



# RPO: DEATH BY SUFFOCATION

Whitepaper

*It seemed like the right decision.*

*It sounded like a great investment*

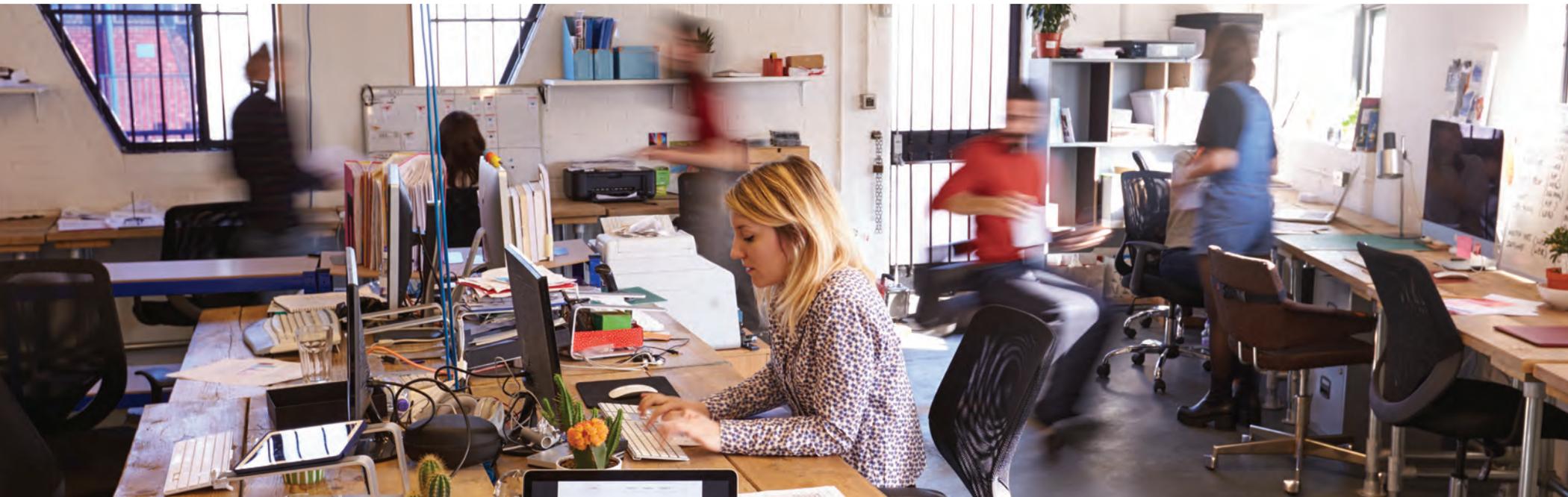
*They came in and took over...now we're trapped.*

Unfortunately, this is the plea of many RPO clients after they face the bitter reality: most over promise and under deliver. How do we know this? According to Korn Ferry's take on an HRO Today Magazine survey, less than 70% of respondents were either satisfied or very satisfied with their RPO provider. This means that almost one third of respondents squandered their organization's budgets by hiring an RPO firm.

Nevertheless, organizations continue to search for the perfect outsourcing, trusting that the next one can't possibly be as rotten as the last. Meanwhile, their budgets drop, their open requisitions build, and their headaches pound just a while longer.

We have news. With RPO firms, it doesn't get much better. Here's why:

# 3 WAYS RPO FIRMS ARE CHEATING YOUR BUSINESS



## *“I COULD’VE DONE THAT”*

Once an RPO firm has a signed contract, they generally waste no time in bringing everybody and their brothers through the door. While the internal recruiting team sits on the sidelines, watching the new personnel set up their resources and start from square one, the old techniques are shoved aside, all prior setups are disregarded, and the old is deemed essentially useless. The RPO firm has officially taken over.

Initially, this might seem positive: whatever the internal recruiting team was doing before obviously wasn't working. However, let's ask ourselves a few questions:

- How well does the RPO firm truly understand the dynamics of the organization?
- How might the RPO firm benefit from collaborating with the internal recruiting team?  
How might the RPO firm be too generalized in its approach?
- What if the internal recruiting team excels with some aspects of the recruiting process while only failing at a few?

While the RPO firm certainly busts in with a larger team and a greater number of resources, one must ask oneself whether they truly understand the dynamics of each and every organization that it works with. Furthermore, RPOs are often overkill for businesses that merely need help with certain steps of the recruiting process.



## **ROLLING IN THE CASH**

Not only do RPOs generally charge a monthly fee for their services, most also charge a fee per placement. Yes, you read that correctly: most charge for both their time and any success they might have. Sounds like they still want to be paid, even if they don't have any success.

Sounds expensive.

Worst of all, a “placement” includes a transfer within the client's own organization. This essentially means that the RPO can walk in, move the employees around, and charge per employee.

This payment structure leaves the client in a catch-22. If the RPO does well, the client must pay an additional fee. If they do poorly, the client has wasted monthly fees all along. How can this possibly appeal to the struggling organization looking to fill its open requisitions in an efficient and cost-effective manner?

## ***THEY CAUGHT THE BAIT***

Keeping the idea of monthly payments in mind, picture a two- or three-year contract with the type of firm we've just discussed. Close your eyes and imagine a team of recruiters busting in the door with no knowledge of your firm, completing taking over, charging you for the little success that they do have, and holding you hostage for years. That's an RPO firm.

Let's ask ourselves a few questions:

- If clients were satisfied with RPOs and the results they provided, why would they require such long contracts?
- What if results are deliverable within a few months? Why waste the extra time?
- Why should the client suffocate under a potentially ineffective team while the RPO firm still collects monthly payments?

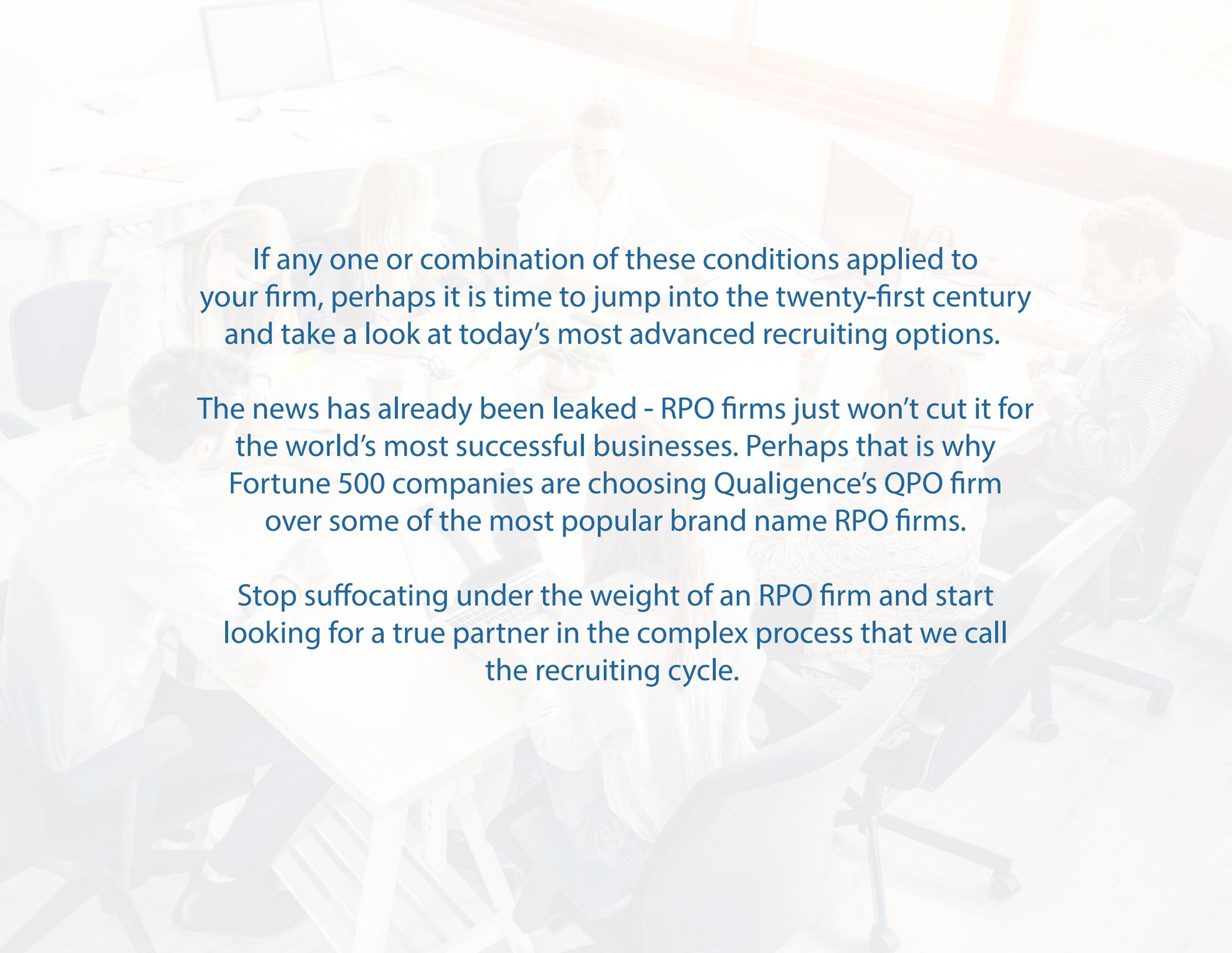
It can be a trap, and that is how many RPOs thrive.

So where is an organization to turn when the going gets rough and candidates are nowhere to be found? When certain aspects of the recruiting aspect seem like second nature, but others get the best of your business every time? Where is a business to go when its limited recruiting team remains slight but valuable, full of insight and willing to collaborate?

Fortunately, there is another option.

# **4 SIGNS YOU'RE IN THE MARKET FOR PROJECT- BASED OUTSOURCING**

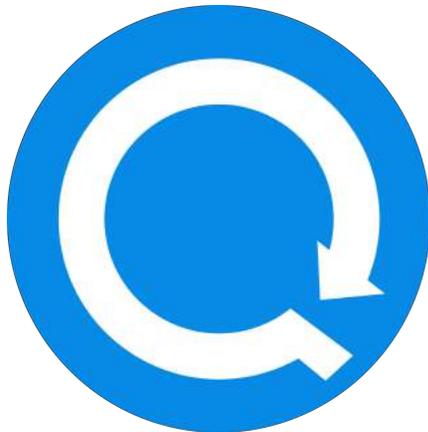
- 1. Customization:** Often, an organization's research, recruiting, and competitive intelligence needs are too complex for the oversimplified packages that RPO firms provide. Instead, many prefer an a la carte menu of services that allow them to mix and match, providing them with options as far as length, depth, and commitment of project. Organizations that excel in some areas while struggling in others tend to benefit from the customization option.
- 2. Limited Expense:** The most advanced project-based outsourcing firms charge on an hourly or monthly basis only, as opposed to a monthly and placement-based scale. Quality firms trust that their clients will continue to utilize them - thereby paying the hourly/monthly fee - as long as they are effective. The need for any additional forms of payment would be completely unnecessary for a quality firm.
- 3. Less Commitment:** Project-based outsourcing firms are confident in their ability to deliver. Rather than providing a two- or three-year ball and chain, these firms provide contracts that often last one to three months. Frankly, they are in touch with the overwhelming sentiment that your organizations provide: you want them to get in, provide results, and get out.
- 4. Collaboration:** Rather than busting in the doors and overrunning clients' personnel, a quality project-based outsourcing firm believes in collaboration among internal teams and outsourced teams. While the internal team might not possess the numbers, resources, or training to effectively research or recruit new candidates, they certainly possess inter-organizational information that the outsourced team does not. Furthermore, the most advanced project-based firms strive to pass their expertise along to the clients as opposed to taking hold of the reins permanently. Perhaps the proverb of "teaching a man to fish" comes to mind. For the best firm, partnership and learning come before domination.



If any one or combination of these conditions applied to your firm, perhaps it is time to jump into the twenty-first century and take a look at today's most advanced recruiting options.

The news has already been leaked - RPO firms just won't cut it for the world's most successful businesses. Perhaps that is why Fortune 500 companies are choosing Qualigence's QPO firm over some of the most popular brand name RPO firms.

Stop suffocating under the weight of an RPO firm and start looking for a true partner in the complex process that we call the recruiting cycle.



## **About Qualigence**

Qualigence International is the largest Recruitment Research and professional search firm in the United States, and proudly serves as a unique alternative to traditional retained or contingent recruiting models.

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