

## Not Everyone Loves a Horse Race

Why vendors hate the same job order going to multiple agencies

By Tom Kosnik

**M**any companies will send the same job order to several vendors at the same time. The logic appears sound from the end user's perspective. Sending the same job order to several vendors at the same time creates competition, which improves results. Sending to multiple vendors brings in more resumes and typically more is better when it comes to resumes. Again, sending the same job order to several vendors at the same time means that the job order has the attention of multiple recruiters from multiple firms, and that is considered to be a good thing.

But vendors refer to this practice as a horse race, and they hate it. One might assume that vendors do not like horse races because they are a bit lazy and are not interested in hard-core competition. But this is far from the reality. Staffing vendors typically thrive on competition.

### The Recruitment Relay

To more fully understand why vendors hate a horse race, one needs to understand the recruitment process and the expense vendors incur to execute on a well-functioning fulfillment process.

Most staffing vendors will have account managers (sales executives) whose job is to acquire new customers and build long-term relationships with the company's hiring managers. Account managers will get to know the company culture, get to know the hiring manager's specific needs,

and will often conduct the intake work on the job orders. Once a full job order is completed and recorded into the vendor's database system, it moves over to fulfillment or recruiting.

A recruiting manager on the vendor's fulfillment team

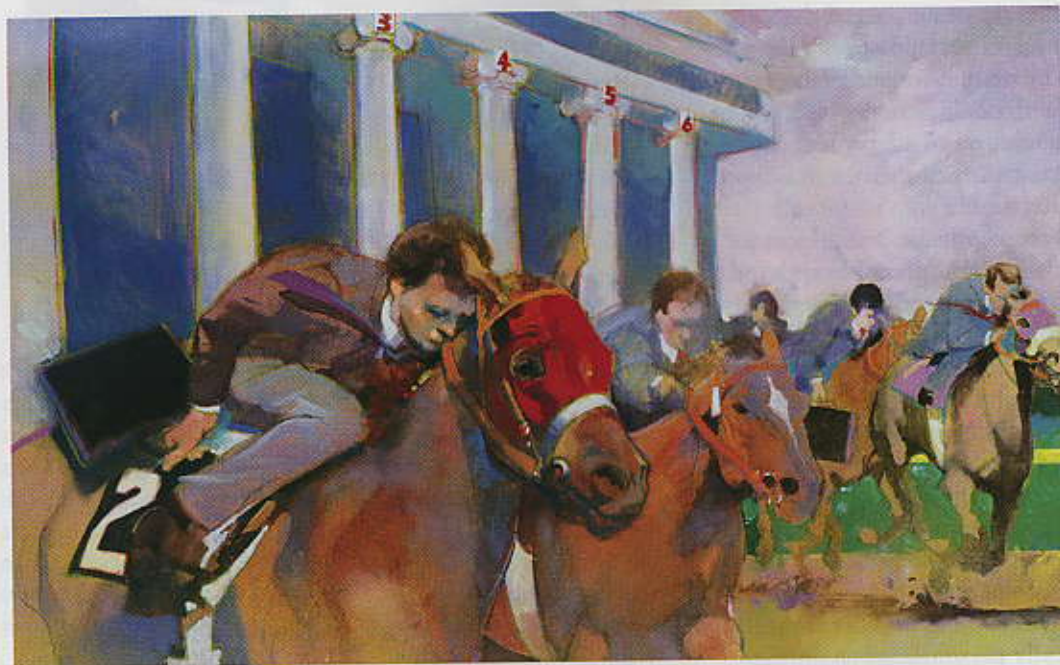
will typically qualify all the incoming job orders. To qualify a job order simply means to stand it up against a short list of criteria and designate it an A-, B- or C-level job order.

A-level job orders usually come from an existing client with which the vendor has a signed contract, the position to be filled fits into the core recruiting competencies of the vendor, the customer pays in a timely basis and the account manager has a relationship with the hiring manager.

B-level job orders typically come from existing or new customers with which the vendor has a signed con-

tact, the position to be filled fits into the core competencies of the vendor, but the urgency to fill the position is not immediate from the customer's end. C-level job orders are for positions that the end user's internal recruiting team has already attempted to fill, tend to be very difficult to fill, and has a pay rate that is not in line with industry standards.

Qualified job orders are then assigned to specific recruiters that specialize in certain job categories. For example, an IT staffing firm may have recruiters that specialize in recruiting only SAP personnel, Web-enablement personnel and mainframe



## Unlike a purchase order in a manufacturing environment, a staffing PO is never guaranteed. The vendor's costs may never be recouped.

recruits. The SAP job orders get allocated to the SAP recruiting team while the mainframe job orders get allocated to the mainframe recruiting team. This example would typically hold true within all industries such as engineering, accounting, medical and legal.

Recruiters then go to work on fulfilling the job order. Their first recruiting job task is accessing their company's internal database of candidates. Some recruiters have hot lists of candidates in their database which they can call on or lean on for referrals. They make phone calls, hold conversations, send emails and correspond with candidates and contacts.

While recruiters begin working the internal database, the vendor will post the open job on its Web site as well as on several job boards. Vendors typically have a point person who is skilled in writing job ads and posting job ads so as to get the best possible response. As resumes start coming in, a point person at the vendor's site will scrub up the resumes, put them in the database and alert the recruiters to follow up with these new arrivals.

Recruiters usually continue their work by conducting interviews. Some firms conduct two interviews with each candidate. The first may take 20 minutes to verify information and make sure that the candidate has the skills and the experience for the job, while the second may take an hour, where more detailed questions are posed in order to ensure a good fit at the client's site. In this phase of the recruiting process, interviewing notes are taken and recorded into the database system.

A recruiter may generally conduct nine sets of interviews to produce three qualified candidates for the open job order. The three qualified candidates are then submitted to the account manager to review, who may accept all three candidates or reject one or two, sending the recruiter back to work to locate new candidates that can be submitted to the client.

Once the account manager is comfortable that he has three qualified candidates, he submits these candidates to the hiring manager. At the client site, the hiring process is out of the hands of the staffing vendor.

If the hiring process is efficient and working well, the interviews can be conducted and a hiring decision can be made fairly quickly. If the hiring process is laborious, a lot of time can get burned up and both the staffing vendor and the end user can lose out on qualified candidates.

### Total Time Taken

So it's clear the staffing vendor's employees devote considerable time to each job requisition. Let's add up it all up:

- Account manager's time taking the job order
- Recruiting manager's time to qualify the job order, assign the job order and manage recruiter's activity
- Admin's time to write and post jobs
- Recruiter's time to recruit, interview and prep candidates
- Account manager's time to work with the customer's hiring manager through the interviewing process

In addition to the time for which the staffing vendor's employees must be paid, it incurs costs such as office space, phones and job board posting costs.

Herein lies the answer to the question of why staffing vendors hate a horse race. First and foremost, regardless of a signed agreement or not, a staffing vendor will incur costs to execute on the fulfillment process in order to bring the customer a certain number of qualified candidates.

Unlike a purchase order generated in a manufacturing environment, a staffing purchase order is never guaranteed by the end user. If the end user is not willing to assume a partnering relationship with the staffing vendor to secure the purchase order, then the expense to execute on the fulfillment function for the customer is equal to gambling from the staffing vendor's perspective.

### Beyond One Race

The horse race scenario communicates to the staffing vendors the customer's assumptions about the client-vendor relationship. Namely, that the client is not committed to a partnering relationship and wants to do business with the vendor at arms length. It communicates to the vendors that the clients are not interested in a relationship but only interested in a transactional and non-committal event.

Rather than going to the race track with customers, most staffing vendors would prefer to develop a long-term trusting relationship with them. A staffing vendor knows it can be far more successful with a customer if a trusting relationship is in place. Additionally, the expense of executing on the vendor's fulfillment engine is more like putting money in the bank versus betting it at the track. ●

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