

Canadian users have struggled with the use of providers of labour for years. The reason for this has been as a result of an inability to gain visibility into spend, leading to risk and, perhaps internal non-compliance of contracted vendors. Some vendors have had a history of poor performance and have negatively impacted the perception of the industry overall. The models that are out there right now are becoming increasingly difficult for the vendor community and the client. Imagine if you are a vendor to 7 companies that use different Vendor Management Applications? It is virtually impossible to meet the day to day requirements of those clients because you are logging in and out of different applications all day long.

With one of the biggest labour shortages we are ever going to experience on the horizon, we have to all get on the same page in order to ensure that the top candidate gets the job. Clients are still engaging multiple firms verbally to work on the same order and those vendors are using the same job board and the same applicant pool. In the future there might be one candidate suitable to a position in Toronto and that candidate might be in Halifax. In order for them to get that job they have to be found, and, therefore they will have to be sourced by the widest network of recruiters leveraging one application. Today that candidate has to register with multiple firms, and, the numbers are just too high. The focus is on the wrong place in vendor management models, it is on spend visibility, and in the future, in order to meet the challenges in recruitment it needs to be on sourcing and enabling visibility into the largest database possible, in one application with several vendors loaded into that application.

The models that companies use today include;

#### National and Global Providers

Not enough reach into highly skilled categories and an inability to meet the needs of the entire organization in all geographies with the same quality. In some cases quality has suffered as a result of price driven by a low cost decision, but most often quality has suffered as a result of volume and one organizations inability to meet it. Organizations that historically engaged multiple firms prior to the use of exclusive providers have experienced challenges in volume and or quality with a National or Global model, no one provider can do it all thus the migration to Vendor Management Solutions.

#### Multiple Staffing Companies without Vendor Management Applications

In this instance organizations have had to contract the staffing vendors and engage them at the rates, contract terms and SLA's proposed in RFP responses. Occasionally contracts are awarded to vendors with a great proposal and an inability to provide and there is no way to measure performance, or compliance. In some cases the company begins to feel as though there is little to no value in the use of the vendor community and elects not to use them at all or to cut back. External needs continue and recruiting challenges change which leads to engagement of vendors without relationships or history therefore poor service and sometimes higher rates.

#### Local Providers without National Reach

If a company has one office or location a local provider can yield great results. But if an organization has a national presence with offices and facilities in multiple locations you need a provider that can meet those needs. For the most part no national can meet the needs of multiple skill requirements in Legal,

Accounting, IT and Engineering so you continue to experience maverick spend and engagement of vendors.

#### Multiple Staffing Companies with Vendor Management Applications

This is a solution that enables more control and creates further improvements. The staffing co's are engaged through contract in some instances or by the Vendor Management Solution and in some cases it can be a great model. In others the application is provided by a staffing co. with the intention to tier orders back to them for the sake of securing revenue. What happens in this instance is that the client might never gain the real picture into performance. They will gain the real picture into visibility but they might be a bit surprised as to the tiering methods in the application. In other instances the vendors have to be engaged and although most have supported the model there is going to come a time in the future when certain job classifications are in high demand and vendors will opt out. This is going to lead to some major challenges for organizations with this model to procure top talent in highly skilled categories. They might opt out because of terms, the fee to the provider of the application of the application will be higher than they can justify in an applicant shortage.

#### hireCAPITAL

This solution was developed to address and meet all of the challenges listed above. It is a vendor supported model in the Canadian market with a substantial number of vendors engaged in the application. The client completes a fairly short list of questions and provides rates and job descriptions and the vendors are engaged based on the skills and geographies that they supply in. The vendor has one application on their desktops, they are no longer logging in and out of multiple client specific tools and, they have immediate visibility into the requirements of the largest users in the market. The largest users have visibility into the largest providers databases quickly and the right candidate gets the job. The client gains control of the process with access and use of the largest providers and ultimately the right talent is secured.

The staffing industry is one of supply and demand and the needs of the business change day to day based on the market. The Vendor Management Model was developed in and around 98 and intended to address higher than average spend and, enable organizations to gain control and visibility at a time that global staffing companies were providing managed service models and vendor on premise programs and engaging subcontractors. The market that we are about to go into, and, the market that we are in today is becoming increasingly dependent on these providers, and, they might be the life blood to the success of organizations in the future. In order to ensure that the engagement of these firms is successful we have to challenge the model and, we have to accept that providers of labour are a requirement today and will be in the future, and, the reason for that is to secure the right person for the job. The most effective way of getting there is with one tool and one resource, and one means of engagement and it can now be done successfully with with the majority of those that provide enabled in the application to ensure visibility, reach performance and compliance.

Engaging a staffing solution is unlike the engagement of any other product or service that an organization procures and it will become increasingly complex in the future and all the more necessary. Buyers often don't consider that that organizations ability to provide is dependent on the market. Staffing companies often can't grow fast enough to meet the market changes, therefore the model

has to change rapidly to respond to the market conditions. When applicants are readily available a National or Global supported by subs or a handful of suppliers can meet the requirements. In an applicant short market that isn't necessarily the case. That is why you have to have as many vendors engaged at all times to ensure volume and quality.

Technology today has the ability to source candidates in one application to one requisition from hundreds of sources, the key is to enable the hundreds of external sources in one application and make it available to the largest users for the sake of ensuring that all of the challenges listed above can be addressed, something that isn't being done today. Organizations will continue to invest in in-house tools and job boards, but they will never have the internal resources required to recruit at the pace that external providers can, it wouldn't be possible to justify the cost of people to perform that function in comparison to the cost of outsourcing. The process of recruitment has a face to face cost of time associated that requires the resources of people to screen and interview and the majority of that function today remains manual. To have the resources necessary to meet the costs of engaging in one application would be cost prohibitive even for the largest organizations.

Organizations with vendors in an application supported by vendor management solutions will continue to have to engage vendors based on the needs of that organization, and, very soon the vendors are going to dictate how they want to do business. This is a vendor supported model, brought to the Canadian market supported by the vendor community in a way that they are choosing to be engaged in the future as a result of their recognition of the challenges of the business, and, as a result of their willingness to bring the right solution.