



Genworth Financial Case Study

THE MORE CUSTOMER-DRIVEN PROFIT FOCUSED, TIME-PACED
AND CHANGE DOMINATED YOUR BUSINESS ENVIRONMENT,
THE MORE EACH BUSINESS PROCESS MATTERS

THE COMPANY

The more customer-driven, profit focused, time-paced and change dominated your business environment, the more each business process matters. The Company, GE Financial Advisors, a division of General Electric (NYSE Symbol: GE), is the market leader in the sale of long term care insurance (LTC), a field pioneered by GE in 1974. GE's LTC Division provides long term care insurance for more than 700,000 policyholders with more than \$1 billion.

THE PROBLEM

GE put a lot of effort into recruiting and retaining LTC sales reps. "We hire a lot of people and spend a lot of money doing it— but most of them aren't here anymore," says Brett Farley, who became National Recruiting Leader for GE Financial Advisors in November 2001. When Brett looked into retention rates for GE's LTC sales reps, he found that only 20% of those hired stayed on the job. Of those, just 30-35% ever sold anything. Most hires did not even make it through the two- to three- month training and licensing process. The cost to GE? More than \$2,000 per candidate in recruiting, hiring and training costs.

The high turnover rate created a situation where sales managers were constantly trying to fill positions. "Sales managers hate the recruiting part of the job," explains Farley. "It takes a lot of time away from other tasks, and it isn't their core competency." Farley realized he needed a more time- and cost-effective approach to help his sales managers find and keep the best LTC salespeople. He decided to test an outsource method.

THE SOLUTION

Farley chose to test a pilot program to recruit 100 LTC salespeople. The goal was to track

their retention and success in the field before deciding that outsourcing was a better solution. Farley spoke to 12 recruiting firms over a four-month period. While attending a national recruiting conference, an associate told him to stop by the Contract Recruiting Inc. (CRI) booth. He immediately connected with Ladd Richland, CEO of CRI. "Ladd wasn't a slick sales guy. He was a businessman." CRI's unique fee-based approach to recruiting provided the incentive to talk more about the project.

CRI'S APPROACH TO RECRUITING

"Unlike other recruiting companies," Richland explains, "CRI's recruiting services are not contingency-based." Typically, recruiters receive contingency fees upon a candidate's hiring, creating an incentive to place candidates that may not be the best for the position. "CRI's fixed fee based approach keeps the focus on GE's needs," says Richland, "and produces better candidates at a significantly reduced cost."

No other company Farley spoke with would consider fixed billing.

THE CRI SOLUTION

CRI organized a pilot program to bring in 100 new hires in 90 days. Steve Deller, CRI's Director of Recruitment for the GE pilot project, worked with each sales manager to distinguish the characteristics of a qualified candidate. "Each manager had particular qualities they looked for," recalls Deller, "such as minimum experience in sales or a background in financial services."

CRI researchers developed lists of potential candidates. Important keywords on resumes included sales, insurance and commission. Talent scouts would review resumes to determine a good fit, and then conduct initial phone screens. Talent scouts

sent the best candidates to CRI recruiters, who conducted thorough behavioral-based interviews. From this process, sales managers received highly qualified candidates from which to choose for final hiring decisions.

CRI's role did not end with the handoff to sales managers. CRI recruiters maintained weekly contact with candidates during the licensing and training period when candidates were not eligible to sell. Farley appreciated the unique follow up offered by CRI recruiters. "CRI kept candidates engaged during our pre- basic training process," he explains, "which helped GE motivate and retain those candidates."

THE RESULTS

Results of the CRI pilot program were impressive. All of the 100 pilot project hires were licensed and eligible to sell. Of those 100, all but 8 were selling, with a 90% selling success rate.

Farley reports that sales managers love working with CRI. Instead of spending 40% of their time on recruiting, sales managers work on training and retention, which helps GE retain more people. "CRI found candidates that they (GE sales managers) could never find," states Farley. He noted, "CRI's people are very talented and customer-focused," states Farley. "They work like a machine, with each part providing value to the customer."
