

TWO QUESTIONS TO ASK WHEN CONSIDERING AN RPO CHANGE

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An interview with Angela Hills.

A few years ago, during one of the toughest periods of the recession, companies were looking for the lowest-cost way to handle recruiting. “RPO was an attractive solution,” says Angela Hills, Executive Vice President of Pinstripe, Inc. “And cost was the main driver when many contracts were signed.”

Fast forward to today. Those initial contracts are ending, and companies’ needs have evolved. Many are wondering: Is RPO working for us? Do we stay with our current provider? Do we change?

The organizations looking for something different are usually ready to transform their recruiting activities. They see recruiting as essential to achieving business objectives, improving quality of hire, and creating a clear competitive advantage—and they want to reach that next level. As they plan their next RPO engagement, here are two key questions they are asking.

1. WHAT DO YOU WANT YOUR RECRUITING FUNCTION TO LOOK LIKE?

The answer should be tied to your company’s goals and strategies, and driven by a solid understanding of the talent that will be needed one year, even five years, down the line. But that’s not all. If the mission is to create a truly innovative, forward-looking recruitment function, it’s important to partner with a provider that can deliver true strategic value, not just incrementally improve what you already have in place.

“Some providers really push the envelope, and challenge clients to transform their recruiting, they can identify new ideas and solutions that will fundamentally change and improve the way you engage with talent.”

– Angela Hills

The best approach: identify a provider that shares your philosophy about talent acquisition. Do you want to take a more strategic approach? What exactly do you expect from an RPO engagement? There will be providers that fit your needs, and those that don't. Creating this alignment and understanding up front is the key to establishing a strong long-term partnership.

2. WHICH MODEL WILL ALLOW US TO ACHIEVE OUR GOALS?

The RPO market offers a range of service models. Companies that are ending their first RPO contracts are often surprised by the selection available to them. And some are realizing that they need a different RPO approach entirely.

For example, instead of focusing on driving costs down, a company may need a partner who can re-think the company's recruiting process, and design a customized approach, in sync with long-term goals. Cost reduction is still important, but the overall focus is far more strategic.

"These companies really need a model where the provider becomes part of their organization, and completely integrates with their processes," says Hills. "If a provider lives and breathes your company, they can identify improvement opportunities you didn't even notice."

Another scenario that companies are exploring is co-sourcing: Keeping some recruiting in-house, and outsourcing the rest. A highly customized RPO partnership works best in this scenario because there is so much overlap between the provider and the client.

"It's so important to choose a forward-looking partner if you're co-sourcing," says Hills. "This way the arrangement can evolve and grow as your needs change."

FINDING THE RIGHT FIT

Over the next year, many companies will find themselves at a crossroads as their initial RPO contracts end. Some, particularly those who have complex recruiting challenges or a unique culture, will be ready to make a transformational change, and elevate recruiting to the next level.

"Sometimes we hear companies say that RPO doesn't work for them," says Hills. "But in most cases, the model just wasn't the right fit. The companies we work with require a far more customized, strategic approach. It's just a matter of understanding that this option exists. RPO isn't only about creating efficiencies and driving down costs; it can completely transform what you're doing, and the impact you have on the organization."

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