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# THE COMPLETE GUIDE TO EXECUTIVE HIRING:

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A Practical Manual for UK Business Leaders

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# Executive Summary



After more than two decades of executive recruitment in Liverpool, I've witnessed firsthand how the right (or wrong) senior hire can transform an organisation's trajectory. This guide distils not only my direct experience of hundreds of successful executive placements but also incorporates insights from extensive conversations with Talent Acquisition Leaders, HR Directors, Chief People Officers, and CEOs across the North West and beyond.

What's become increasingly clear is that executive hiring has grown more complex, not simpler, despite technological advances. The challenges facing modern businesses - from digital transformation to post-Brexit adaptation, from hybrid working to generational change - demand leaders with new capabilities and perspectives. Yet the fundamental principles of successful executive hiring remain constant.

Throughout my career, I've seen organisations repeatedly fall into the same traps: rushing the process, misaligning requirements with business needs, or underestimating the importance of cultural fit. I've also observed how the most successful companies approach executive hiring - with thorough preparation, clear processes, and unwavering focus on finding the right leader for their specific needs.

This guide represents a practical distillation of these lessons. It's not theoretical - every recommendation, every warning, and every example comes from real experiences and real outcomes. I've included details of both successes and failures because often we learn more from what goes wrong than what goes right.

Whether you're hiring your first C-suite executive or expanding an established leadership team, the following chapters will provide you with practical, experience-based guidance for making successful executive hires. Most importantly, it will help you avoid the costly mistakes that I've seen derail too many executive appointments over the years.

# Chapter 1: What Type of Leader Do You Really Need?

## Understanding the Difference Between Director and C-Suite Roles



A director-level appointment is suitable when:

- Your business operates primarily in one country
- Operations are relatively straightforward
- You need someone to run day-to-day operations of a department
- The business is stable and on an even keel
- Revenue is typically under £50 million
- Team size is under 50 people



You need a C-Suite executive when:

- Your business has significant complexity (multiple countries, divisions or product lines)
- You have ambitious growth plans
- You're working towards a specific event (exit, PE raise, IPO)
- You need someone to drive strategic change
- You have external stakeholders to manage
- Revenue exceeds £50 million
- Team size exceeds 50 people

### Real-World Example:

A £30 million turnover manufacturing business initially hired a CEO on £150,000 but found they really needed an Operations Director at £85,000. The CEO role was too removed from day-to-day operations, which was what the business required at that stage.

## Understanding Job Titles and Their Real Meaning

Job titles in the executive space can be misleading. We've seen candidates earning £60,000 with the title "CEO" in a £2-3 million turnover business - a title that doesn't match their actual level of responsibility or experience.

# Common C-Suite Roles and Their Typical Responsibilities:



## Chief Executive Officer (CEO)

- Sets overall strategy and direction
- Manages board relationships
- Handles external stakeholders
- P&L responsibility for entire business
- Typical experience: 15+ years with at least 5 at director level
- Usually requires previous experience in businesses with at least 2x current company revenue



## Chief Operating Officer (COO)

- Runs day-to-day operations
- Implements CEO's strategy
- Manages internal departments
- Drives operational efficiency
- Typical experience: 12+ years with significant operational management
- Should have managed similar scale operations before



## Chief Financial Officer (CFO)

- Strategic financial planning
- Investor relations
- Funding and investment decisions
- Financial risk management
- Typical experience: 12+ years with qualified accountant status
- Previous experience of similar financial complexity essential



## Chief Technology Officer (CTO)

- Develops technology strategy aligned with business goals
- Oversees all technical infrastructure and systems
- Leads software/product development teams
- Evaluates emerging technologies and innovation opportunities
- Manages technical debt and platform scalability
- Ensures cybersecurity and compliance standards
- Typical experience: 12+ years with significant technical leadership
- Should have built or scaled technology platforms of similar complexity



## Chief Marketing Officer (CMO)

- Develops and executes marketing strategy
- Oversees brand management and positioning
- Directs customer acquisition and retention campaigns
- Manages market research and customer insights
- Coordinates sales and marketing alignment
- Tracks marketing ROI and performance metrics
- Typical experience: 12+ years across various marketing disciplines
- Should have led marketing for companies with similar target markets



## Chief People Officer (CPO)

- Develops HR strategy and talent management programs
- Oversees recruitment, retention and succession planning
- Designs compensation and benefits strategies
- Manages employee development and training initiatives
- Builds company culture and employee engagement
- Ensures compliance with employment laws and regulations
- Typical experience: 10+ years in progressive HR leadership roles
- Experience scaling organizations through high-growth periods preferred

### Real-World Example:

A technology company hired a CTO who had only worked in small startups, despite needing someone to manage a 50-person development team. The hire failed because the candidate had never managed a team larger than 5 people, despite having the right technical skills.

## Assessing Your Current Business Stage

The type of leader you need varies significantly based on your business stage:

### Early-Stage/Startup (regardless of revenue)

**Characterised by:** Product-market fit exploration, business model validation, rapid iteration

#### Needs:

- Hands-on leaders who can build from scratch
- Multi-skilled executives comfortable with ambiguity
- People who can operate without established infrastructure

#### Red Flags:

- Candidates who only worked in large corporates
- Those who require significant support staff
- People uncomfortable with ambiguity

### Growth/Scale-Up Phase

**Characterised by:** Rapid expansion, infrastructure building, increasing complexity

#### Needs:

- Leaders with scaling experience
- Process implementation expertise
- Team building capabilities

### Red Flags:

- Candidates without high-growth experience
- Those who've only worked in stable businesses
- People without change management experience

### Established/Mature Business

- **Characterised by:** Stable operations, multiple business units, complex stakeholder landscape

### Needs:

- Professional managers with corporate experience
- Strong governance understanding
- Stakeholder management expertise

### Red Flags:

- Candidates without experience in businesses of similar complexity
- Those without complex stakeholder management experience
- People who haven't worked with boards or governance structures

## Understanding Sector Requirements

Sector experience requirements vary significantly based on your business type:

### Highly Regulated Sectors (Financial Services, Healthcare)

- Sector experience usually essential
- Regulatory knowledge & experience or qualifications are critical
- Compliance understanding necessary
- Network often valuable

### Technical Sectors (Technology, Engineering)

- Technical understanding important
- Sector experience valuable but not always essential
- Change management capabilities often more important

### Service Sectors (Professional Services, Consulting)

- Must align with service-oriented values
- People management expertise essential
- Sector experience less critical

### Real-World Example:

A healthcare company hired a COO from retail, leading to significant compliance issues due to lack of sector knowledge.

# Chapter 2: Setting the Right Package

## Understanding Market Rates

Our research shows senior executive remuneration packages typically comprise:

### Director Level:

- 75% base salary and car allowance
- 15% performance-related bonus
- 7.5% pension
- 2.5% other benefits

### C-Suite Level:

- 50% base salary
- 25% performance-related bonuses
- 25% long-term incentives (LTIPs, equity, etc.)

## Long Term Incentive Plans (LTIPs)

Different scenarios require different approaches:

### Business Sale/Exit:

- Exit bonus based on valuation achieved
- Ratchet mechanism linked to multiples of EBITDA
- Share options with exit trigger
- Accelerated vesting on sale

### High Growth/Fundraising:

- Share options with time-based vesting
- Performance shares linked to milestones
- Bonus linked to funding achieved
- Equity ratchet tied to valuation

### Turnaround Situation:

- Performance bonus linked to specific metrics
- Equity grant tied to turnaround success
- Cash bonus for achieving milestones
- Share options with performance conditions

### Real-World Example:

A PE-backed business lost their preferred CEO candidate by offering straight equity without ratchet mechanisms, when the candidate wanted more upside for exceptional performance.

# Types of Share Schemes

## Performance Share Plan (PSP):

- Shares allocated based on hitting targets
- Usually 3-year performance period
- Multiple metrics (TSR, EPS, etc.)
- Can be nil-cost options

## Share Option Scheme:

- Right to buy shares at set price
- Usually 3-5 year vesting period
- May have performance conditions
- Often tax-advantaged (EMI where possible)

## Restricted Stock Units (RSUs):

- Actual shares granted over time
- Usually time-based vesting
- May have performance acceleration
- More certain than options

## Real-World Example:

A technology company successfully attracted a CTO from a larger business by offering RSUs with accelerated vesting tied to product launches, providing both certainty and upside.



# Chapter 3: The Recruitment Process

## Timeline Management

### Weeks 1-2:

- Role definition finalisation (including package variables)
- Stakeholder alignment
- Initial market mapping
- Search strategy development

### Weeks 3-4:

- Candidate identification
- Initial approaches
- Preliminary conversations
- Longlist development
- Seek out the candidate's career aspirations and ideal package



### Weeks 5-6:

- First stage interviews
- Initial assessments
- Shortlist creation
- Reference checking

### Weeks 7-8:

- Final stage interviews
- Detailed assessment
- Offer negotiation
- Closure

### Real-World Example:

A manufacturing company lost their top three candidates by taking two weeks between interview stages, allowing competitors to secure the talent.

## Common Process Failures

Our research shows the top reasons candidates drop out:

### Length of Process (30%):

- Too many stages
- Long gaps between interviews
- Slow feedback
- Delayed decision making



### Poor Communication (15%):

- Lack of regular updates
- Unclear next steps
- Inconsistent messages
- Mixed feedback

### Uninspiring Interviews (14%):

- Unprepared interviewers
- Lack of engagement
- Poor company presentation
- Negative impression of culture

### Lack of Information (13%):

- Insufficient role details
- Unclear package
- Vague career progression
- Limited company information

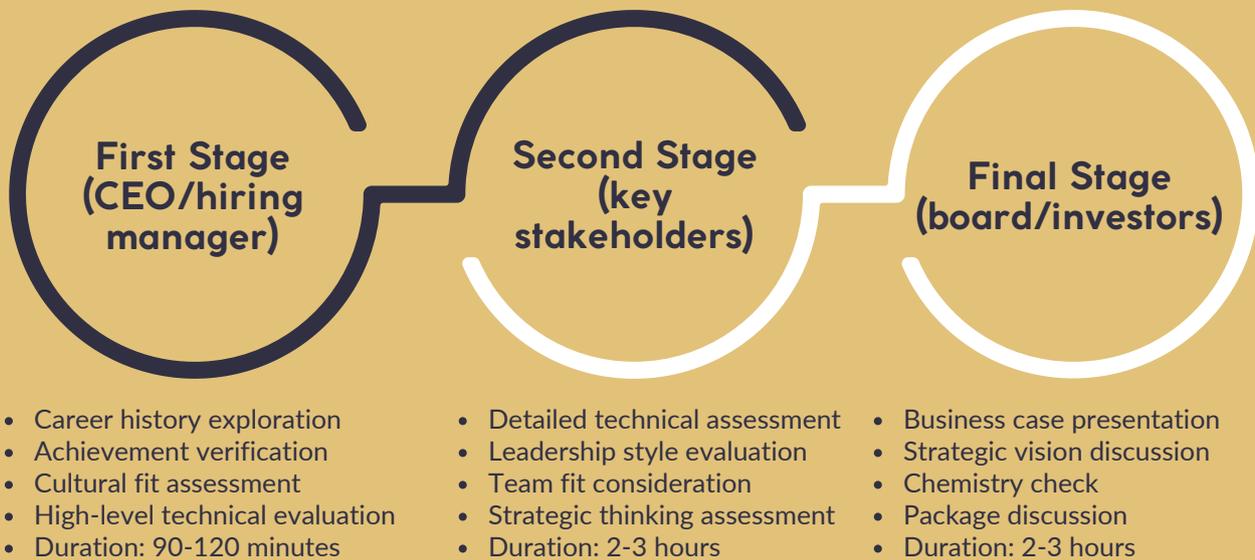
### Real-World Example:

An architects practice lost their preferred CFO candidate because they took three weeks to arrange a final board meeting, during which time the candidate accepted another role.

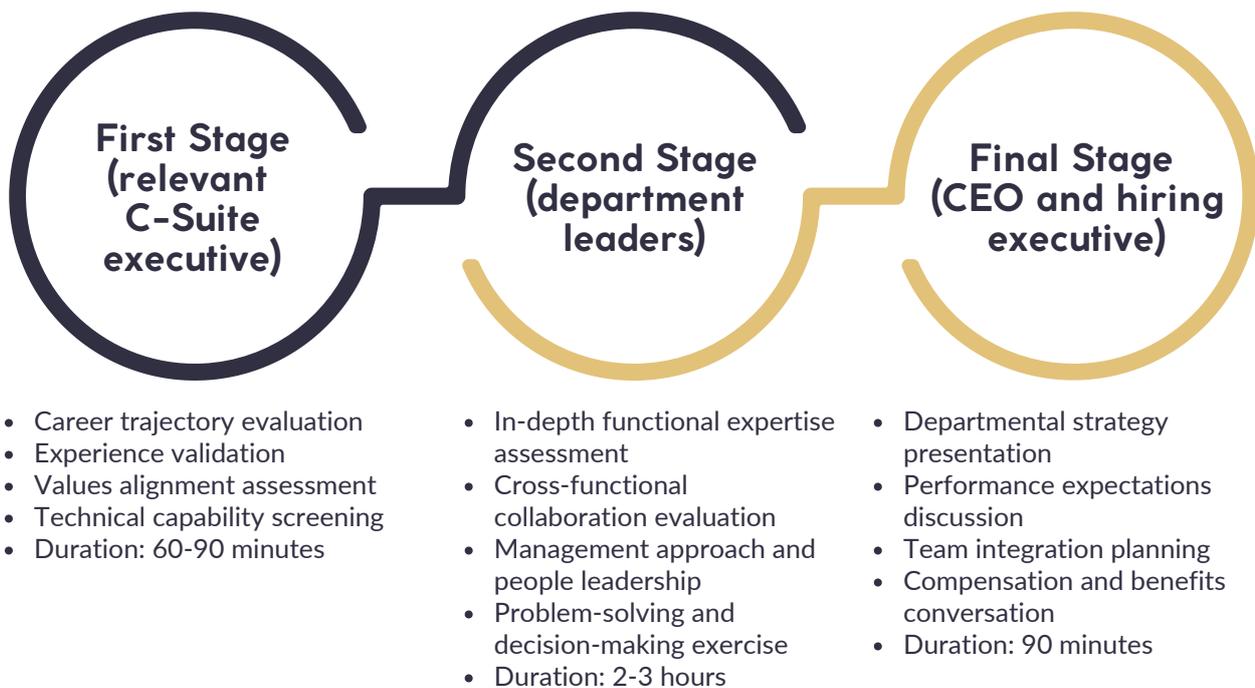


# Chapter 4: Evaluation and Assessment

## C-Suite Level Interview Structure



## Director Level Interview Structure



### Real-World Example:

A retail business hired a Commercial Director based solely on the CEO's interview, skipping stakeholder meetings. The hire failed within 6 months due to poor team fit.

## Assessment Tools

### Personality Profiling

- Myers-Briggs Type Indicator
- 16PF
- DISC Profiling - Best for communication style and teamwork dynamics
- OPQ Best for: Understanding working style and preferences

### Cognitive Testing

- Watson Glaser
- Raven's Progressive Matrices
- Numerical reasoning  
Best for: Problem-solving and analytical capability

### Leadership Assessment:

- Situational judgement tests
- In-tray exercises
- Role-play scenarios  
Best for: Decision-making and management style

### Real-World Example:

A technology company successfully used situational judgement tests to identify that their preferred CTO candidate lacked crisis management skills, leading to additional support being put in place.



# Chapter 5: Making the Offer

## Package Presentation

### Written Offer:

- Detailed compensation breakdown
- Clear bonus structures
- Specific equity arrangements, if applicable
- Comprehensive benefits listing
- Key terms and conditions
- Start date, notice and probationary period

### Verbal Presentation:

- Strategic opportunity overview
- Growth potential highlights
- Team dynamics discussion
- Cultural fit reinforcement
- Development opportunities
- Support structure
- Establishing expectations within the role

### Real-World Example:

A financial services firm secured their preferred candidate against a higher competing offer by clearly articulating the equity value potential and growth opportunity.

## Negotiation Strategy

### Preparation:

- Know your walk-away points
- Understand market rates
- Have flexibility options ready
- Prepare reasons for these to back up your position
- Consider alternative solutions
- Have approval processes clear

### Common Negotiation Points:

- Base salary level
- Bonus structure
- Equity percentage
- Notice period
- Non-compete terms
- Benefits package

## Real-World Example:

A PE-backed business successfully negotiated with their preferred CEO candidate by offering lower base salary but higher equity, matching the candidate's long-term aspirations.

## Conclusion

A senior appointment is one of the most important hires you will make. While there are many routes to market, hiring a less than exceptional candidate at this level could leave your organisation exposed. Nearly half of senior recruitment processes fail at the first attempt, costing businesses significant time and money.

## Essential Steps for Successful Executive Hiring

1

### Strategic Preparation

- Thoroughly assess your business stage and needs
- Define exact role requirements and scope
- Map the organisational structure – Now and aspirational
- Document current skills gaps
- Understand sector-specific requirements
- Plan for future growth needs
- Align stakeholder expectations

2

### Financial Planning

- Research current market rates
- Structure appropriate incentive plans
- Design long-term reward mechanisms
- Consider equity arrangements
- Plan for performance bonuses
- Budget for benefits package
- Prepare negotiation parameters

3

### Process Management

- Create detailed timeline
- Establish evaluation criteria
- Design interview structure
- Plan assessment methods
- Arrange stakeholder involvement
- Prepare documentation
- Set communication protocols



## 4

### Candidate Evaluation

- Review career progression
- Assess leadership capabilities
- Evaluate technical skills
- Check sector experience
- Verify achievements
- Examine cultural fit
- Consider strategic thinking

## 5

### Package and Offer

- Structure competitive package
- Design equity arrangements
- Plan bonus schemes
- Prepare detailed offer
- Document terms clearly
- Address tax implications
- Consider timing implications

A full market search should be the minimum requirement, and your shareholders would probably expect nothing less. Remember:

#### Critical Success Factors:

- Clear role definition from the outset
- Thorough understanding of market rates
- Well-structured interview process
- Comprehensive assessment methodology
- Swift but thorough decision-making
- Professional offer management
- Clear communication throughout

#### Common Failure Points:

- Unclear role requirements
- Misaligned package expectations
- Poor process management
- Slow decision-making
- Inadequate assessment
- Limited market access
- Ineffective negotiation

While there are many routes to market, the cost implications of a failed hire at this level are severe. Consider:

- Direct recruitment costs
- Lost opportunity costs
- Impact on team morale
- Strategic delay costs
- Reputation damage
- Shareholder confidence
- Market positioning

If you consider the number of years your senior appointment may serve your business, getting this hire right becomes even more critical. A talented senior executive should pay for themselves several times over, year after year. Conversely, an average or poor hire can cost your business significantly more than just their salary.

This is a complex and critical process that requires careful consideration at every stage. Success depends on thorough preparation, clear processes, and unwavering focus on finding the right leader for your organisation's specific needs.

**The question isn't whether you can afford to invest in getting this hire right - it's whether you can afford not to.**

There is another option. Working with Executive recruitment partners.



# Chapter 6: Working with Executive Recruitment Partners

## When to Consider Professional Support

While there are many routes to market, certain situations warrant specialist recruitment expertise:

### Consider Executive Recruitment When:

- Your role requires extensive market mapping
- The candidate pool is limited
- Time is critical
- Confidentiality is paramount
- Internal resources are stretched
- Local market knowledge is essential
- You need access to passive candidates

### Real-World Example:

A manufacturing business in the North West spent six months trying to hire a CEO internally before engaging Courtney Recruitment. We completed the hire in eight weeks by leveraging our established regional network and understanding of the local talent pool.

## Understanding Geographical Expertise

Regional market knowledge is crucial for successful executive hiring:

### Local Market Dynamics:

- Salary expectations vary significantly by region
- Commuting patterns differ across the UK
- Industry clusters create unique talent pools
- Regional economic factors impact availability
- Cultural nuances affect recruitment approach

### Regional Considerations:

- London/South East typically commands 20-30% higher salaries
- Northern powerhouse cities have distinct talent pools
- Scottish market often requires specific sector expertise
- Regional relocations need careful handling
- Local competitor knowledge is essential

### Real-World Example:

A Liverpool-based technology company initially worked with a London recruitment firm but

switched to Courtney Recruitment as a Northern specialist who better understood regional salary expectations and local talent networks.

## Selecting the Right Recruitment Partner

Evaluate potential partners based on:

### Regional Expertise:

- Physical presence in your area
- Understanding of local market dynamics
- Knowledge of regional salary benchmarks
- Established local networks
- Track record in your region

### Sector Knowledge:

- Experience in your industry
- Relevant previous placements
- Understanding of technical requirements
- Network within your sector
- Recent similar appointments

### Process Quality:

- Clear methodology
- Communication approach
- Assessment rigour
- Success rate
- Local candidate relationships

### Real-World Example:

A Merseyside-based financial services firm chose Courtney Recruitment as a North West executive recruitment specialist over a national firm because of our deeper understanding of the local financial services ecosystem.

## Commercial Considerations

Understand the investment required:

### Fee Structures:

- Retained assignments
- Completion fees
- Fixed price options
- Payment terms
- Success guarantees

### Value Considerations:

- Market access
- Time savings
- Quality of candidates
- Process management
- Risk reduction

### Real-World Example:

A Warrington manufacturing company initially chose the cheapest recruitment option but ended up spending more by having to run the process twice after the first attempt failed to produce suitable candidates.

## Working Effectively with Recruitment Partners

Success factors include:

### Clear Communication:

- **Detailed role briefing.** A good recruiter will help you to determine the specific role requirements
- Regular updates
- Quick feedback
- Transparent decision-making
- Open dialogue about challenges

### Process Management:

- Agreed timelines
- Structured feedback
- Efficient interviews
- Swift decisions
- Professional offer management

### Local Market Intelligence:

- Salary benchmarking
- Competitor insights
- Candidate motivations
- Regional trends
- Market challenges

### Real-World Example:

A Wirral-based automotive company successfully hired their Operations Director through weekly update calls with Courtney Recruitment and leveraging local industry insights.

# Understanding the Value Proposition

Professional executive recruitment offers:

## Market Access:

- Established networks
- Passive candidate reach
- Competitor mapping
- Regional coverage
- Industry connections

## Process Management:

- Structured approach
- Time management
- Stakeholder coordination
- Assessment support
- Offer negotiation

## Risk Reduction:

- Market knowledge
- Candidate verification
- Reference checking
- Package benchmarking
- Process management

## Remember:

The cost of a failed executive hire typically equals 2-3 times their annual salary package. Professional recruitment support should be viewed as an investment in getting this critical decision right.

## Remember:

A Liverpool architect company saved three months of management time and secured a better-qualified Finance Director by engaging Courtney Recruitment as their local executive recruitment firm with strong regional networks.

## Final Conclusion

Making a senior executive hire represents one of the most consequential decisions any organisation will face. Throughout this guide, we've examined the complexities and critical success factors involved in getting it right. The reality is stark: approximately half of senior hiring processes fail at first attempt, and a failed executive hire typically costs between two and three times the annual salary package - before even considering the strategic impact.

The complexity of executive hiring cannot be understated. Consider the essential elements that must align:

- Precise understanding of your business needs and stage
- Accurate role definition and requirements
- Appropriate package structure and incentives
- Thorough evaluation methodology
- Efficient yet comprehensive process
- Cultural and strategic fit assessment
- Geographic and market considerations
- Professional offer management

Each element requires careful consideration and expert handling. Get any one wrong, and the entire process can fail. Get them all right, and you can secure a transformational leader who delivers value many times beyond their cost.

## Remember these critical factors for success:

### Thorough Preparation

- Business need assessment
- Role definition
- Package structuring
- Process planning

### Effective Execution

- Structured timeline
- Clear communication
- Comprehensive evaluation
- Professional process management

### Strategic Consideration

- Market understanding
- Cultural alignment
- Future planning
- Risk management

Whether managing the process internally or seeking external support, success depends on unwavering attention to detail and professional execution at every stage.

As demonstrated throughout this guide, executive hiring is a complex, multi-faceted process requiring significant expertise and resources.

In executive hiring, you rarely get a second chance to make the right first impression on the market. Getting it right the first time isn't just preferable - **it's essential.**



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