



## Executive Search and Consulting for Niche Markets



For over 30 years, Direct Recruiters, Inc. has been the premier firm within the executive search industry. Our unique approach and unmatched resources provides clients with in-depth industry expertise and efficiency in identifying, locating, landing and retaining game changing talent.

**Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

**CEOCFO: Mr. Charney, what is the concept for Direct Recruiters?**

**Mr. Charney:** We are an executive search and consulting firm. We work across several different niche markets which are, packaging, automation, robotics, material handling, sensors and controls, plastics, healthcare IT, public safety and energy management solutions.

**CEOCFO: Was the choice of markets deliberate or more opportunistic?**

**Mr. Charney:** I would say a little bit of both. A part of my job is to analyze certain markets to target growing industries and industries that are in need of a skill set that I think is hard to come by and that is where our services will be of value. I look for industries that I feel are not going to be a flash in the pan--industries that are sustainable and will keep growing.

**Dan Charney - President & CEO**

**CEOCFO: In these industries do people tend to go from one company to another in the same industry or do you see interchangeable skills?**

**Mr. Charney:** For the most part they tend to stay in the same industry. However, if they are going to make a move, it will be most likely to an ancillary industry. For example, someone might move from manufacturing software to healthcare IT because some of their skill set may be transferrable. In addition, they see healthcare IT as a growing industry and maybe a higher paying industry, but for the most part people tend to stay in and around what they know in their comfort zone.

**CEOCFO: What is the geographic reach for the company?**

**Mr. Charney:** We work in the United States, Canada, Mexico and South America. We have done several searches in Europe over the past few years as well.

**CEOCFO: Are there many companies that specialize in the areas that Direct Recruiters does?**

**Mr. Charney:** No. There are companies that specialize in either packaging recruiting or in healthcare IT recruiting but probably not both. We are unique in that there is probably no other company in the world that specializes in all the industries that we specialize in.

**CEOCFO: In general do people using search agencies look for companies that are more specific to their industry or generalist or do they care?**

**Mr. Charney:** I think in general they do not care if they can get the results they desire. That being said, I think that part of our job is to show value in using a niche market or specialist firm because we could hit the ground running much quicker than a company that does not know all the intricacies about that particular industry. In other words, a client does not have to educate us on their industry. We attend all relevant tradeshow and you'll find us in all relevant trade journals. Our job is to know the top five percent of professionals in each of our niche markets. We feel that adds a lot of value.

**CEOCFO: Do you tend to sustain long-term relationships with your clients?**

**Mr. Charney:** Yes we are a true example of the 80/20 rule so the majority of our customers are repeat customers and companies that we have worked with for years and years.

**CEOCFO: *What do you understand at Direct Recruiters about the whole process that perhaps other companies do not know as well?***

**Mr. Charney:** What separates us is we are experts at the entire process beyond just finding a name. We have a unique way of walking the candidates and the clients through the entire process with interviews, debriefing after the interviews, the offer-making process, ensuring a candidate resigns successfully and puts in two weeks without accepting a counter offer. We make sure at the end, we get a candidate that accepts the position and we have a client that is happy with that particular candidate. It is a great recipe for building a long-term relationship.

**CEOCFO: *Would you give us an example of an area where what you do is unique?***

**Mr. Charney:** We are trained to go the extra mile and find out what is truly important to candidates and what is important to their families, what issues they are facing and what makes sense to them. Our success rate is so much higher because we are trained to ask the tough questions, work harder and go the extra mile to ensure our candidates' accept our clients' offers at the end of the day.

**CEOCFO: *How do you differentiate between what a client wants, what they say they want and what think they want because it is not always the same?***

**Mr. Charney:** No it is not. What I like to talk to clients about is their wish list and before I say yes or no, I take a couple of days to do some additional research and then get back to them and say yes we can do this. Most of the time, what they are looking for is not quite realistic because of this or that; but we find what is realistic, present it to them and get their feedback. Usually it is a back and forth conversation and we come up with a profile that way. What we don't want to do is over promise and under deliver. Our thought is let us take a few days, do some research, and then come back and create a profile and ultimately, agree on a profile and aggressively go after those people.

**“I think companies are eager to bring on people. I think what is different about this upturn is the skill sets that companies are requiring right now are very unique.” – Dan Charney**

**CEOCFO: *How do you reach potential clients and candidates?***

**Mr. Charney:** The majority of our business is done by phone and face-to-face. Sometimes, we visit our clients' facilities in order to give us a better idea of their culture before we start working with them. We also want to attend as many industry tradeshows as possible so we see their equipment or software in action. This usually gives us an edge in selling that client's company to the marketplace. As for candidates, the majority of candidate work is simply done over the phone. On occasion, we personally meet them or use Skype or FaceTime.

**CEOCFO: *Does it tend to be cyclical with certain industries or is there a balance?***

**Mr. Charney:** Our healthcare IT group has really taken off due to electronic medical records (EMR) and companies that are producing that kind of software are doing very well. Because we are spread out so diverse we think it insulates us slightly from recessions and downturns. I also say that every time in my career that we have seen a recession or downturn in hiring we have taken the opportunity to invest and open up new areas that we feel will rebound strong coming out of the recession.

**CEOCFO: *What are the intangibles you want for your people and how do you know when someone is right for the company and company culture?***

**Mr. Charney:** We are looking for over-achievers so I want to look at people who can show me a track record that exceeds expectations not only in business but I also look for if they were in athletics or other competitive activities in school. I want people who have been accountable at some point so I could ask somebody that had a goal what they did to achieve that goal. We want people who are very smart. The majority of our clients have advanced degrees from some of the best schools in the world. I do not require that for the people that work with me but I do require that you are able to communicate with them very effectively and you could stand toe-to-toe with them in a boardroom because that is necessary to do this job.

**CEOCFO: *You have recently taken over as CEO; why the change now and do you see any new direction or focus?***

**Mr. Charney:** I have been with the company for fifteen years and Sheldon Myeroff, the previous president and CEO and my mentor in the industry. He has brought me up through the industry and he thought it was time to step aside. He has been grooming me for the past two to three years for this role. What we are hoping to do is continue along the path we have been on which is growing at roughly 20% each year. The only way we are going to find out if that is sustainable is to hire great people and to create partners within the firm and more people that have a stake in this company. To me, the best way to experience growth is to empower your employees and give them some type of vested interest and make sure that we are all aligned and on the same page as we move forward. That on top of a great economy is a variable. If all

those things are aligned we should be able to continue and if not we need to get creative but we have backup plans to do that.

**CEO CFO: *Are you seeing the upturn that is talked about?***

**Mr. Charney:** Absolutely! I think companies are eager to bring on people. I think what is different about this upturn is the skill sets that companies are requiring right now are very unique just like I talked about earlier we are looking for smart people. If companies are going to grow now they are not going to hire to hire but they will hire smart people with unique skill sets that can come in and add value right away.

**CEO CFO: *How long have you been CEO?***

**Mr. Charney:** Since November 2013.

**CEO CFO: *What surprised you even in this short time and even though you have been preparing for it?***

**Mr. Charney:** Right now just the fact that it is a small company, I need to be jack of all trades and wear a lot of hats. I need to be prepared for always something new to happen. For these reasons, I need to be nimble and agile and react quickly. I think a company that grows this fast may sometimes feel chaotic so I am trying to implement some processes and at the same time, not hold us back.

**CEO CFO: *Do you see the international area as a place for growth?***

**Mr. Charney:** We like to focus in the US but I think internationally we are opportunistic.

**CEO CFO: *Maybe back-burner for now?***

**Mr. Charney:** Yes. It has to be the right positions and locations as well as the right clients.

**CEO CFO: *Why pay attention to Direct Recruiters?***

**Mr. Charney:** Because of the diversity of our company in different niche markets, I think we are kind of a microcosm in the economy. For the thirty years we have been in business, when we slow down things start slowing down in the economy and as we pick up, the economy is on the rebound. That has been a great indicator that companies are going to continue to hire.

**CEO CFO: *Final thoughts?***

**Mr. Charney:** I think our growth and success over the past 5 years is due to our company culture. We empower our employees and never put limits on how successful they can be. We give them leeway to take risks, make mistakes and be creative every day on the job. In addition, we give them room to grow professionally in our firm.

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**BIO:** Dan Charney was recently appointed as President & CEO of Direct Recruiters, Inc. (DRI) by Founder and former President, Sheldon Myeroff. Dan brings a unique blend of business acumen, industry perspectives, and executive search expertise that will continue to drive high growth at DRI. In addition, his leadership style and personable approach is respected by his team as well as DRI clients and candidates.

As a seasoned search professional with 15 years experience, Dan is known for providing meaningful consultations, accurate talent assessments, and quick identification of key individuals fitting specific cultures and challenges. Dan's specialty areas include Packaging, Capital Equipment, Material Handling & Logistics, Supply Chain Automation, IT Security, Energy Management, Data Collection and RFID.

Dan is a co-founder of the Ohio Recruiters Association, Cleveland Chapter. In addition, he is a member of NAPS and IOPP. He is often published, interviewed and quoted in well-known trade publications including Material Handling & Logistics Magazine and Food & Beverage Packaging Magazine. Dan was named as part of the "Forty under 40" Class of 2013 by *Crain's Cleveland Business Magazine*. In addition, he has been invited to participate as part of several industry events to help train other executive search firms across the country.

Dan holds a Bachelor Degree in Communications from The Ohio State University and resides with his family just outside of Cleveland.



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