

WILL THE “RPO” RFP SURVIVE THROUGH 2009?

According to Staffing Industry Analysts 2007 Survey 22% of the survey group are seriously exploring an RPO (Recruitment Process Outsourcing) solution (14% already have RPO solutions in place). It appears RPO RFP's (Requests for Proposal) are on the rise, but frustration levels among RPO vendors are also increasing. While in Chicago at the 2007 annual RPO Alliance conference, leading RPO providers commented on the volume and diversity of RFP's received. Notably the majority of RPO vendors stated that RFP participation was essential and a small minority argued that participation with an RFP was a no-win and highly costly event.

The consensus among the RPO industry is that the majority of RFP's are constructed with a goal of driving cost reduction without recognizing the importance of alignment of service delivery with company vision and goals. The feedback from client RFP recipients is that the vendor response rarely hits the mark—prompting extended response, consideration timelines, and client dissatisfaction levels. How do we bridge the gap and ensure the construction of an RPO RFP that educates the participating vendor and provides the client company a thoughtful well constructed response that exceeds expectations?

Bidders Conference

Typically RFP's are received as an email document with attention paid to business drivers but with little reference to the RFP's vision and goals and little opportunity for detailed briefing. RFP's are built and delivered by Procurement with input from Human Resources; however, with little if no input from the 'user' Hiring Manager community. Questions regarding the RFP are invited in writing and the 'soft elements' of an RFP, such as culture and change management requirements, are based on vendor assumption—thereby ensuring a response that misses the mark. Bidder conferences can either be conducted in person or via teleconference to ensure an efficient interchange of communication and therefore a reasoned and well thought through response to RFPs. **Bidder conferences dramatically improve the results obtained for both vendors and the issuing company.**

Vision and Mission

While vendors understand that companies issuing RFPs seek to leverage buying power through volume discounts, a successful RPO program has to be aligned to the vision and mission of both the company and the HR division. HR is focused on helping their company achieve goals in either the delivery of services or products. Correct alignment of an RFP to the overarching vision and mission will ensure delivery of ROI, which is how the hiring manager community judges RPO success.

Business Drivers

Frequently RPO providers receive RFP's that provide little or no insight into the business drivers supporting the distribution of the RFP. Client organizations seek to reduce the cost of delivery without first having established the baseline internal cost structure. Needless to say it is difficult to judge the effectiveness of an RPO deployment if there is an inability to measure external performance against internal delivery. Business drivers should include but not be limited to cost. RPO providers frequently meet client organizations seeking to outsource to reduce cost without understanding the complexity of change management or the importance of defining business drivers within the hiring manager community. It is important to both survey and weight business drivers, and ensure that cost reduction is a component but *not* the only outcome sought. Business drivers include quality of hire, cycle time reduction,

employer branding, retention, and cost of hire. The RFP should ensure that each business driver is recognized in accordance with its importance to the hiring community and weighted accordingly.

Scope Clarity

During the last 12 months RPO providers have seen an increased volume of global RFP releases. Assessing global delivery capability is enormously complicated by the lack of a true global RPO provider and the reliance of regional RPO alliances/networks. It is further complicated by RFP's that neglect to provide a well defined scope. A well defined scope allows true assessment of "apples to apples". Procurement and HR groups are finding it increasingly difficult to score responses given the diversity of responses. We recommend that a grouping of critical skill sets be provided to each RFP recipient. Thereby allowing the development of a response that demonstrates the capability of the RPO provider to attract, source, and manage the scoped requisitions. Global RFPs would benefit by the scope development that requires skill sets within specified regions. This allows for effective costing by each RPO provider and a swift analysis of capability by both procurement and HR.

Inclusion of User/Hiring Manager Groups Effected

RPO generally drives change through the employer organization. Any move to outsource key functions solicits a responding change in behavioral expectation from the user groups within the recipient organization. User groups are rarely defined within the RFP document. However, understanding the number of user groups or hiring manager communities is *critical* to an effective implementation by the RPO provider. An effective RPO provider integrates change management techniques into implementation. It is critical to assist the HR community with effectively communicating the change in recruitment process. The Hiring Manager community is uniquely positioned to torpedo change and is typically highly resistant to change. Identification of the User/Hiring Manager groups likely to be affected by process change assists the RPO provider in effectively allocating resources both during implementation and delivery, thereby driving accurate pricing. RPO providers recognize that RFP's are essential for large organizations that are building their understanding of the fast evolving RPO landscape and are seeking to leverage buying power. While understanding the necessity of the RFP, we seek to help drive a better result for the organization—a result that answers both the requirements of Human Resources and the Hiring Manager community.

-Anthea Collier, Regional Vice President

Anthea Collier has 20 years experience in global recruitment. She has spent four years with Momentum and has held responsibility for implementing major on-site programs. Anthea also has international RPO experience and was responsible for managing Australia's largest RPO implementation: That RPO client comprised 189,000 employees and, in addition to managing implementation and delivery, Anthea was responsible for managing the largest restructure in the company history through her RPO team. Anthea is Project Management certified and a Six Sigma Champion. Anthea sits on the board of the RPO Alliance.