



From Hunt Scanlon Media's article, "The Rise of the Independent Recruiter." – May 15, 2014

<http://www.rosenzweigco.com/media-1/the-rise-of-the-independent-recruiter>

Though he had no real plan when he started his own boutique, a strategy soon came to him. The Internet IPO market was starting to take shape and it quickly became apparent that there would be a big need for chief financial officers. "We got into this CFO gig before anyone else figured it out," Mr. Crist says. "And we got lucky because the wind in our sails in that mid-90s to late-90s time frame was really strong and then it was just a matter of executing, which is what I've always focused on." After four years of success, his firm was acquired by Korn Ferry. And once again he found himself working for a big firm. Among other achievements, he was vice chairman and built Korn Ferry's board practice. But when after four years his contract ran out, Mr. Crist decided to make one more go at running a boutique. Crist | Kolder Associates was launched in 2003, with a focus on corporate boards, CEOs for small-cap and mid-cap companies, and CFOs. The firm, which employs 14 people, takes on 50 to 60 assignments a year, with a minimum fee of \$200,000.

And though challenges remain, he says business has been nothing but good, even when the economy faltered. "Even troubled companies have to have CEOs and CFOs and board members, regardless of the economy," he says. The problem, he says, is that sometimes one can get caught resource short. In other words, circumstances can cause too many assignments to land at once. And when a firm that's built for handling four or five searches a month now has to deal with a dozen, Mr. Crist gets anxious. Clients often put a lot on the line in choosing a small specialist over the 'safe' big generalist and if a search goes bad, word gets out. "Quality is such a driver in our business model," Mr. Crist says. "If you screw up a project, you become radioactive."

Smaller firms like Crist | Kolder are also heavily dependent on its principals. Should tragedy befall one of the firm's main players, the entire ship is at risk of sinking. At age 62, Mr. Crist finds himself perpetually busy and constantly on airplanes. "When you bump into older players in the big firms, they aren't working hard," he says. "But when you run into the older players in boutiques if they're any good they're working really hard."

## Substantial Reward

Although he might argue with the 'older' designation, Ken Daubenspeck, who isn't much younger than Mr. Crist, is still working hard. He started his professional life with Electronic Data Systems, where he was a member of the facilities outsourcing transition team for its banking division. Mr. Daubenspeck was responsible for initially assessing the outsourcing client's IT personnel to determine who would stay on and who would be replaced by EDS personnel or recruited from the outside. He recalls hiring a search firm to recruit for the technical positions, only to discover that the recruiters lacked the expertise to effectively evaluate the technical skills of the candidates. "By luck they provided me with the best candidate, who I ultimately hired, and the worst candidate, who had no qualifications at all," he says. He finally left to get into the search business himself. "I did not enjoy the business I was in because I did not like letting people go," he says. "When I looked at this side of the business, I saw that it was a much more positive endeavor, which is why I got into it, and because of the impact it had on people's lives and the impact on companies if it was done well. And it was a lucrative business." And he could create his own unique culture which is a big driver for many boutique self-starters.

Today Daubenspeck and Associates, founded in 1982, has eight employees and uses independent contractors for research. Mr. Daubenspeck is the Chicago-based firm's only partner who sells. Recently, he collected \$1.8 million for a multiple search assignment gig from an insurance company. He also does a lot of work overseas, in Saudi Arabia, Russia, and other countries. He's busy, but the rewards have been substantial, both personally and financially. "It's quite marvelous actually," Mr. Daubenspeck says. "I can trust my own instincts and my own capabilities and I win or lose based on my own decisions and effectiveness. One of the reasons I never liked working in larger organizations is because you couldn't see the parameters of the company, meaning you couldn't tell if a company had a problem coming that was going to impact it. When you run your own organization you can see what the trends are doing to it. You can see what's going on. And you can react accordingly."

