



## Getting ahead of the game

**Jason Berkowitz** sits down with some of the top minds in the RPO industry to talk about trends and tips for those companies considering using it.

### Participants include:

**Anne Nimke**, Co-founder, Chief Marketing and Business Development Officer, Pinstripe  
**Anthea Collier**, Regional VP Client Solutions, Momentum A Volt Information Sciences Company  
**Christine Nichlos**, CEO, OER Complete  
**Hary Bottka**, RPO Practice Leader, TPI  
**Kim Davis**, President, TalentTrack  
**Ladd Richland**, CEO, CRI  
**Larry McGhee**, VP Business Development, PeopleStrong HR Services  
**Patrick Beharelle**, SVP, Spherion RPO  
**Steven Shangold**, CEO, RPOWorldwide

**JB.** Thanks for taking the time to sit down with me today. As some of the top thinkers in the RPO industry you have a lot of expertise to share with someone who is exploring moving to an RPO solution. For someone considering RPO what would you say is the value of RPO in the modern workplace?

**SS.** I'd say that executives at many organizations recognize that hiring the right people is essential to the company's success, but the process of recruiting these top performers is non-core.

**PB.** The value of RPO will vary from client to client, but generally the business case for RPO is based on reducing overall cost, improved talent acquisition results and enhanced productivity for HR staff and hiring managers by freeing up their time for more strategic activities. For some companies all three of these are drivers, for others one is primary.

**JB.** What would you say are the top misconceptions about RPO in the marketplace today?

**LR.** I think a lot of clients are concerned that an RPO firm will force their process on the client, when in reality true RPO collaborates and adapts to meet each client's unique needs.

**AN.** I agree with what Ladd said, and this ties in with a concern many companies have that they will lose control of the process and the results when they outsource. In reality, organizations that use RPO gain quality and control with less administrative burden. Rather than losing control, they will gain control through process discipline, focus on metrics and the RPO provider's commitment to get them the results they need.

**AC.** The most common misconception we see is that RPO is purely about cost savings. While RPO does drive significant cost savings to the client organization – typically in the region of 40 percent – the real value is derived from the process engineering expertise the provider brings and the enhanced resulting output as a result.

**JB.** What types of companies would you say are best suited to RPO?

**LM.** Companies with a large number of employees or companies growing quickly, which are continuously pursuing and placing new employees. These companies will benefit most from improvement and optimization of the recruitment process itself.

**PB.** Generally companies that are going to do very well with RPO have a solid business case for RPO from the start and also have executive level support and end-user buy-in. By coming into an RPO program with these three things, the program is much more likely to be successful.

**JB.** Are there any types of companies that you would say are not well suited to an RPO solution?

**KD.** Definitely companies without senior management support.

**SS.** I agree. Organizations that fail to embrace RPO from the top down are subject to failure. Like most major corporate initiatives, RPO requires consistent executive as well as department specific user buy in to be successful. If RPO is viewed as a threat, rather than the support structure it can be, to HR departments, the initiative, and the RPO provider will fail.

**HB.** In our experience, companies that have long periods of inactivity in recruitment or have extremely hard to fill niche positions in obscure recruiting markets are going to have a hard time finding an RPO program that's going to work for them.

**JB.** What are some hints or tips do you have for companies considering RPO?

**HB.** We always recommend that companies conduct extensive research on the service providers in this emerging market by talking to organizations that have done true RPO. There are many success stories out there, and it's important to connect with people who have succeeded at RPO to learn from them.



**Jason Berkowitz** is Chairman of the Recruitment Processing Alliance, a special interest group of the Human Resources Outsourcing Association. It provides research, data, and tools to enable the community of providers, buyers, and other stakeholders to make informed decisions related to the evaluation, purchase, implementation and management of recruitment process outsourcing. He is Vice President and Co-Founder of Hyrian, a leading RPO provider with offices in Los Angeles, New York, Minneapolis, and Boston.

**SS.** RPO is essentially a way to drive innovation in your recruitment function, so I'd recommend people invest in RPO innovation with the same or greater ferocity as product or service line innovation. Essentially, give RPO the strategic focus and attention as you would your largest, most strategic corporate initiatives.

**AC.** I think you have to value partnership alignment with your provider. RPO has to be a true partnership to drive change. It is critical that a values-based partnership exists between the client and the provider to enable this change.

**AN.** It's critical that buyers do their homework! Define what results you hope to achieve and gather good information. Don't rely on anecdotal information about your current recruiting department's performance or your hiring managers' satisfaction. Telling a provider that the cost per hire is too high and time to fill is too long are not adequate analytics to build SLAs against. If you start with good information about your current state and you use that to drive your decision making, you are much more likely to achieve your ideal future state through RPO.

**CN.** I agree with Anne. If you understand thoroughly your organization's strengths and weakness in recruiting you can determine the value you will receive and search for a vendor that compensates for those weaknesses.

**PB.** It's critical that you structure your contract and SLA's to mirror your business case. For example, if your business case is based on reducing cost per hire, improving candidate quality, and reducing time to fill, then tie your contract and SLAs to achieving those three objectives.

**KD.** Validate your senior executive leadership team's commitment to an RPO solution. If you have senior executive alignment on outsourcing and you identify up front exactly what problem you are trying to solve through RPO, you'll be able to design a solution that meets the needs of the company and aligns with your overall business strategy. ■

