

Putting partnership before process.

Establishing enterprise-wide recruitment process outsourcing for a Fortune 500 company.

The challenge:

In 2003, a Fortune 500 company with 61,000 employees and 350 facilities across the United States, had significant staffing needs that were, and continue to be, core to the success of their business model. The staffing shortages in this industry exponentially increased their need to find a viable, cost effective and timely solution to fill over 1,500 positions.

The company's leadership knew that an RPO solution could improve their recruiting function, but they needed to develop a strong partnered relationship with an organization that could fully implement such a strategy. Few companies in their industry had made the decision to outsource their recruitment function and there weren't many organizations with demonstrated competency in providing a broad scope of outsourcing services. They knew they needed a partner that could:

- Introduce technology to improve operating efficiency
- Provide recruiting specialists with these areas of expertise
- Improve key metrics such as:
 - Meet employment targets for revenue generating positions
 - Improve the timeliness and flow of the hiring process
 - Provide quality candidates
 - Implement a Diversity sourcing strategy
 - Report data accurately and timely
 - Manage open position volume fluctuations
 - Reduce overall recruiting costs
 - Improve retention

To fulfill these requirements and more, they partnered with Adecco for an enterprise-wide RPO solution for the core positions.

The Adecco solution.

Once the client company determined that an RPO solution provided them with a viable answer, a partnership was created to develop a holistic approach to managing the recruiting function. A comprehensive transition plan ensured a smooth transition of the total recruitment process including identifying and managing the relationships with internal champions. The formal transition to recruitment process outsourcing began in May of 2003.

An initial step in the transition process included a strategy that began with an assessment of the client's current recruitment practices. Among other issues, the assessment identified:

- Branding irregularities
- Inconsistent hiring processes enterprise wide
- Limited use of technology
- Different locations across the country using a number of various third parties/agencies to fill positions resulting in inconsistencies in qualities of candidates and increased expenses

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- Incomplete data reporting making it difficult to deliver consistent metrics and measurements
- The desire to transition the corporate recruitment team.

Adecco developed a recruitment process model that integrated recruiting technology with a team of skilled recruitment professionals with core competencies in the specialty areas. This concept, along with an account management process, improved the overall effectiveness of recruitment for the identified positions, as measured by key metrics, and significantly reduced overall recruitment costs resulting in the best talent management solution.

The tools and processes implemented by the team included an Applicant Tracking System that automated a broad range of recruitment activities and integrated with the client's existing HRIS. We worked with them to develop the employment brand, plan the talent needs and define the position specifications. The recruitment team used state of the art technology and tools to discover, select and hire candidates for over 350 locations across the country.

Each RPO solution demands a unique implementation plan and with this particular solution, training was determined to be a key component to ensuring a positive response to the process. Training sessions for Hiring Managers and HR Professionals were conducted in regional locations at their facilities, but ready acceptance of the outsourcing process was not the norm. Managers that may not have had immediate openings did not make learning the "new system" a priority and some questioned the value

of this new process. As previously identified during the assessment process, many of the Managers used a variety of outside third party vendors to fill positions or place temporary staff and there was a common theme of concern regarding job security.

The partnership team — both client and Adecco — worked in tandem to address these issues. By running a series of successful pilot projects (4) in geographic areas with the greatest staffing needs, we built internal success stories that could be shared before a company-wide rollout. The first pilot was launched in Chicago, and strongly emphasized the partnership between our two companies. The pilot focused on identifying the recruiting needs for that specific location and worked to gain internal acceptance of the program by utilizing technology and a recruiting team with extensive experience for that particular skill set. A formal project launch process was implemented that continues today with ongoing modifications and improvements.

To strengthen the partnership even more, the client determined that internal acceptance of the program would require a stronger joint effort than was previously acknowledged. As a result, they decided to add some senior management to the Corporate Governance Committee to oversee and support the project enterprise wide. The contributions of the internal champions to the success of RPO cannot be overemphasized. Corporate "buy in" validates the importance of an RPO engagement while at the same time providing the local facilities with a process to mitigate any concerns regarding the implementation of the solution.

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The Adecco logo consists of the word "Adecco" in white, lowercase letters, set against a solid red rectangular background.

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The benefits realized by our client.

With the success of all 4 pilots, an enterprise wide agreement to fill 1500 core positions/year was signed on January 1, 2004 with a January 19th launch date. January of 2006 marked the completion of the second year of this recruiting partnership with the following results:

2004

- 2,054 of these professional positions were filled — an 89% improvement in the number of hires
- 46% reduction in cost per hire
- \$1.5 million reduction of costs as a result of consolidation of marketing/direct mail efforts and a redeployment of some of the client's recruitment staff to Adecco
- 2% increase in the full time/part time to per diem hires ratio from 46% to 48%
- \$1.9 million additional margin contribution created by the increase in the number of hires along with the reduction in the time to fill revenue generating positions
- A very significant ROI (sufficient enough to impact EPS) through these combined cost savings and increased margins

2005

- There were 2,800 total hires in 2005 — a 36.3% improvement from 2004 to 2005
- Key Performance Indicators
- Core skill set 1
- Increase hires by minimum of 20% — exceeded each year
- Reduce Advertising spend by 15% — exceeded each year
- Improve retention by 20% — exceeded each year
- Core skill set 2
- Increase hires by minimum of 20% — exceeded each year

As we enter into the third year of our RPO partnership with this client, we continue to strengthen both the results and the relationships by continuous communication, process improvements and on-going training all of which will help us meet (and possibly exceed) our goal of 3,000 total hires for the year.

For more information on Adecco's Recruitment Process Outsourcing (RPO) solution, please call 419.720.0111.

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