

Best Practices:

Working with Talent Agencies





Hiring top talent is critical to the success and growth of any company. As a founder, deciding whether to partner with a recruiting agency is an important strategic choice that can have a significant impact on your time, company culture, and wallet. This overview will help you understand when it makes sense to engage a recruiting agency, what to look for in evaluating their services, and how to establish a productive relationship for your needs.



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As always, don't hesitate to reach out to me ([Email](#) | [Telegram](#)) if you have remaining questions after reviewing this guide, or would like a second opinion on an agency you're currently using or plan on using.



When to Engage an External Agency



High Priority or Specialized Roles

If you're looking to fill niche or high priority roles, a recruiting agency can aid the search. These positions can be difficult to hire for and often require more time and expertise than you might have.



Time Constraints

Startups and growth-stage companies often have limited internal resources, with founders and small teams juggling multiple responsibilities. A recruiting agency can reduce the time to hire by quickly delivering a pool of qualified candidates.



Growth Needs

If you're scaling quickly and need to bring on a large number of employees in a short timeframe, a recruiting agency can help streamline this process. They can offer access to a larger candidate network, allowing your team to focus on interviewing and selecting rather than sourcing. They can also provide supplemental support to a small internal Talent team if you've already got one in place.



Evaluating and Selecting an Agency

Working with a recruiting agency can be a strategic choice that offers numerous benefits, from access to specialized talent pools to streamlined hiring processes. However, it's essential to weigh the costs and manage the relationship carefully to maximize value. By setting clear expectations, maintaining open communication, and selecting an agency that aligns with your hiring goals and culture, you can build a successful partnership that drives growth and strengthens your team.

Recruiting agencies come in a variety of shapes and sizes, typically falling into two main categories: large and more generalist, and smaller yet more dedicated.

There's no universal solution – choosing the right agency depends on your specific hiring needs. Start by assessing your priorities and ask for referrals from your network who have worked with agencies before. Here are some pros and cons to consider before selecting an agency to partner with, regardless of their size or specialization.



Larger firms

Larger firms often have specialized teams organized by verticals or geographical regions. They offer global reach and access to an extensive network, making them well-suited for companies with complex or high-volume hiring needs. However, this breadth of service usually comes at a higher cost.



Smaller consultancies

Smaller consultancies range from solo operators to small teams of dedicated contractors. While they may lack the scale of larger firms, they often compensate with a more personalized approach and cost-effective solutions. These agencies are ideal for companies seeking tailored services and close collaboration.



Pros - Evaluating and Selecting an Agency

Access to a Larger Talent Pool	Agencies maintain extensive networks and have relationships with elusive candidates who might not have an online presence or those who may not be actively looking but are open to new opportunities. Have them share with you the size of their network, although keep in mind that the key is balance – a huge network may not equate to quality candidates.
Domain Expertise	Many recruiting agencies specialize in specific industries or types of roles, particularly in competitive areas such as deep crypto native engineering or executive leadership talent. Ensure the agency specializes in your space and/or has a strong track record of hiring for similar roles.
Time and Efficiency	Agencies handle the initial legwork of sourcing and screening, saving your team time. Understanding an agency's sourcing and interviewing processes, as well as reviewing their past placements, can give you a sense of their ability to deliver. Discuss their success metrics (time-to-hire, retention rate, offer acceptance rate, any 90-day replacements). A good ask for success metrics such as what roles they've recently placed at companies in your vertical or industry.
Tools and Resources	Amplify the reach for your open role through their channels. The best agencies empower their teams with recruiting tools for sourcing talent, sponsor jobs on multiple job boards, and create branding opportunities via podcasts and events. Ask them what tools they use to discover and engage passive candidates.
Flexible Solutions	Agencies offer tailored hiring models for different needs – contract hiring, project based hiring, or embedded hiring, all of which can be beneficial for short term projects or interim roles without a long-term commitment.



Cons - Evaluating and Selecting an Agency

Cost	<p>Recruiting agencies charge a fee, and some do not offer a guarantee. If they place a candidate who doesn't work out within 90 days, some only offer a backfill or future credit but no refund. This can be a significant investment, especially for early-stage companies with tight budgets. Understand the agency's pricing structure and choose one that aligns with your budget.</p> <ul style="list-style-type: none">▪ Contingency Hiring: This is the most common fee structure where they take a percentage of the candidate's first year salary as a placement fee. Industry averages are 20-30% depending on the role and seniority. For the agencies listed below in this document, Galaxy Ventures' portfolio companies receive a lower negotiated rate of 15-20% of base salary depending on the agency.▪ Retained Search: This structure is typically reserved for executive leadership roles where there is an upfront fee, in addition to a contingency fee. Some consultancies also use this structure on a recurring monthly basis without a contingency fee. This model can be advantageous as you're securing the agency's dedicated resources but can become disadvantageous when you're locked in with an underperforming agency, so choose wisely!▪ Recruitment Process Outsourcing (RPO): This structure is when an agency embeds their team into your company, serving as your internal Talent team. This requires a longer engagement commitment, typically starting at 6-12 months and is best suited for when you have high volume hiring needs or want exclusive access to candidates as all sourced candidates are not shared with any other clients.
Cultural Misalignment and Lack of Knowledge	<p>An external agency may not fully understand your company's culture, specialized vertical, or properly pitch your company, which can impact candidate experience and overall fit. Effective communication and collaboration with the agency are essential to mitigate this.</p>
Reliance on External Parties	<p>Using an agency means outsourcing a critical part of your operations. While it can save time, it may also result in less control over the hiring process and starting from the ground up once you're ready to build an internal Talent team, especially with RPO models.</p>
Quality and Service	<p>Not all agencies deliver the same quality of candidates or level of service, and each company will have a varying different experience with an agency. It's essential to thoroughly research agencies to ensure a strong fit with your company's needs. Although a contingency structure is attractive since you're not on the hook for payment until a hire is made, avoid engaging with many agencies simultaneously as it could dilute your brand. You'll end up with a high volume of lower quality candidates from multiple recruiters selling different versions of your company.</p>



Successfully Working with an Agency



Define Your Requirements Clearly

Provide a clear job description and articulate your company's mission, culture, and values. Refer to our guide on [how to create great job descriptions](#) if you need help getting started which is in our [Founder Resource Portal](#). No one knows what you're looking for better than you do. It's critical to share specific details on the skills, experiences, and traits you're looking for to help them screen effectively.



Set Realistic Expectations

Align on timelines, deliverables, and your expectations for candidate quality. While agencies can speed up hiring, they still need time to identify, screen, and present qualified candidates.



Define key responsibilities

Communication is Key: Regular updates and feedback loops are crucial. Stay engaged with the agency through weekly pipeline meetings, provide heavy feedback on candidate submissions, and keep communication open to ensure alignment on hiring goals and expectations. Overcommunication is better than over committing yourself to multiple agencies.



Start Small

If you're unsure about an agency, consider engaging them for one critical role to evaluate their performance before giving them more roles to work on.



Measure ROI

Track key metrics, such as time-to-fill, quality of hire, and retention rates, to evaluate the agency's performance and the return on your investment. This will help you assess whether the agency is delivering value aligned with your company's needs. Are their candidates passing the interviews or did their placements make it past the initial 90-day payment period?



Recruiting Firms

Reach out to myself for a warm intro to any of the below.

Plexus

- **Pricing:** 20-30% depending on the role specialization and seniority
- **Team:** 45-person firm based in London.
- **Talent database:** 500k candidates.
- **Skillset Specialty:** Every recruiter has a vertical (Solana, Marketing, Ops, etc.) They are a global provider with 40% of their hiring in the US, leaving the core of their work in EMEA.
- **Recommendation:** They've made numerous hires across our portfolio, mainly on the engineering side and in Europe. You should consider engaging them for crypto native technical talent in the EU.

Blockchain 121

- **Pricing:** 20-25% fee with a 90-day credit. This fee can scale down based on volume or exclusives. 15% of the projected candidate salary must be paid upfront as a deposit. The remainder is paid upon successful hire.
- **Team:** 8-person firm based out of London founded 5 years ago. The founder Anthony handles executive roles, while the rest of the team takes care of the others.
- **Skillset Specialty:** Rust engineers and executive roles.
- **Recommendation:** They've had a longstanding relationship with another established crypto VC. Engage them with caution as once you commit, that 15% deposit is nonfundable if you have a technical engineering or executive role.

Develop

- **Pricing:** 20% contingency, 90-day credit or backfill if their candidate doesn't work out.
- **Team:** 40 recruiters based in the UK with offices in Germany and Miami.
- **Skillset Specialty:** Each recruiter has a vertical based on language (Rust, Java, etc.). Recruiters are given training via Plurasight.
- **Bandwidth:** Each recruiter owns 3-5 clients, working on 12+ roles.
- **Recommendation:** They've worked with several other VCs, but have not worked with any of our portcos. Engage them for technical roles outside of the US preferably.

Foundr

- **Pricing:** 20-25% contingency or 10k retained search for executive hires.
- **Team:** Team of 5 in the US.
- **Skillset Specialty:** Technical and security candidates.
- **Recommendation:** They're active in the community, attending many industry events so they have a large network. They're currently on a successful RPO engagement with a portco, placing 15 candidates in the past 6 months.



Recruiting Firms

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Betts

- **Pricing:** 25k unlimited SDR, AE, or CSM hiring. Can add-on other roles for an additional 10k. Guarantee of at least one hire.
- **Team:** 60 recruiters across the US, servicing clients in North America. Each recruiter has a vertical, including Crypto. Average recruiter tenure at the company is 5 years, with some over 12 years.
- **Skillset Specialty** Go-to-market (GTM) roles (sales, marketing, ops, people) of varying level.
- **Recommendation:** They have an extensive network of GTM candidates curated over the past 15 years in business. They've successfully hired for another company in our portfolio. Engage them if you are hiring for a cohort of GTM candidates or have critical executive needs.

Up Top

- **Pricing:** 20% of base salary, 90-day guarantee.
- **Team:** 10-person team in the US and EU.
- **Skillset Specialty:** Deep crypto native candidates for early-stage projects.
- **Recommendation:** They have a large crypto native network. As of now, Up Top has engaged with several portcos but has not made a hire yet. Engage them if you have a role that requires deep crypto knowledge.

Proof of Talent

- **Pricing:** Nontech 20%, Tech 25%, C suite 30%. (90-day guarantee, but only offer future credit or backfill)
- **Team:** Recruiting Manager, Colton Kirkpatrick, leads a team of 4 recruiters.
- **Talent database:** 30-40k candidates.
- **Skillset Specialty:** Crypto native talent across all domains.
- **Bandwidth:** Team has a workload of 30-40 roles on average.
- **Recommendation:** Their junior team has delivered inconsistent results across a couple of portcos. You should consider engaging them for a role that requires crypto native expertise. They also have a long-standing relationship with an established crypto VC.

Intersection

- **Pricing:** 35% starting.
- **Skillset Specialty:** Executive level roles in web3.
- **Recommendation:** They are expensive but one of the biggest names in the space.



Recruiting Firms: Consultancies

Reach out to myself for a warm intro to any of the below.

Rolando Gonzaga (Skyridge)

- **Pricing:** 15% fee of base salary.
- **Skillset Specialty** Senior Managers to C suite within legal, finance, marketing, risk, and compliance.
- **Recommendation:** Rolando has had a successful in-house executive search career for over 20 years. Now a one man show, he is solely dedicated to filling executive roles providing a high touch experience.

Rich Bond (Blockhunters Group)

- **Pricing:** 15% fee, 50% paid within 1st month, remaining 50% at 3 months
- **Bandwidth:** Working on 20 roles at a time, depending on market needs.
- **Skillset Specialty:** Primarily focused on crypto engineering roles but can do non-tech as well.
- **Recommendation:** He's a solo consultant. Engage him for individual contributor roles.

Matt Somero (Vault Talent)

- **Pricing:** 15% fee.
- **Skillset Specialty:** Engineering roles of all seniorities.
- **Recommendation:** He's a solo consultant that has successfully hired for Gemini, Parallel Finance, Skolem, and Bittrex, and many other early-stage SaaS B2B2C companies.

Alan Ziegler (Prizm)

- **Pricing:** 25%, Director+ 25% on the OTE.
- **Team :** Alan and one other recruiter.
- **Skillset Specialty:** GTM roles are 50-70% of their workload.
- **Recommendation:** He launched this company over a year ago. He has a sales background so engage him for executive sales roles that don't require crypto nativity as he doesn't specialize in crypto talent yet.



Recruiting Firms: Platforms

Reach out to myself for a warm intro to any of the below.

Hirechain

- **Pricing:** 17.5% fee, 90-day guarantee. Fee is capped at salary midpoint.
Ex: 100-150k base range, you'll never pay more than 17.5% of 125k.
- **Team:** London based team of 8. Half the team is on the operations side, and have a recruiting background and crypto experience.
- **Platform:** This is a two-sided marketplace similar to Hired.com, with the added benefit of an external bounty program where consultants/agencies can submit referrals.
- **Workflow:** Employer posts a job, their internal recruiters will source candidates for the job, + external network of consultants/agencies can submit candidates to your job. Value prop is you'll have a large top of funnel but are only seeing the top 10% of candidates. They do the filtering down for you.
- **Recommendation:** Use this platform for US and EU roles. They launched a year ago and have scaled to 120 companies on the platform.



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