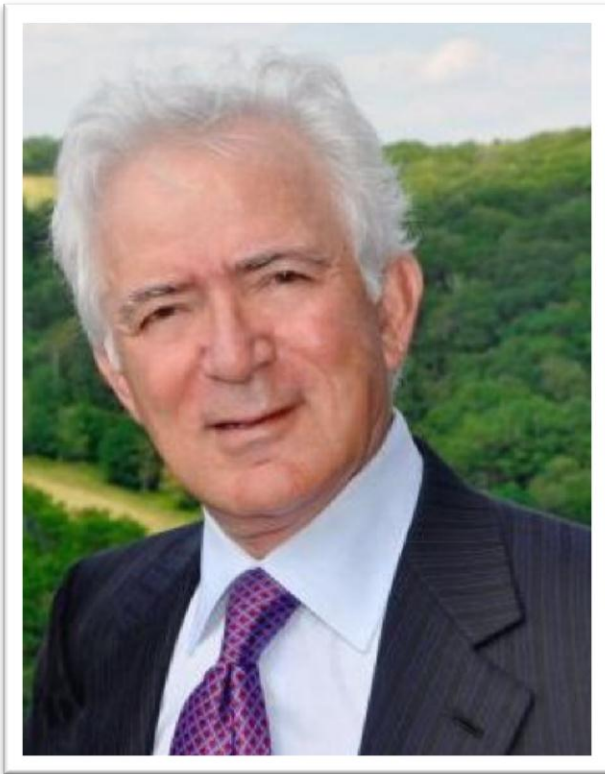


6 Best Practices for Selecting Excellent Staffing Suppliers



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INTRODUCTION

The supplier selection process is not one that people take lightly, nor should they. Choosing the right companies to do business with is a critical component of your own company's future success and that includes the choices you make with regard to your contingent workforce program and the staffing suppliers you employ.

The selection process can seem daunting but it doesn't have to be. The following 6 best practices will ensure that your process takes less time and returns better results. These best practices will help you focus on what's important to you and your program and make choices that truly meet your requirements and serve your needs.

“The use of temporary help is growing all over the world. It's a structural transformation.”

Source: Arne Kalleberg, Professor of Sociology, University of North Carolina

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BEST PRACTICE #1

Planning

By far the most important step to ensure success is planning. If you don't start with a solid understanding of where you are and have a good idea of

where you want to be, then it will be difficult to hire the right partners to help you with any of it. Depending on the size and complexity of your business and your CW program, you may need to do a very formal current/future state gap analysis. But the basic steps are the same for everyone: determine where you are now and what changes or additions you want to your program in the future. Start by asking these basic questions:

“Know thyself.”

Socrates

- a. How is my current program structured? (New or established program; VMS and/or MSP in use; size and scope, etc.)
- b. Who are my internal customers and what are their needs?

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- c. What kind of contingent workers does my company need? Are there divisions that require highly specialized workers? Geographical considerations?
- d. What is my current supplier structure and numbers?
- e. What will things look like in the future? What do I want my program to include or do that it doesn't do now?
- f. Am I looking for a VMS, MSP or talent provider? Or all of them?
- g. Do I want to grow or reduce my supplier list?
- h. What are the program's strengths and weaknesses? What is working well that I don't want to change? What isn't working that I need to fix?

Robust planning will put you in the best position to clearly articulate your goals and requirements to potential suppliers. Lack of clarity and specification is one of the key contributors to derailment and frustrating delays in the selection process timeline. If you don't know what kind of functionality you need in a VMS system or don't have data on current contingent usage, supplier lists, spend, etc., and if you don't communicate clearly

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with those proposing, it will be difficult for them to provide anything more than generic information. Information that is tailored to your needs will allow you to make the best decision.

If you don't need all the bells and whistles in your VMS, don't pay for them; if you do, then by all means go right ahead. The key lesson is that if you don't know what you need and how to communicate it effectively, your process at best will take longer and be more complicated than necessary and at worst, you might end up paying for unnecessary features or choose a supplier that can't provide, at any cost, what you eventually find out you need. Planning and careful preparation is the foundation on which your successful search is built and well worth the time and effort to do it right.

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BEST PRACTICE #2

The Selection Team

The best team is one that represents key stakeholders and allows you to evaluate the suppliers and their proposed solutions accurately and from all angles. Again, the size and complexity of your organization will influence the actual number of people on the team

but a general recommendation is between five and ten. Include someone from Recruiting, HR, a cross section of hiring managers and other internal customers, and IT. The CW program needs to meet everyone's needs to be successful.

An inclusionary project team will ensure that your desired future state includes all constituent requirements and that the solution is workable for everyone. You don't want so many that the team is unwieldy and can't reach consensus, but you do want to be able to assess credentials correctly and make an informed choice. The best software in the world won't help you if it can't run on your infrastructure and if your internal customers are

**“Teamwork
divides the task
and multiplies
the success.”**

Anonymous

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frustrated by working with your MSP, they'll find ways around the system. Avoid this by building a multidisciplinary team that allows everyone to share their needs and requirements and taps into everyone's talents and expertise in evaluating the potential firms.

Finally, be sure that your team includes someone who is identified as the project leader and is clearly responsible for driving the process forward and ensuring that key milestones are met. The key lesson is that assembling the right team can greatly contribute to the proper evaluation of potential suppliers and solutions, and help build consensus and agreement with the end decision that ultimately leads to greater program success.

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BEST PRACTICE #3

The RFP Document

The RFP describes the purpose, scope, description, minimum requirements or expectations, qualifications or capability of the proposers, evaluation criteria, and other requirements. A well-written RFP is your best friend in the selection process. It can mean the difference between wasting time reading through mountains of unnecessary details or looking at the exact criteria and information that you need to make the best choice. A poorly written RFP can mean an avalanche of emails and phone calls looking for clarification and more information while a successful one means suppliers are focused on tailoring their solutions to your specific needs.

“The difference between the almost right word and the right word is...the difference between the lightning bug and the lightning.”

Mark Twain

An ineffective RFP document can lead to costly extensions of time. But don't think that “good” must equal lengthy or wordy. Despite what you may have heard, it doesn't take 100 questions to find out what you need to know. ATR's companion eGuide,

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[A Step-by-Step Guide to a Stellar RFP](#), provides in-depth information on writing the document itself. In it you will learn about the specific elements of the RFP (e.g., cover letter; instructions, general information, technical specifications, vendor requirements, cost proposal, methods of evaluation, etc.) and how to decide which ones you need to include. The key lesson is that the document is just one part of the selection process but it is a critical piece. Just like planning, paying careful attention and taking the time to craft a good RFP will pay dividends in future stages of the process.

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a Stellar RFP***

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BEST PRACTICE #4

Evaluation Criteria

Evaluating the different firms who respond to your RFP can be the hardest part of the process. As part of creating your RFP document you will have determined what criteria matter to you and which ones matter most (weighting and scoring). This numerical system will help you impartially rate and rank the submissions to assist you in comparing the various proposals. But beyond the basic markers and KPIs common in our industry, like “time to fill” and “orders filled as a % of orders received,” what should you consider? Regardless of your particular circumstances, these things are always important:

Ability to provide required skill sets – What are the true sources and quality of candidates? Numbers can be deceiving and speed does not always translate into success. If quality is what matters, and for most it’s one of the top concerns, what good is fast if the candidate’s skills are lacking or experience doesn’t match the requirements? It isn’t necessarily difficult to deliver lots of resumes quickly but it isn’t successful either. You want to be sure that you choose a provider that can find what you exactly what you need as quickly as possible, not just a whole lot of “close enough.”

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Effective, documented recruiting process – Your supplier should be better at recruiting than you are and able to get better results more quickly than you can on your own. What's the point in hiring them if they can't? You can post openings on a job board, so if that's their process it's not much of a value. Make sure the proposing companies can describe how they go about recruiting, evaluating, and clearing candidates that fit your needs. What makes them good at what they do and how will they deliver consistent, quality results. If they can't describe it, they probably can't deliver it.

Experience working with companies in your industry – Whether it's Technology, Financial Services, or Healthcare, it just makes sense that someone who knows your industry and understands your business is going to be a more valuable staffing partner. They will appreciate the nuances of your business and have critical knowledge of the related labor market that will allow them to find the right workers at the most competitive prices.

Experienced employees of the staffing supplier – Obviously you want to work with people who are appropriately skilled. The background, education, experience, track record of success, and stability and

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longevity of the employees of the firm are critical measures. Ask for overall information for the firm and specifics about who you will be working with most often. What is the turnover rate of their internal staff? Developing a relationship with a client service rep or recruiter only to have them change after six months can be frustrating. No one can guarantee absolute continuity but you can lessen the odds by working with the right firm. Does the staffing supplier invest in continuing education and the improvement of their team? These are the people you will be working with day to day so make sure that they are and will remain the skilled professionals that you need.

Leadership and viability of the firm – This should be a factor in every business decision but given some of the spectacular past failures in the staffing industry, as well as the simpler but no less disruptive closures and acquisitions attributed to the recession, this consideration is a must.

Values and behavior that closely mirror yours – One way to predict how you may be treated as a client is to see how the firm behaves now and how they treat others. References are one way to find that out but reviewing their mission or value statements and comparing their

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behavior can be another valuable piece of information as you compare firms. If they say they “respect all individuals,” do they have internal policies and benefits that reflect that? Are their mission statement and code of ethics similar to yours? If they pledge to be a green company, what are they doing to achieve that? Do they have a record of compliance with regulatory, tax, equal opportunity and other important requirements? No business can avoid issues and disagreements and legal actions are a part of doing business but patterns of misbehavior are usually evident if you look at the data. What about their commitment to their community? If they say they care about giving back, do they do it? What is their philanthropic footprint and does it mirror yours? Values are both an intangible quality and a measurable trait and they can reveal aspects of a firm’s culture that is important to consider and can be very helpful in making a decision on who to do business with.

The key lesson when it comes to evaluation criteria is that there are many factors to be considered. Cold hard facts and measurements are important but just as important are a host of other markers that can tell you a lot about a company and help you evaluate whether you want to work with them or not.

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BEST PRACTICE #5

Meet with Suppliers in Person

Technology is marvelous. It allows us to accomplish a variety of things more easily, efficiently and effectively and it certainly has its place in the supplier selection process. You will likely avail yourself of some technology program during this process, whether it is a simple word document or a more formal online proposal tool. You'll use a spreadsheet to weigh, rate, calculate, rank and compare the responses from each company. And you should.

“As I grow older, I pay less attention to what men say. I just watch what they do.”

Andrew Carnegie

Our recommendation is to automate and streamline any part of the process where it makes sense. Don't, however, let technology override or replace all human interaction. You can find out all the statistics and numbers, look at all the flow charts and diagrams, and explanations of quality and processes that you want but without meeting and getting to know the people who run the company, the people who you will be working with, you cannot effectively evaluate that company. As good as their software or methods may be, it is actual people who are behind every system

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and process. Software doesn't talk to hiring IT Directors or web application candidates, people do.

Ideally, you should take advantage of every natural opportunity that the proposal process presents to communicate with the proposing firms in person or at least live. For example, a conference call or meeting early in the process, as firm's begin to compose their response, is a good idea because no matter how well written the RFP, there is always the need to provide clarification. You can choose to speak with firms individually or have a group meeting or call for efficiency. Most selection processes also include an oral presentation or even a series of meetings once the prospective firms have been narrowed to a reasonable number for in depth evaluation. These interactions are just as valuable and opportunity to observe and evaluate the proposing companies as anything written in the document. Do they ask smart questions? Do they sound knowledgeable?

Do they understand your industry? Are they professional, polite, and easy to deal with? If they aren't now, they aren't going to change once you hire them! Obviously you need to budget your time wisely but be careful about giving in to the momentary convenience of deterring contact during the selection process. Personal interaction is a great way to get to know your potential suppliers and make the most informed choice about who to hire

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for your CW needs. So whenever possible, use email to communicate instead of relying on an impersonal online tool, have a conversation instead of an email exchange, a meeting instead of a phone call, etc. The more you ramp up contact and communication during the process, within reason of course, the more you'll get to know these companies and the more knowledge you'll have to make the right decision.

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BEST PRACTICE #6

The Internet and Social Media

This one may seem obvious but it bears repeating. The wealth of information available online is staggering and the ability to connect with others and benefit from their experiences is revolutionary. Take advantage of what the Internet and social media tools can offer you during the selection process. Reach out to your personal and professional networks and see who they

recommend or what information they may have about the various firms you are evaluating. You'll no doubt ask for references in your RFP – you should and they are a good source of information – but how much more beneficial if you are able to supplement those with candid references from the field? You never know who in your network might be connected to the proposing firms and have useful information to share. Tools like LinkedIn, Twitter, Facebook and others can help you gauge a firm's culture, values, reputation and behavior, both by connecting with others and in passive research you can

“Our experience confirms at every point that everything is linked together, everything is inseparable.”

Dalai Lama

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conduct. The key lesson is that if you use technology smartly, it can be more than just a timesaver; it becomes a valuable advantage in your search.

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SUMMARY

So there you have it. Six best practices that will lead you to a more successful selection process. If you employ these ideas you can save time, effort and ultimately get to a better decision on which suppliers to hire. Good luck!

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Connect with Jerry Brenholz

Have questions about how to select the best staffing suppliers for your program? Contact Jerry today at jerryb@atr1.com or 408-328-8011

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