



The 4 Myths about Internet Recruiting

There's as much demand as ever for insurance and financial services. In a tough economy, people especially need their assets protected and they need sound professional advice for minimizing erosion of their investments. So it's no surprise that the need for more, highly-productive agents and advisors is on the rise. There seems to be a frantic rush to expand sales teams.

Pretty much everyone I speak with about recruiting is using the internet to recruit. When it comes to recruiting locally (as opposed to nationally), some use it as a tool, but most use it as a crutch. The ones who use it as a tool understand that it is extremely expensive, intensely time consuming, relatively inefficient (yes,... INEFFICIENT!), and for the most part, yields only marginal results. They use results from the internet to supplement their recruiting efforts. The other group, (made up of those who RELY on the internet for all their recruiting, except for the occasional agent referral), either doesn't get it or doesn't know what else to do. The consequence is that many managers work hard, struggle to grow, run out of cash, and then go away. It's a shame. It doesn't have to be that way.

In order to break out of the internet recruiting rut, it's necessary to understand why internet recruiting makes so little sense and then, once that understanding is in place, introduce more effective recruiting strategies. In this article, we're going to delve into why internet recruiting really makes no sense. (I offer a free program on "Power Recruiting & Prospecting" when you subscribe to my free newsletter.)

INTERNET RECRUITING MYTH #1:

The internet is filled with loads of people looking for a new opportunity.

TRUTH: This sounds true, but it's not. It's not that hard to expose this myth for what it is. Just answer two simple questions. The first question is: "What kind of people post their resumes on sites like Monster, CareerBuilder, and HotJobs?" You might be tempted to answer with something like, "People looking for new opportunities," or "People who are dissatisfied where they are." But you're over-thinking things. Those are answers to justify why you're using the internet. The simple, really obvious answer is that those websites are JOB sites. The people who post their resumes on those sites are looking for a JOB! We, on the other hand, are looking for potential BUSINESS OWNERS. When you look for potential business owners in a pool of potential employees, you're fishing in the wrong pond. It's like trying to find a needle in a haystack.

INTERNET RECRUITING MYTH #2:

The internet is an efficient way to recruit.

TRUTH: On the surface, recruiting on the internet seems like it would be one of the most efficient means of finding people. So many prospects, so little time! But except for very few instances, it's just not true. In fact, it turns out that it's one of the LEAST efficient ways to recruit. Here's why...

To start with, as we just discussed above, we're fishing in the wrong pond. It requires an extraordinary amount of sifting, filtering, contacting, and turning-over of stones to find someone who has even a modest interest in our opportunity. Next, you have to kiss a lot of frogs to find that "prince" or



“princess”. My informal survey of managers across the country over a number of years confirms that on average, you need to interview about 20 of those mildly interested candidates to find one who wants to start with you and who you want as well. Most of these candidates are “suspects” rather than prospects. And finally, as if interviewing all those suspects wasn’t bad enough, you have to deal with all the “no-shows!” Managers consistently report no-show rates of 50%-75%!
Internet recruiting efficiency? Now THAT’S an oxymoron.

INTERNET RECRUITING MYTH #3:
Internet recruiting is cost effective.

TRUTH: OK,... I don’t really think that anyone believes that, but I’ll at least drive the point home with some important observations. The first observation is that pretty much every manager who relies on the internet to meet their recruiting needs is struggling to be profitable. Besides having a hard time meeting their company’s growth goals, they end up going further and further into debt. The second observation explains why this is. Over the years, I’ve asked managers to calculate the cost of bringing on a new internet-generated agent compared to the cost of bringing on an agent from a referral. Here are the results. On average, an internet-generated agent will cost between \$20,000 and \$25,000, compared to the cost of an “actively recruited” agent, which runs about \$4,000-\$5,000. No wonder profitability is so elusive.

INTERNET RECRUITING MYTH #4:
Even though internet recruiting is inefficient and expensive, at least the production is worth it.

TRUTH: I think that by answering a few simple questions, the reality of this will become painfully apparent. Ever have a new agent start and then, a month or two into the program quit? They end up taking that job they were waiting for. (See: “fishing in wrong pond” above) No production there. Ever had an agent work really hard simply to meet the minimum production requirements, and then once attained, start to coast? (I call this “striving for mediocrity.”) Wimpy production there... And finally, which agents typically have bigger businesses – those who were internet-recruited or those who were “actively” recruited? If you’re like most managers, “active recruiting” always yields better production. And at the end of the day, the only thing that really matters is production, right?

So now that we have a clear understanding of why internet recruiting makes no sense, what does? Although we don’t have time to develop that answer here, I can offer you a clue...
How were YOU recruited into the business?