice ideas are you able to bring back from around the world?

In the United States, for example, they are using ideas that are just not happening in the UK. There is a piece of software that I came across recently that is astonishing in how it finds candidates and builds client databases in minutes via the web. That was only as a result of me having a US contact who brought it to my attention.

OK, so assuming I'm a director of a UK recruitment company, what sort of things would you be able to do for me?

One of the key things I learned from running *Elite* was this. Many recruitment directors hear good ideas, but *far too few* of them actually implement those good ideas. Something gets in the way and stops the more strategic concept from being used.

As a non-exec, part of my job is to ensure that the actions we agree on *actually get implemented*, that is to put rigour and accountability into the business. It is quite simple to achieve, but it needs organisation, planning, and focus. Plus somebody like me who will make sure that they are done. If that means that I need to sometimes grab hold of the directors of those companies in a very professional way and help ensure they are on track then so be it. A key part of that is a business plan. Very few recruitment directors have an effective strategic

business plan, and the ones that do could be relatively easily improved.

I also like to do things a little bit differently. If I go into a company and I run a two hour board meeting, I don't really want to just leave and go and play golf or something afterwards. What I want to do is get *deeply involved* with the business. Quite often, I do some one-to-one work with a director or have a look at their job specifications, challenge what they're doing and help redraw some of those things. Additionally, if they want to, I run some in-house coaching for the teams. That is very useful for them and allows me to keep my hand in on the training side.

So, assuming you've identified some weak spots within a company, do you speak to the directors and hold them accountable and perhaps suggest ways they could be resolved?

Let me give you an example. I've struck up a very good friendship with the managing director of one of the companies I work with and he sees the recession as an opportunity to recruit some top talent. I've done lots of that over the years - Parker Bridge grew to over 100 people in 4 countries - and the owner of this business really wanted to be in a similar position, so I asked him why don't I work on that strategy with you?

We worked very hard to position the company more attractively and, because of my profile within the industry, I was used as part of the 'hook' to attract talented trainees.

From an initial application of 500, we invited 40 people to a weekend assessment day. By default, those people were in the top 10% of their peer group because they were the best 40 out of 500. Then, we filtered them down further to the very best and we made offers. This was very clearly defined at board level where we made a strategic decision to strengthen the business. It is something I've done a lot of over the years. It is possible to recruit very good, experienced recruiters, but there is also a lot of baggage out there. However, if you have a very effective internal training programme - which I have also helped them with - and you go out and find talented, determined, hungry, ambitious, hard working individuals who are intelligent, you can train the rest. And that is what we did.

At the beginning of this interview, we were talking about the potential that

is out there for growth in the industry as a whole. How much untapped potential is there in it typical recruitment company at the moment?

Take business development as an example. I'm currently coaching a £1.2M biller (gross profit) who is a top performer in his company. If you were to ask him how many client meetings he attends each month - his answer would be 30. If I say to directors of recruitment businesses, 'let's win more business via client meetings', they wonder how they can fit it in. But actually, you can. How many top billers are even attending in excess of 10 meetings a month? Very few. They are often spending their limited, valuable time doing less important things.



Mike Walmsley *"I really enjoy a more hands on challenge"*

With organisation, with a more structured approach, planning the day more effectively and tweaking a few things, you *can* fit in more business development activity.

Therefore, by default, if your staff are more efficient and able to fit in more business development activity, any recruitment business has greater potential in that one area alone.

There must be a limit to the amount of companies you are personally involved with ... but, if someone is curious about how you can get involved in their business, what is the next stage?

I have room for 1 or 2 businesses that are like-minded in some way. A lot of that is a chemistry thing. If I like the person and their business let's talk. At heart, I am a recruiter. I don't like the sound of 'tapping' on the keyboard I prefer phone time. Give my PA a call and we'll arrange to have a chat and

talk it through. If it works for both sides, away we go.

I'm sure that a lot of people reading this will feel a lot more upbeat having listened to your words of wisdom. Before we finish, can I ask you for one more piece of advice that you would like to pass on to recruitment companies?

That's easy - work more proactively on your recruitment strategy. So many people recruit the wrong recruiters in this industry and that is usually because their recruitment strategy is not proactive enough. In recruitment, I'm always recruiting, constantly building my talent pool and that means that I can be more discerning. I can reject the people who are only 7 or 8 out of 10 calibre, whereas ordinarily you might hire them. Then instead I go for the 9 out of 10 calibre or above.

The fact is, even in this market, many recruitment directors say they can't find good talent, or that they take the wrong people and are always struggling. However, when I ask about their proactive recruitment strategy, hardly any of them have one. It really does pay to build a comprehensive, *proactive* internal recruitment strategy.

The key thing about that is to sit down, strategise, work it out and execute it. And, learn to say no. That is another big thing. Say no to the people who are good, but not good enough to work for you.

Mike Walmsley is an internationally renowned recruitment expert and business coach. If you would like to find out more about how he can help your recruitment company, email his PA cath@mikewalmsley.com or call 0845 003 1499.

"Goldteam grew by 80% in the last 12 months - to £9M T/O in 2009 - and there's no doubt that a significant part of that growth was due to Mike's input. He is an exceptional Non-Executive director, bringing clarity, vision and fresh ideas to the business whilst adding simple structures that improve business performance.

Mike is an integral part of our planned growth to £100M T/O."

Naveed Ahmed, Managing Director, Goldteam Recruitment.