

THE WEALTH ISSUE: HIGH BILLERS

Crème de la crème

The Pinnacle Society is the US organisation which recognises the crème de la crème of the recruitment industry in America. **Colin Cottell** spoke to some of its members and asks whether it would work in the UK

The US is the world's largest and most successful economy. With more than 146m people in work, one beneficiary of the country's economic success has been the development of a vibrant and thriving recruitment industry, with an annual turnover of \$87bn.

Combined with the US's entrepreneurial and 'can do' business culture, where aspiration and achievement are widely admired, it comes as little surprise that the country's recruitment industry has spawned an organisation that epitomises those characteristics.

The Pinnacle Society was established in 1989 for those



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Jeff Hindman

at the top of the recruitment profession. Nearly 20 years on, the society continues to thrive. Membership is limited to a select group of 79 recruiters.

Pinnacle Society member, Jeff Hindman, chief executive officer of the Hindman Group, a search and selection firm based in Chesterfield, Missouri, says: "I have been in a lot of associations related to the recruitment industry, and Pinnacle is the best of the best, because they are big billers who have been successful in the business."

And it's not just any old success. In order to be accepted in Pinnacle, individual recruiters have to bill in excess of \$400,000 (£200,000) a year in permanent placings — for three years out of five. Pinnacle is indeed the home of the US recruitment industry's heavy hitters.

Members are predominantly from boutique search companies, rather than the big high volumes agencies. According to Danny Sarch, president of the Pinnacle Society, the big recruiters discourage their staff from joining. "I suspect they fear that we will convince their better producers to go out on their own," suggests Sarch, who is also president of Leitner Sarch, a financial services industry search consultancy based in White Plains, New York.

Special traits

So aside from being high achievers, what traits do Pinnacle members have?

"Recruiters can be cavalier and pretty jaded, but Pinnacle members are extremely down-to-earth, though extremely confident, and very smart and very driven," says Karen Russo, president and chief talent officer of K Russo Associates, a specialist HR, PR, communication and marketing recruiter based in Stamford, Connecticut.

Russo continues: "They are also pretty humble about their accomplishments — though they know how to use the success to their advantage when appropriate. I was pleasantly surprised."

"Everybody is a bit different, but more than anything they are high energy and people instinctive," says Hindman.

Sense of pride

The opportunity to be associated with a small band of recruiters, who have reached the top, is a

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Boris Epstein,
founder of BINC

◀ recurrent reason why top performers are attracted to Pinnacle.

“There’s a sense of pride and accomplishment to being a member. When you tell people, it means something. It’s known as being for big billers, not just a shabby group of people who are recruiters,” says Hindman.

However, he denies that Pinnacle is elitist. “The majority are hard-working people who have been successful. It’s purely based on production and accomplishment.”

Boris Epstein, chief executive and founder of BINC, a software recruiter based in Tarzana, California: “Pinnacle represent the cream of the crop in my profession, the top producers in my industry, and the opportunity to be associated with the best, was part of my motivation. I look at it as the Superbowl of my profession.

“It’s very stimulating and energising being around somebody who bills \$3m a year. As much as anything it shows it is possible.”

Picking up ideas

Indeed, for many Pinnacle members part of the draw of membership is that by being around other successful people a little might rub off. Certainly, Pinnacle members, such as Rick Rush, president of Rush and Company, a soft goods recruiter based in Louisville, Colorado, relish the opportunity it gives to help them to do even better.

“To surround yourself with \$1m a year recruiters is a great way to pick up ideas and continue learning,” says Rush, who says his best year to date was 1997, when he billed \$947,000.

“We meet twice a year, and every time I get two or three ideas that I can use. It’s about how to get and keep clients and how to treat candidates, and it’s about doing it the right way.”

Motivational

For Rush, who self-deprecatingly describes himself “as a grunt who makes a lot of money”, these get-togethers are highly motivational. “It really gets me pumped,” he says.

“There is no other place that we can go and learn,” says Gail Kaplan, founder and president of Kaplan & Jass, a legal recruiter based in Boston. Kaplan says that among tips she has picked up are how to bill more and how to be more efficient.

Russo says she has learned how to deal with unusual situations, and to be creative and innovative. “It’s not just problem solving,” she adds. “I pride myself on



Karen Russo, president
of K Russo Associates

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thinking outside the box, but they have stimulated me more, and changed my thinking.”

Hindman says: “It’s about being able to discuss our industry and methods with people at our own level, not just with people who are billing \$100,000 a year.”

Indeed, according to Pinnacle’s website, the success of the network is because there is always a member to “throw an idea around when dealing with a particularly difficult client, assignment or business issue”. It is for this reason, it continues: “Membership to Pinnacle is purposely limited to keep this network accessible.”

But what of the danger of giving away your best ideas to competitors?

It’s not something that concerns Russo. “In Pinnacle you are supposed to share best practice with other

SO WOULD PINNACLE WORK IN THE UK?

“I don’t see why not,” says Sarch. “It’s still a sales culture, so by definition people want to do better, so there’s no reason why it couldn’t work if people want to learn from like-minded individuals. That’s not a cultural thing, that’s a human nature thing.”

However, Steve Huxham, chairman of the Recruitment Society has his doubts. “Pinnacle is a very US concept,” he says. And he argues, “there is a danger of elitism”. He is also concerned that having another organisation, in addition to the Recruitment and Employment Confederation (REC), the Forum of Professional Recruiters and others, would confuse clients.

Huxham says that ideally the REC should play the role adopted by Pinnacle, however the “big question” is whether one organisation can represent such a diverse and fragmented industry. “If the answer is no, then there is a case for some agencies, who are not members of the REC to participate in other organisations,” says Huxham.

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Danny Sarch, president of the Pinnacle Society

people. We don't hold back, we share innovation," she says. However, she adds: "I never feel that I have shared anything that compromises me."

Indeed for Russo, this sense of sharing in Pinnacle runs so deep that she describes fellow members as "almost playing the role of business advisers."

However, according to Rush, members are more circumspect.

"You share what you want to share. You are not talking about specific clients, or passing another resumé, though we might talk about our marketing scripts."

Fun and friendship

But it's not all work and no play for Pinnacle members. The Society holds twice yearly conferences at attractive locations, such as Marina del Rey, California. "It's a bit of both," says Epstein.

"Usually there is a fair amount of business, but we also take time to spend time together. To get to know each other on a personal level," he continues.

The last meeting held in New Orleans was a case in point, he says. "We had some great speakers, shared some stories, and the city was good too."

These events have helped to build deep respect between Pinnacle members, with many having their own favourite. Russo's comments are typical. "Nick Joly [of Management Search, Rhode Island] is one who

makes a contribution at every meeting. He is a phenomenal recruiter, talented, smart and very focused."

Kaplan agrees that having fun and friendship is important. "We have a laugh and a good time," she says. But that said, Kaplan says the purpose of Pinnacle is more serious. "We don't just get together to party and have fun, we are there to learn," she says.

Sharing success

So how does Sarch explain the readiness of many Pinnacle members to share their experiences, and possibly the secrets of their success with competitors — especially in the ultra-competitive world of recruitment?

"We are a selfish organisation, but at the same time we are a selfless organisation," he says. "We get together twice a year and contact each other in between to make us better recruiters."

But he argues, there is no conflict between the two strands. Both are essential to making Pinnacle what it is. As he explains: "To be successful, members have to give of themselves and to share what does and doesn't work. In that way Pinnacle is extraordinary."

Reputation

Alongside this, another objective of Pinnacle is to improve the reputation of the recruitment industry, says Sarch. "I think the membership shares a burning desire to be very, very good, but also to do it right, and ethically and responsibly," he says.

"Pinnacle is an opportunity to really focus on best practice in the industry," says Russo. "There's a lot of shady people in the industry, and I don't want us to have that name. I want people to feel pretty good about being a recruiter."

Hindman agrees that the reputation of recruiters is important, because without it they have nothing. "If I am not an ethical person my clients will never hire me again, and my candidates will never work with me," he explains.

Rush admits there are definite business benefits from membership, particularly with clients. "It does get you some status, and it tells them that you know what you are doing," he says.

Sarch says that despite the achievements of individual members, Pinnacle is "not about saying how wonderful we are", though he admits "some do", but rather, "how can I get better?"

"It's about being around peers to make yourself successful, and arguably it's one of the key reasons for my success. It's a wonderful group of people to be associated with."

● What do you think? Contact colin.cottell@centaur.co.uk

KEY FACTS ABOUT THE PINNACLE SOCIETY

- Established 1989
 - 79 members
 - 10 on waiting list
- Membership:** confined to recruiters who have permanent billings in excess of \$400,000 a year — on a contingency or a retained basis in three of the last five years. Must provide documentary proof
- Membership costs \$750 a year**
- Pinnacle is a participatory society. Members must attend at least one in three of its meetings

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