



RECRUITMENT PROCESS OUTSOURCING BUYER'S GUIDE



How to choose the best recruitment
process outsourcing provider for
your business.

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HOW DO YOU CHOOSE THE BEST RPO PROVIDER FOR YOUR BUSINESS?

In today's fast-paced and competitive business landscape, attracting and retaining top talent is more critical than ever.

The success of any organization hinges on its people but finding the right individuals to drive growth and innovation is a challenge many companies face. This is where Recruitment Process Outsourcing (RPO) comes into play.

The right RPO provider can enhance your hiring process, improve candidate quality, and ultimately contribute to an organization's growth and success. Selecting an RPO partner is not merely a transactional decision; it is a strategic one that requires careful consideration and alignment with your business objectives.

This comprehensive guide is designed to equip you with the knowledge and tools necessary to choose the right RPO provider that will align with your organization's unique needs and goals.

WHAT IS RECRUITMENT PROCESS OUTSOURCING?

RPO is a form of business process outsourcing where an organization transfers all or part of its recruitment process to an external service provider. This can include everything from managing job postings, candidate sourcing, and employer branding to onboarding and compliance management.

Unlike staffing agencies, an RPO partner can play a consultative and strategic role within an organization to help them meet business objectives.

The High-Level Benefits Of Working With An RPO Partner

TIME & COST SAVINGS: Streamlined processes, economies of scale, and efficient resource allocation enable companies to save time and money in the recruitment process. According to the 2023 RPO Trends Report, **60% of employers experienced a faster hiring process** when they partnered with an RPO provider.

SCALABILITY & FLEXIBILITY: An RPO partner can quickly scale resources up or down to meet fluctuating recruitment needs in a cost-effective manner, eliminating the risk of being understaffed or hiring more employees than needed.

ACCESS TO TECHNOLOGY: RPO providers utilize the latest recruitment technologies and data analytics to optimize the hiring process and decision making.

DEDICATED EXPERTS: A good RPO provider will be a consultative partner, providing insights and expertise to help organizations make informed decisions during times of uncertainty — **97% of employers** say having a trusted RPO partner allows them to focus on business-critical priorities and gain insights into how hiring impacts business metrics.



What Are The Different RPO Models?

TOTAL TALENT ACQUISITION

An RPO company becomes your talent acquisition team, handling every step of the recruiting process, from sourcing to onboarding to retention and consulting on best practices.

ENTERPRISE RPO

Otherwise known as a full-service solution, this model involves outsourcing the entire recruitment process to an RPO provider, from candidate sourcing to hiring.

PROJECT RPO

Utilized for specific projects with set start and end terms, an RPO recruiter will take responsibility for all aspects of recruitment, but only for a specific period of time or project.

HYBRID RPO

In this model, an RPO provider splits the recruitment process with a company's existing in-house team or other providers. Companies can outsource specific recruitment needs based on roles, location, or business units.

CONTRACT RECRUITMENT

An RPO provider will deploy RPO recruiters to make immediate contributions and support in-house talent acquisition teams.



How Much Does Recruitment Process Outsourcing (RPO) Cost?

The cost of an RPO partnership encompasses all recruitment-related expenses, including recruiter salaries, technology, recruitment tools, and digital marketing costs. Bundling these costs can help an organization's bottom line in the long run. There are various pricing models to accommodate different organizational needs and budgets. Let's take a closer look at each:

- ▶ **MANAGEMENT FEE:** The RPO company is paid a flat monthly fee for managing the recruitment process. Pricing depends on the size and complexity of the solutions provided.
- ▶ **COST PER HIRE:** Your RPO provider charges a fee for every hire. This model is often associated with project RPO services.
- ▶ **MANAGEMENT FEE PLUS COST PER HIRE:** This model combines the above-mentioned models. The provider receives a monthly service fee and payment for successful hires.
- ▶ **COST PER SLATE:** This is a sourcing model — an RPO provider charges a fee for providing a set number of sourced, screened, and qualified candidates.
- ▶ **COST PER TRANSACTION:** This fee is based on specific processes such as an initial screening or reference checks. Once these processes are completed, a fee is charged.



Potential Cost Savings Of An RPO Partnership

Here's an example of the savings that an organization might accrue when engaging with an RPO provider (over a 10-month timeline.)

AREAS OF SAVINGS	MANAGEMENT
Fewer Internal Recruiters (with 25% benefit burden)	\$1,421,875
Decreased Recruitment Marketing Costs	\$69,167
Fewer FTE Tools (Office 365 license, computers, rent)	\$168,000
Decrease Travel Nurse Premium	\$10,500,000
Estimated Savings	\$12,159,042
Estimated ROI	294%

**Dollar amounts are estimate numbers*

In addition to lowering premium labor spend, you can expect substantial cost- savings benefits when engaging an RPO provider. These benefits include:

- ▶ Decreased agency spend
- ▶ Headcount allocation
- ▶ Hire fewer recruiters
- ▶ Reduced time-to-fill
- ▶ Overtime reduction
- ▶ Recruitment marketing costs
- ▶ Reduced turnover rates
- ▶ Improved retention
- ▶ Repurposing FTEs
- ▶ Enhanced candidate quality
- ▶ Shift bonus or differential
- ▶ Contingent fees
- ▶ Reduced opportunity costs
- ▶ Less direct costs of hire
- ▶ Reduced time spent on recruiting

ASSESSING YOUR RECRUITMENT NEEDS BEFORE CHOOSING AN RPO PROVIDER

Before you begin your search to find the right RPO provider, it's essential to thoroughly assess and understand your recruitment needs. Understanding your specific requirements, goals, current processes, and challenges will help you identify the best RPO partner to meet your unique needs.

Define Recruitment Goals

Outlining your goals is a fundamental step in selecting an RPO provider. Clear, well-defined goals guide your decision-making and ensure that your chosen partner can effectively align their services with your strategic objectives. Start by answering the following questions:

- ▶ What are our short-term and long-term hiring objectives?
- ▶ Are you looking to fill specific roles, or do you need a comprehensive hiring strategy?
- ▶ What are the KPIs for recruitment success? (e.g., time-to-fill, cost-per-hire, etc.)?
- ▶ Are your hiring objectives aligned with strategic business goals?

Evaluate Current Recruitment Processes

Conduct a thorough evaluation of your existing recruitment processes to identify strengths and areas for improvement. Pinpointing the challenges in your recruitment efforts is crucial for finding an RPO partner who can address these issues. Consider the following aspects:

- ▶ **CANDIDATE SOURCING:** Where and how are you currently sourcing candidates? Are these channels effective? Are you having difficulties attracting qualified candidates?
- ▶ **SCREENING & SELECTION:** How efficient is your screening and selection process? Are you satisfied with the quality of candidates it yields? How does your time-to-fill compare to the industry average? How high are your turnover rates?
- ▶ **ONBOARDING:** Is your onboarding process streamlined and effective in integrating new hires?
- ▶ **TECHNOLOGY & TOOLS:** What recruitment technologies and tools are you currently using? Are they meeting your needs? Are you using them to their fullest potential?
- ▶ **COMPANY CULTURE:** What are your company's core values and culture? How are they reflected in your recruitment process?
- ▶ **EMPLOYER BRAND:** How is your employer brand perceived and what message do you want to convey to potential candidates? Is your employer value proposition (EVP) strong?



Ensure Internal Alignment

LEADERSHIP BUY-IN

Before you begin the search for an RPO partner, it is essential to secure buy-in from leadership and internal stakeholders. Gaining their support ensures alignment with your organization's strategic objectives and facilitates smoother RPO implementation.

To make a strong case for an RPO partnership, it's important to highlight potential benefits such as cost savings, improved quality of hires, and enhanced scalability. Engaging key decision-makers early in the process, addressing any concerns, and demonstrating how an RPO solution aligns with the overall business goals will help build a compelling case for the partnership.

BUDGET & SCOPE

Armed with the insights from your thorough assessment, you will have a clear understanding of the scope of services required from an RPO partner. It is crucial to have detailed discussions with key stakeholders to establish a realistic budget that your organization is willing to allocate for these recruiting services.

Clearly defining both scope and budget will enable you to evaluate potential RPO partners effectively, ensuring they can deliver the necessary services within your financial parameters.

This strategic alignment not only helps in shortlisting providers who can meet your specific needs but also sets the foundation for a successful, long-term partnership that drives tangible results for your organization.

WHERE CAN YOU FIND RELIABLE RPO PROVIDERS?

Finding the right RPO provider involves thorough research and exploration of various channels. In addition to industry reports, here are some key avenues to consider:

HRO TODAY: A media company that provides annual rankings of RPO providers categorized using various criteria such as deal size, breadth of service, and quality of service, to name a few.

CLEARLYRATED: A satisfaction survey program that publishes a Best of RPO recognition program. Winning firms are chosen based on a Net Promoter score calculated using survey responses from an RPO provider's clients.

EVEREST GROUP: A research firm that published the annual PEAK Matrix report – an assessment of service providers categorized by Leaders, Major Contenders, and Aspirants.

NELSONHALL: An analyst and advisory firm that has created the NelsonHall Vendor Evaluation & Assessment Tool (NEAT) to analyze the performance of vendors offering RPO and talent acquisition services.

Associations & Networks

RPOA (RECRUITMENT PROCESS OUTSOURCING ASSOCIATION): Offers iCoCo Marketplace — a search engine provides a comprehensive profile for RPO companies and affiliates.

SHRM (SOCIETY FOR HUMAN RESOURCE MANAGEMENT): Lists over 150 experienced and reputable RPO companies and industry experts.

Online Reviews

GLASSDOOR: Provides insights into the company culture, leadership, and overall reputation of RPO companies. Reviews and ratings from current and former employees provide valuable perspectives on factors such as work environment and management style.

GARTNER PEER INSIGHTS: Access real-world feedback and reviews from clients who have worked with RPO providers, offering firsthand perspectives on their performance, service quality, and customer satisfaction levels.

G2: Through G2's user-generated reviews and ratings, you can gain insights into the customer experience, service quality, and overall satisfaction levels of different RPO organizations. You can also compare features, pricing, and customer feedback.

WHAT SHOULD YOU LOOK FOR IN AN RPO PROVIDER



Key Factors To Evaluate



INDUSTRY EXPERTISE: An RPO provider with a deep understanding of your industry's nuances, challenges, and talent requirements is more likely to deliver tailored solutions that align with your business goals. Additionally, a provider with industry expertise can navigate your sector's specific recruitment landscape, leading to better hiring outcomes and a stronger alignment with your organizational objectives.

To verify that an RPO provider has relevant industry experience, follow these steps:

- ▶ Evaluate the providers' access to talent pools relevant to your industry.
- ▶ Check if the provider holds relevant industry certifications and professional memberships.
- ▶ Interview key personnel to assess industry-specific knowledge and insight.
- ▶ Review available thought leadership content (whitepapers, blogs, webinars, etc.).
- ▶ Analyze case studies and client testimonials that highlight their track record in similar industries and sectors.



RECRUITMENT TECHNOLOGY & INNOVATION: A forward-thinking RPO provider should leverage advanced recruitment technology tools and have relationships with technology vendors to optimize your recruitment process. Here are a few questions you should ask:

- ▶ What recruitment technology do they use? (ATS, CRM, HRIS)
- ▶ How easily can their technology integrate with your existing HR systems?
- ▶ What kind of data analytics and reporting capabilities do they offer?
- ▶ How do they leverage AI and automation tools?
- ▶ What kind of training and support do they offer your team?

It is necessary to gain a comprehensive understanding of a provider's technology capabilities to determine if they align with your talent acquisition needs.



CANDIDATE EXPERIENCE: Evaluating an RPO provider's candidate experience involves examining several key aspects to ensure your candidates have a positive and engaging journey throughout the recruitment process. A positive candidate experience reflects well on your employer brand and increases the likelihood of luring top talent. Here are a few factors to consider:

- ▶ Assess the provider's communication practices, including how promptly and transparently they keep candidates informed about their application status.
- ▶ Consider the technology and tools used to enhance the candidate experience, such as user-friendly application platforms, mobile accessibility, and automated scheduling systems that streamline the process.
- ▶ Investigate how the RPO provider trains their recruiters to deliver exceptional candidate experiences, including their understanding of your company's culture, values, and job requirements.



PERFORMANCE METRICS & REPORTING: A good RPO provider should offer transparent, data-driven insights into key recruitment metrics such as time-to-fill, cost-per-hire, and quality-of-hire. Here are a few questions you can ask to assess an RPO provider's reporting and data practices:

- ▶ How do they track recruitment key performance indicators (KPIs)?
- ▶ Do they leverage data analytics to drive recruitment outcomes? (Predictive analytics, talent pool analytics, etc.)
- ▶ Do they provide real-time dashboards and tools? Are they customizable? User-friendly?
- ▶ How often do they conduct performance reviews? Do they provide actionable insights?



CANDIDATE SOURCING & SCREENING: Examine the provider's sourcing strategies and their ability to build and manage a diverse and high-quality talent pool. Ask about their methods for attracting passive candidates, leveraging social media, and utilizing niche job boards. Here are a few ways to gain an understanding of an RPO provider's capabilities:

- ▶ Investigate the range of sourcing channels the provider utilizes.
- ▶ Determine whether the provider employs proactive sourcing methods.
- ▶ Evaluate how the provider build and maintains talent pipelines.
- ▶ Assess the provider's commitment to building diverse and inclusive talent pools.
- ▶ Ask about screening and assessment processes they utilize.
- ▶ Review how they evaluate candidates to ensure alignment with your organization.
- ▶ Request performance metrics such as the success rate of placements, time-to-fill, and retention rates.



CULTURAL FIT & PARTNERSHIP APPROACH: A provider whose values, work ethic, and communication style align with your company culture are better positioned to foster a collaborative and productive RPO partnership. Look for providers who view the engagement as a long-term, strategic alliance rather than a transactional relationship. Here are a few actions you can take to identify organizational alignment:

- ▶ Review the provider's values and mission statement to see if they align with your own. Look for similarities in commitment to quality, integrity, innovation, and other core principles.
- ▶ Understand how the provider operates and assess their work environment and practices.
- ▶ Observe their communication style during meetings and interactions. Do they communicate clearly, transparently, and respectfully?
- ▶ Assess their employee engagement and retention. Check online employee reviews for transparent insights.



COMPLIANCE & RISK MANAGEMENT: Ensure the provider has robust compliance practices, including adherence to labor laws, data protection regulations, and industry-specific standards. Their ability to mitigate risks and maintain compliance safeguards your organization against potential legal and reputational issues.



REVIEW CASE STUDIES: Case studies are a great way to gauge an RPO provider's experience, problem-solving abilities, and partner successes. They provide real-world examples of how a company operates and addresses challenges and opportunities.

Analyzing case studies offers direct insight into industry experience and scope of work — this can help you determine if a provider has experience working with organizations within your industry, scope, and scale. Take this Hueman case study, for example:

Hueman Makes Hard-to-Fill Hires for Global Medical Devices Manufacturer

THE CHALLENGE:

A manufacturing company was relying on external staffing agencies and were looking to improve candidate quality and decrease expenses.

THE SOLUTION

Hueman implemented a formal recruitment process from screening and interviewing through offer and onboarding. They also implemented and optimized a formal applicant tracking system (ATS).

TYPES OF POSITIONS FILLED:

- ▶ Senior Quality Engineer
- ▶ Quality & Compliance Manager
- ▶ Mechanical Engineer
- ▶ Sr. Quality Regulatory Engineer

150

hires for hard-to-fill roles

20%

reduction in cost per hire

57

average days to fill

Other case study factors to consider:

- ▶ Are the case studies relevant to your industry?
- ▶ Has the RPO provider hired for positions you're looking to fill?
- ▶ Do they have any case studies that highlight challenges similar to what you're facing?
- ▶ How did the provider tackle the problem and what were the results?
- ▶ What was the length of the partnership?
- ▶ These metrics can help you determine RPO performance:
 - ▶ Cost savings
 - ▶ Submission to interview ratio
 - ▶ Submission to hire ratio



4 STEPS TO SELECTING AN RPO PARTNER

After conducting thorough research on potential RPO providers and compiling a shortlist of the top contenders, you're ready to progress to the selection phase of the process. This section will outline the crucial steps involved in choosing the right RPO partner for your organization.

1. Requesting & Evaluating Proposals

Begin by sending out Request for Proposals (RFPs) or Request for Information (RFIs) to the selected RPO providers on your shortlist. These documents should **outline your organization's specific needs, objectives, expectations, and key criteria** such as hiring volume, time-to-fill targets, candidate quality standards, technology requirements, and cultural fit. Upon receiving proposals from RPO providers, thoroughly review and evaluate them based on predetermined criteria.

2. Conducting Interviews & Site Visits

Schedule face-to-face interviews with the shortlisted RPO providers to gain a deeper understanding of their **capabilities, approach to recruitment, organizational culture, and commitment to client success**. These interviews should involve key stakeholders from both your organization and the RPO provider.

Whenever possible, arrange site visits to the RPO provider's facilities. This allows you to observe their operations, infrastructure, technology capabilities, and team dynamics firsthand, providing valuable insights into their working environment and processes.

3. Negotiating Contracts

RPO contracts and agreements are formal documents that outline the terms and conditions of the engagement between a client and an RPO provider. Establishing a well-defined contract ensures both parties have a **clear understanding of their responsibilities, expectations, and the mechanisms for measuring and ensuring success**.

KEY COMPONENTS OF RPO CONTRACTS

- ▶ **Contracts Scope of Services:** This section clearly defines the services that the RPO provider will perform, such as sourcing, screening, and recruiting. It ensures there is no ambiguity about the RPO provider's responsibilities and sets the foundation for performance expectations.
- ▶ **Terms of Agreement:** Details of start and end dates of the service engagement, including any provisions for auto-renewal. This section provides a clear timeline for the contract's validity and sets expectations for contract renewal processes.
- ▶ **Pricing:** Outlines the fee structure, including implementation fees, monthly fees, and any additional charges for increased services. Transparency in pricing helps avoid future disputes and ensures budget alignment.
- ▶ **Service Level Agreements (SLAs) and Key Performance Indicators (KPIs):** These metrics, agreed upon by both parties, measure the effectiveness of the RPO services. Metrics may include minimum and maximum requisition fulfillment times, time-to-fill, quality of hire, and other relevant benchmarks.
- ▶ **Billing and Payment:** Specifies the billing and payment terms, including payment schedules, due dates, and penalties for late payments. Clear billing terms ensure smooth financial transactions and help maintain a healthy partnership.
- ▶ **Managed Services:** Describes the procedures for managing the relationship, including communication protocols, reporting structures, and processes for handling additional requisitions outside the established objectives.
- ▶ **Non-Solicitation Clause:** An agreement that your RPO provider will not directly solicit to your employees, and vice versa.
- ▶ **Information Security:** A clause stating that the provider will protect your sensitive data from unauthorized access, loss, destruction, disclosure, or use may also be included.
- ▶ **Termination:** Outline the process for terminating the contract, including required documentation, notice periods, and effective termination dates.

Work with the RPO provider to customize the contract to align with your organization's specific needs, goals, and expectations. Both parties should thoroughly review the contract to ensure mutual agreement on all terms and conditions. It is advisable to involve legal and compliance teams in the contract review process to safeguard against potential risks and ensure all legal requirements are met.

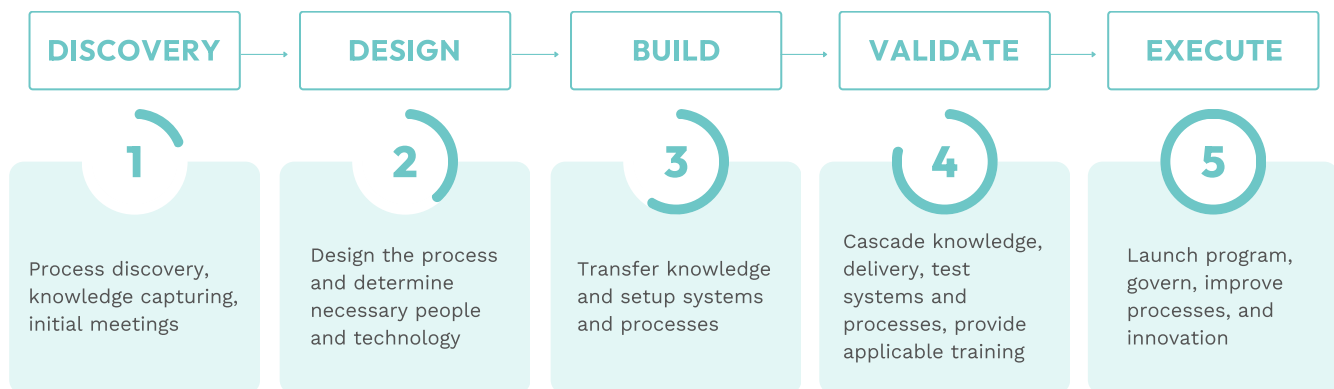
4. Choose The Right RPO Provider

Remember to use a structured decision-making process to evaluate all factors and criteria considered during the selection phase. **Consider input from key stakeholders, including HR leaders, hiring managers, executive leadership, and legal counsel.** Once you've made the final decision, proceed with signing the contract and formalizing the partnership.

IMPLEMENTATION WITH AN RPO PARTNER

An efficient implementation and transition process is crucial to set the stage for a successful partnership. A good RPO partner will provide a dedicated team to manage the process, taking little time from your internal team. The typical implementation timeline is 8-12 weeks. During this time, your chosen provider will learn as much as possible about your organization, build out processes, set up systems, train recruiters, and lastly launch the new talent acquisition program.

THE RPO IMPLEMENTATION PROCESS



1. DISCOVERY: The RPO provider develops a comprehensive understanding of your recruitment needs by conducting an initial consultation and gathering relevant information such as the company's hiring goals, timeline, budget, and required skills.

2. DESIGN: Next, the RPO partner will develop a proposal that includes a detailed plan of action for how the recruitment process will be managed and identify who will be responsible for each step of the process.

3. BUILD: In this phase, the RPO company begins to execute the recruitment solution. This may include setting up a recruitment team, creating a candidate pipeline, and implementing recruitment technology and systems.

4. VALIDATE: At this stage, you will discuss what responsibilities will be transferred to the RPO provider. Your provider will work closely with your team to ensure a smooth transition from the existing talent acquisition process to the new RPO solution.

5. EXECUTE: After the implementation is complete, the RPO provider will continue to manage your recruitment and conduct an ongoing analysis of the process to identify optimization opportunities or areas that may need additional resources.

HOW CAN YOU EFFECTIVELY MANAGE AN RPO PARTNERSHIP?

Managing the partnership with your chosen provider is a strategic endeavor that requires ongoing attention, communication, and collaboration. Here are key aspects that can help ensure a successful partnership:

CLEAR COMMUNICATION: Establish transparent and open channels of communication with your RPO provider. Regularly communicate your organization's goals, expectations, and feedback to ensure alignment and continuous improvement.

PERFORMANCE MONITORING: Monitor the RPO provider's performance closely by tracking key performance metrics, such as time-to-fill, candidate quality, and cost-per-hire. Use data-driven insights to assess progress and identify areas for optimization.

REGULAR REVIEWS: Conduct periodic performance reviews with the RPO provider to evaluate their adherence to service level agreements (SLAs), address any challenges or issues, and celebrate successes. These reviews should involve stakeholders from both organizations to foster accountability and collaboration.

COLLABORATIVE PROBLEM-SOLVING: Foster a culture of collaborative problem-solving by engaging in regular discussions with the RPO provider to address recruitment challenges, brainstorm innovative solutions, and implement best practices.

CONTINUOUS IMPROVEMENT: Encourage continuous improvement and innovation by sharing industry insights, market trends, and feedback with the RPO provider. Collaborate on refining recruitment strategies, enhancing candidate experiences, and staying ahead of industry changes.

FEEDBACK MECHANISMS: Implement structured feedback mechanisms to gather input from stakeholders, including hiring managers, HR teams, and candidates. Use this feedback to drive improvements in recruitment processes and candidate experiences.

RELATIONSHIP BUILDING: Invest in building a strong relationship with your RPO provider based on trust, mutual respect, and shared goals. Foster a partnership mentality that focuses on achieving long-term success and driving business outcomes.

READY TO ENHANCE YOUR RECRUITMENT PROCESS?

With over 25 years of experience and a long track record of success across a variety of industries, we provide tailored talent acquisition services that align with your organization's unique needs and goals.

Our commitment to quality, strategic approach, and collaborative mindset make us the ideal partner in your journey toward recruitment excellence. Contact us today to learn how we can help you achieve recruitment goals!



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