



STRAIGHTSOURCE

Building Better Workforces



CASE STUDY

From cost center to cost saver.

Fortune 100 Health Care Group Finds the Prescription for Recruitment Success

Long-term Partnership With StraightSource Yields High-Quality Hires

The Challenge - In today's environment, many health care companies are continually challenged to help facilitate access to health resources, offer access to diverse and fully qualified physicians and other health care providers, simplify the health care experience, and promote safe and fact-based medicine. A critical factor in providing efficient health care services rests on attracting, hiring and retaining the best talent in the market.

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With this knowledge, one Fortune 100 health care group – offering a broad spectrum of resources and services to help people achieve improved health and well-being through all stages of life – had the foresight to recognize the value of developing a comprehensive recruitment improvement initiative.

Operating in 2001 with a decentralized recruitment process, the vice president of Recruitment had no clear picture of present needs nor metrics available for open jobs. As a result, the company relied solely on current volume to project hiring needs. Additionally, internal recruiters were frequently targeting the same talent for multiple positions, a practice that can cost a company extended time and money.

As an initial approach, departments were newly organized by functional discipline rather than business segments. Consequently, recruitment was now executed across departments – IT, sales & marketing, business operations – to eliminate internal competition for talent. "Our ability to attract talent is critical to fuel growth," said the vice president of Recruitment.

From there, the company had a specific vision for the recruitment strategy and considered several options:

- **Build an internal recruitment staff of approximately 120 people to meet projected volume.** Prior to deploying a formalized recruitment process, there was a staff of 90 generalists with limited recruiting knowledge and expertise.
- **Go the traditional route of posting jobs online, listing ads in newspapers, and waiting for replies.** The estimated budget for this approach would have been approximately \$12 million on search firm spend, plus an additional \$3 million with the projected increase in hiring volume.
- **Leverage that same volume and outsource the work to a qualified recruitment firm.**

The organization decided on the third option – recruitment process outsourcing (RPO).

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The Solution - "RPO was an evolving industry in 2001 and a foreign concept to many organizations. We were confronted by firms that were true RPO providers and others that just used the moniker but had no real RPO solution," commented the vice president of Recruitment. "A true RPO firm has a systematic process for recruiting, hiring, and managing talent." During the evaluation, the decision committee noticed two key trends: "RPO in drag" or temporary agencies masquerading as RPOs, and large-scale BPO firms with non-specific recruitment expertise tacked onto a broader offering.

The organization turned to StraightSource, an RPO firm with a focused scope of services for improving the recruitment

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process – from pre-hire to post-hire. The experts at StraightSource presented the case to use its proven talent, innovative tools, and precise methodology as the backbone to help the health care provider realize significant recruitment efficiencies.

"We were impressed with the depth and breadth of StraightSource's recruitment expertise, as well as their deep sourcing capabilities." Today, StraightSource has grown from an initial engagement managing call center recruitment to managing the recruitment process and hires for call center, sales and marketing, IT, and other specialty positions – a total of approximately 5,000 hires annually. Additionally, StraightSource has expanded from non-exempt hires to exempt level positions.

According to the vice president of Recruitment, "StraightSource recruiting technology is the glue that holds it all together." With its Web-enabled StraightTalk recruitment management system, geographically disparate managers are able to go online and see consistent information regarding hires, projections, and needs. The process is transparent. "Once you realize how much money the technology will save you, you have no choice but to buy in," he continued. Additionally, StraightTalk is integrated through the point of new hire and flows into its client's PeopleSoft and Taleo systems. "Without the technology, we would need 20 dedicated people to track the same data and manually compile reports."

Yet, the organization is also actively aware that "investing in StraightSource is buying into both a service and consulting experience." The StraightSource RPO team is front and center working alongside line managers, and present at manager sites regularly. The dedication and interaction is representative of the entire organization from the bottom up – operating under CEO Alan Cayton's theory, "We wear your shirts."

For example, the Fortune 100 health care group had one site with high turnover rates. The company could not determine if there was enough labor in the local geographic areas to support the site. StraightSource conducted a thorough labor

market analysis and identified the areas that needed process improvements. Based on the findings, StraightSource identified the key components required to support a given operation, developed a template to determine the appropriate size of the applicant pool needed for a specific area, and created a timeline to follow for obtaining quality, long-term hires.

The Results - "StraightSource has transformed our mindset and has helped us take recruitment from the back-end to a proactive strategic corporate initiative," observes the vice president of Recruitment. "Recruitment is a function our management would never want to take back in-house."

With RPO efficiencies, the organization now has a recruitment staff of 32. Internal recruitment is reserved for senior level management positions that account for approximately 20% of all hires. "We now outsource 80% of hires. StraightSource has built up the expertise and can recruit for many of these positions more cost effectively."

In a competitive health care market, this Fortune 100 player continues on a growth streak – with approximately 9,000 hires per year in 2001, the company expects that number to double to 17,000 jobs per year by 2007. "Nearly four years after engaging StraightSource, it boggles my mind to think how many internal recruiters would be needed under the old scenario. It all comes down to making the best decision for the business."

More specifically, the partnership with StraightSource has resulted in significant benefits:

- Significantly reduced costs associated with recruitment.
- Amassed critical recruitment data, enabling stronger recruiting decisions.
- Aligned recruitment to a "one company" process with universal adaptation.
- Reached an attrition reduction plateau of 40%.
- Corrected an imbalance in the workforce by shifting to longer tenure and greater performance of the workforce.
- Improved overall fill rate and time to fill.
- Saved \$5 million in operating costs in year one alone.

Corporate

StraightSource is the standard in recruitment process outsourcing (RPO). For Fortune 100 enterprises to medium-sized companies, StraightSource provides bundled, stackable service modules for the entire recruitment process – from pre-hire to post-hire. With its proven talent, innovative tools, and precise methodology, StraightSource fortifies the HR function with increased value, reduced costs, improved hires, and more control. The company's flexible service delivery model is designed to consistently execute a high-quality recruitment process so that client organizations are synchronized to meet ever-changing recruitment and hiring needs.

For more information, visit www.StraightSource.com or contact StraightSource Sales at 972.638.2964.

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