

GET IT RIGHT TO GET RESULTS:

CREATING THE BUSINESS CASE FOR RPO



pinstripe®

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While economic uncertainty can stifle progressive strategic initiatives, the current climate is an ideal time to approach your organization's decision-makers about the benefits of partnering with an external recruitment provider. The business case for recruitment process outsourcing (RPO) is particularly compelling now because of the following trends:

TREND:

A current lull in hiring caused by the challenging economic climate.

OPPORTUNITY:

Implement transformational change while your team has more time for dedicated focus.

TREND:

The continued mismatch between the talent available and the skills required to fill open positions.

OPPORTUNITY:

Create a system that regularly finds the gems in the overwhelming sea of applicants.

TREND:

Brands are suffering from negative publicity tied to layoffs, restructuring and other hiring decisions.

OPPORTUNITY:

Harness the positives! Take proactive steps to establish or enhance your employer brand, which will naturally heighten your overall brand.

TREND:

Finding and retaining key talent is a top challenge for senior executives.

OPPORTUNITY:

The C-suite is more interested than ever – step up and offer a solution NOW.

TREND:

Favorable market engagement dynamics.

OPPORTUNITY:

The possibility to deliver the quick win of short-term cost reduction, with an eye to long term value.

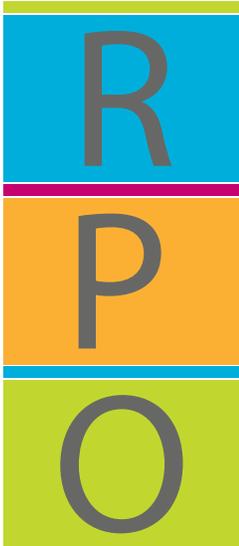
TREND:

Smart leaders are already preparing for the true market recovery.

OPPORTUNITY:

The ability to scale up quickly, providing even greater ROI when the economy improves (and it will!).

More companies are seriously considering RPO than ever before. And, according to multiple studies, RPO solutions consistently achieve results equal or superior to alternative models.



WHAT IS RPO?

Strictly defining Recruitment Process Outsourcing is not simple. The industry is young, and there is debate as to the required criteria for a “true” RPO solution, which leads to plenty of variation across providers and industry analysts.

The Everest Group defines RPO as

“transfer of ownership of all or part of recruitment processes or activities on an ongoing basis.”

While Aberdeen Group goes with:

“Outsourcing one or more elements of the recruiting process. These elements can include, but are not limited to: sourcing and job advertising, screening, testing, assessments, interviewing and selection, background verification, drug testing, offer extension, onboarding and orientation.”

Strip away all of the jargon and industry-speak and slice and dice the pieces as you wish. Really, it doesn’t have to be that abstract or complicated.

For you, RPO should mean:

“partnering with an outside expert to design and execute a customized process that fundamentally transforms your organization’s approach to talent acquisition, in order to deliver improved business results.”



WHERE DO I START?

When thinking about whether or not RPO is right for your organization, it is important to consider how you would answer the following questions.

HINT: There are no right answers.

1. How predictable are your organization's talent needs?
2. Is your organization good at workforce planning?
3. Do your hiring managers and candidates have a consistent, positive experience?
4. How do you define a "quality hire" for your organization?
5. Are your recruiting practices aligned to your organization's goals?
6. Can you point to a compelling event that calls for change?
7. Does your HR leader have a strong desire for change?
8. Does your organization participate in successful service-provider partnerships?
9. Can you define what your idea of RPO success would look like?
10. How much does your organization spend on talent acquisition?

If you aren't satisfied with your responses to any (or all) of these questions, you're not alone. Most organizations have not gone through a formal or informal exercise to determine where their opportunity for talent acquisition improvement may lie.

Still among the RPO-curious? Next, we recommend you follow the money trail.

Because the RPO industry offers so many variations on a common theme, it is important to take an inventory of the current state of talent acquisition at your organization before beginning the search for the right partner.





WHAT FINANCIAL IMPACT CAN I EXPECT?

It's a common mistake when calculating the cost of talent acquisition to review only those costs related specifically to that department's budget. In reality, there is an entire universe of hard and soft costs, often called the Total Cost of Ownership (TCO), which must be considered as part of a comprehensive accounting of total cost savings. Expenses are most likely hidden in cost centers and line items. Some of the costs to take into consideration include:

- Recruitment team overhead
- Agency fees
- Hiring manager time/salary spent on requisition and candidate work
- Technology costs
- Candidate travel and lodging
- Relocation expenses
- Process improvements
- Turnover/poor quality
- On-boarding
- Talent attraction strategy and marketing
- Vacancy
- Time to productivity

In addition to the direct and indirect savings, it is important to weigh the qualitative benefits that RPO is particularly effective at delivering. RPO solutions are credited with delivering better quality candidates, more quickly, who stay longer. It is not unusual to see between 20-30% operational savings, but the less immediate benefits of improved hiring cycles, reduced turnover and securing candidates that are a perfect fit professionally and culturally can be equally valuable.

DEFINING TCO

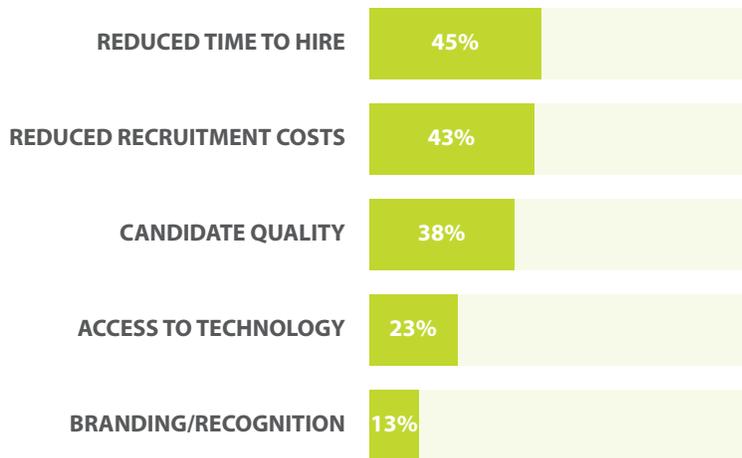
Identifying and calculating all direct and indirect, soft and hard costs linked to new talent acquisition in your organization.



According to the HROA Talent Acquisition Challenges Report, decreasing time to hire (45%) and lowering recruitment costs (43%) are the most critical factors in the decision making process, but other important drivers include improving candidate quality (38%), gaining access to technology (23%), and enhancing employer branding/recognition (13%). Other examples of strategic value that RPO delivers include:

- Scalability and flexibility – The ability to scale up and down quickly to meet changing demands for hiring volumes
- Improved process effectiveness
- Improved employee engagement from the moment of hire
- Increased strategic focus from liberated hiring managers and HR leadership
- Increased new hire/employee retention
- Ensured compliance and reduced risk

Top Drivers for Choosing RPO

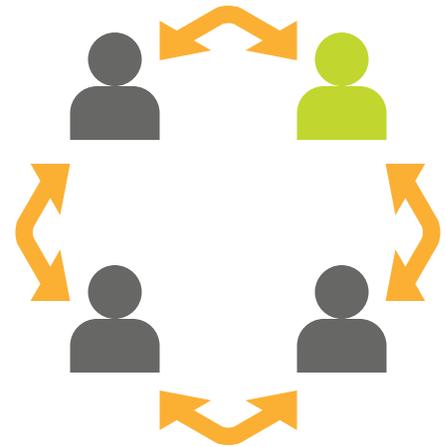




WHAT'S GOING TO MAKE ME SUCCESSFUL?

Partnering with an external talent acquisition expert can provide significant value, but like any transformational effort, it is not without challenges. Before moving forward, consider these suggestions for navigating RPO:

- Clearly define strategic objectives:** Be clear about what you want to achieve and why. Simply wanting things to be better isn't transparent enough. Work with your RPO partner to choose a few key metrics as the initial focus for the partnership and ensure they align with the overarching goals of your organization.
- Nail the financial business case:** Any good RPO provider will take the time to consult with you and provide a detailed cost benefit analysis for your organization. Let the provider work with you to find the data - don't just make the decision on your own. With this data-driven business case in hand, you can get a general sense of how RPO is going to benefit your organization.
- Be ready for change:** Find an internal champion who is passionate about RPO and can secure buy-in from top management and rally hiring managers across all functions. It is also important that this champion recognize that the change efforts may be significant and s/he must be willing to work within the organization to support and enable the RPO provider's successful implementation and ongoing process improvement.
- Commit to the partnership:** RPO works best when the provider becomes fully immersed in your organization and culture. You are entrusting them with your workforce and your company's future. If you are not going to treat your RPO team as a seamless partner, then RPO is probably not right for you.
- Ensure a cultural fit:** Just like in hiring the best talent, your employer brand needs to find an RPO partner that properly reflects its fundamental elements. Both organizations must work as one talent acquisition function to enhance the hiring manager and candidate experiences.



ONE SIZE DOES NOT FIT ALL!

We've said it once (or thrice), and we'll say it again: because of the different ideas about what makes an RPO solution, all providers do not offer the same solution. Some RPO providers deliver great transactional solutions that don't allow for customization, but are at the lowest cost. This may be what your organization is looking for: a repeatable, large-scale process for a very specifically-defined hiring need.



For organization's with more complex needs, it is important to choose a provider that embraces challenging talent requirements that don't fit neatly on a matrix and aren't quick and easy to find. By providing a comprehensive, customized approach, whether placing hundreds or thousands of requisitions nationwide or a series of hard-to-fill positions, this type of RPO partner will deliver the best fit, the best performers and the best ROI for your efforts.

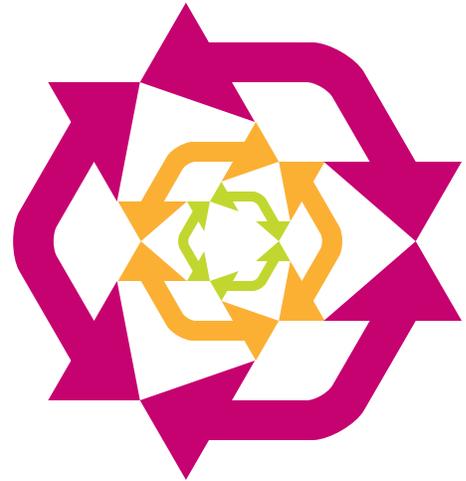
And still others will operate all over at once, doing whatever you ask for, but without strategic insight, without following best practices and without process consistency or operational efficiency in mind.

The good news is that RPO offers many models and capable providers at both ends and all points in between. The key is finding the partnership that is right for your organization's needs and desired results.

THE BUSINESS CASE

If your organization is ready to fully embrace a strategic partnership, has a want for transformational change and could benefit from better alignment between the talent acquisition and organizational goals, then RPO may be for you.

- RPO positions the company for today *and tomorrow* by helping to identify and select quality candidates now, and build deeper talent pools for the future.
- RPO solutions generate improved time-to-hire cycles and reduced employee turnover that can produce large savings on top of reduced operations costs.
- Designed to scale up quickly, RPO will provide even greater savings when hiring picks up during times of recovery.
- RPO providers can apply scale, geographic reach, proprietary networks/databases and methodologies to reduce your costs.
- External recruitment partners supply customers with the opportunity to benefit from powerful talent management tools and technologies, while amortizing the costs.
- RPO solutions can greatly reduce (if not eliminate) the use of more expensive, third party contingency firms.
- Quality of hire, a metric of great long-term value, can be made an explicit target for RPO.
- RPO delivers a superior pre-employment experience and better preserves and enhances your employer brand by providing a consistent approach to all candidate interactions.
- Partnering with an RPO provider frees up you and your team to focus on other strategic imperatives, with the full confidence that your talent acquisition needs will not be sacrificed.



ABOUT PINSTRIPE

If you've determined RPO is right for your organization to pursue, allow us a brief sales moment to share the value Pinstripe could bring to your organization. Pinstripe offers Global, Enterprise, Co-sourcing or Project-based solutions to support the elevation of your recruitment function from tactical to strategic across identified divisions or your entire organization.

We Become You

Pinstripe's dedicated recruitment teams immerse themselves in your values, objectives and culture to offer strategic recruiting services that uniquely serve your organization. Pinstripe finds talent that has expert skills, complements your team and delivers your desired results. As your brand stewards, Pinstripe becomes an extension of your talent acquisition team and preserves and reinforces your brand identity without exception.

The Bottom Line

Pinstripe's emphasis on immersion, customization, collaboration and teamwork fosters a more productive, long-term and consultative partnership with their clients. But, the results speak loudest of all. Pinstripe delivers quantifiable results and consistently helps clients to:

- **reduce hiring costs** by an average of 25%;
- **build a talent pipeline** that's ready when you need it;
- **improve new employee retention** by an average of 24%; and
- **increase hiring manager satisfaction** by an average of 30%.

Please visit our Contact Us page and request a conversation with one of our experts to further discuss your interest in RPO and the value it could provide to your organization.

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