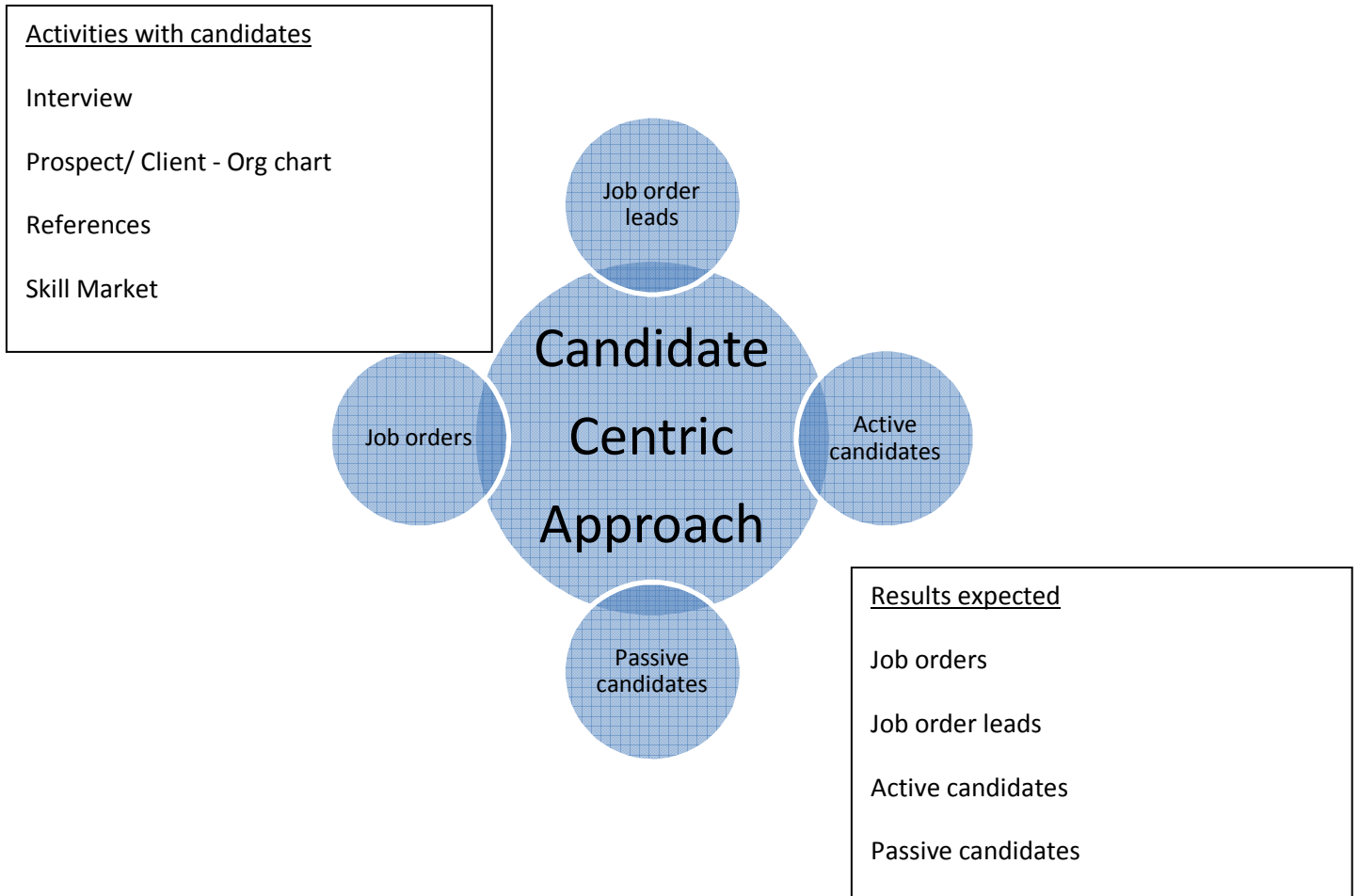


## **Candidate Centric Approach to Recruiting and Staffing**

### **What is being Candidate Centric all about?**

When I think the Candidate Centric business model I envision the candidate as the center of the sales, recruiting, and job order activities within an operation. In my experience, most staffing companies usually begin the business development process with the client at the center. This approach has worked for many years and few can argue that clients are important. However, as a result of the client focused approach too many orders have gone unfilled and too many clients, candidates and office colleagues remain frustrated. The reality of the current and predicted labor shortages in key skill areas means we now have two important clients (customers *and* candidates). Candidate Centric's focus is on embracing the candidate so that the client will greatly benefit.

## The Candidate Centric Model

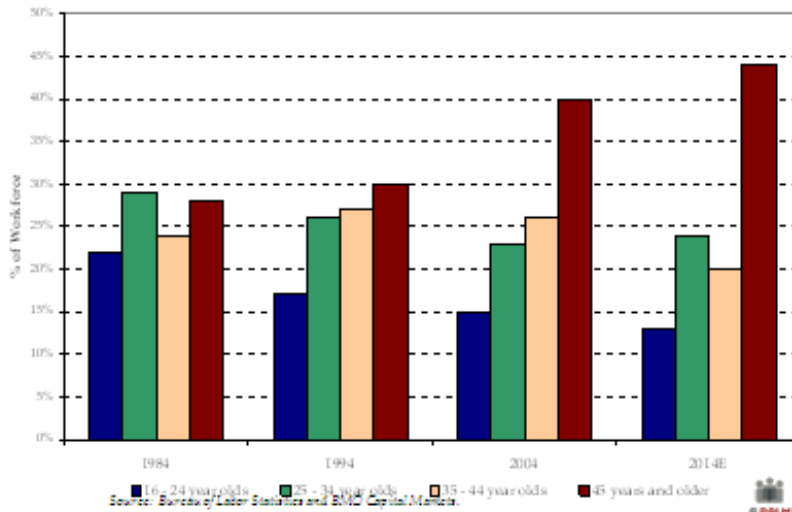


### Why is it important?

In the more educated and higher skilled areas of the US labor market there have been historic levels of low unemployment. You can observe below that the workers over 45 (red bars), are growing at a faster rate than the younger workers (blue bars), upon entering the market. This gap is forecasted to continue to grow dramatically over the next decade. Quality candidates are scarce; they command attention and can be very selective.

## U.S. Labor Force by Age Supply Shortage

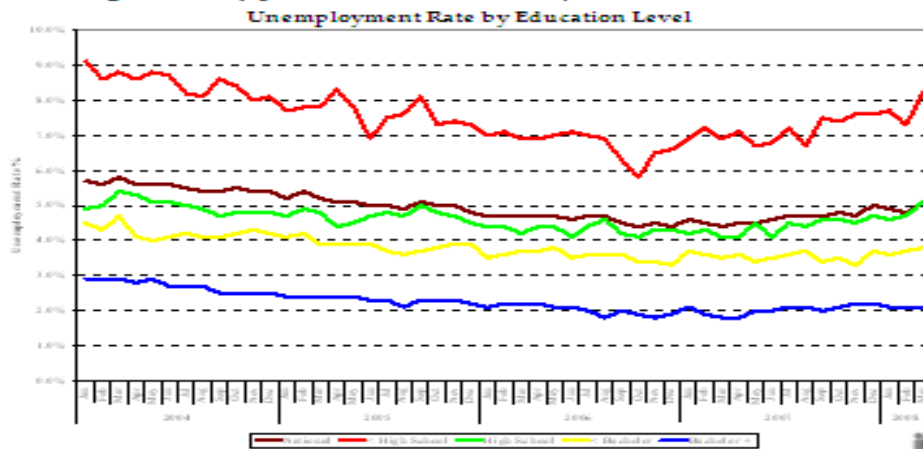
- Major trend producing scarcity is aging of “baby boom” generation
- More people will retire than new job entrants (particularly in “skilled positions”)



The graph below tracks this shortage trend from an unemployment perspective. You can clearly see that those workers with higher skill sets and more education are virtually fully employed at a modest 2.2%, May unemployment rate. This trend has held true over the last several quarters where the less educated workers’ unemployment rate has steadily increased (as indicated by the red line) from 7.8% in April to 8.3% in May.

## Unemployment vs. Education Level Supply Shortage

- Very low levels of unemployment when you take education or skill level into account – chronic shortages in many professional and skilled jobs



Source – Staffing Industry Analysts

### **Why does it work?**

The Candidate Centric model works as a result of the recruiter's ability to create orders for each screened, tested, referenced and motivated employee in your data base. These orders are created by marketing each internal candidate instead of searching for additional orders from a client for which you may or may not have qualified candidates. As a result of the Candidate Centric model, a recruiter is now more capable of filling a much higher percentage of job orders. This approach may sound simple but it takes a tremendous amount of discipline to resist chasing the Purple Squirrel orders and maintaining commitment to the process. Many of the companies I have encountered spend far too much time chasing orders from clients and prospects instead of creating orders from within by presenting previously captured candidates for easy to fill openings.

### **Who likes the Candidate Centric approach and why?**

#### The Candidates

Candidates benefit from the knowledge that they have an advocate working to find them an assignment or full time employment once they have been fully screened and logged into the active database. This model of having a representative actively pursuing job leads is similar to how talent agents operate in the fashion or entertainment industries. With unemployment rates in hard to find skilled areas near record lows it's important to treat quality candidates like a "Rock Star". This relationship fosters loyalty and longevity in the candidate.

#### The Clients

The clients benefit from the Candidate Centric model because it assures that their order will be filled in a timely fashion. Since there is no recruiting, there are no extra steps. To make the client happy all the staffing provider needs to do is simply make sure each candidate is a good match and fit for the order.

#### The sales and operational colleagues

Colleagues working within a staffing organization are generally happier and more motivated when they can easily keep both the clients and the candidate happy. Since the sales process within the Candidate

Centric model is much smoother than the traditional client focused approach, the recruiter can build their book of business much faster. I have seen recruiters who can interview at least 10 candidates a week for 50 weeks, allowing them to bill out in excess of \$2.0m in additional revenue.

## **How to go from Client focused to Candidate Centric?**

### 6 Steps to Success

Choose a model that will work for you

Your operating model as well as your organization's incentives and related performance metrics will need to be reviewed. The vast majority of sales activities will be done via telephone and other electronic mediums. Your activities will likely increase dramatically – you will need to prepare your team for this shift and the dramatic disruption that will result. You will also need to choose a model that will allow for the shift to occur. In my opinion there are several models to that can work. There isn't just one "best" approach, it isn't as important to pick the "in and out", "blended desk" or "rotation model". However it is important to choose an approach and stick with it when the first efforts create disruption.

Build inventory of qualified candidates

Building an inventory of qualified candidates is a new concept for many staffing companies especially those that trying to break into a niche market. Most people who use a client focused approach only, the approach with which they have had past success often wonder why they are slow to see results. Within the Candidate Centric model, the emphasis is placed on building a bench of qualified candidates to present to the market versus collecting orders from clients and attempting to fill them as they come in. It's the difference between "Pushing" and "Pulling". Most companies *pull* orders while successful ones *push* candidates that will ultimately help the client. Moreover, this "defined sandbox" approach takes the category of worker as well as the industry type into consideration when placing candidates and as a result will likely seek out candidates with a much narrower set of skills. For example an accountant with banking experience or a machine operator with steel experience will more greatly benefit the client. Lastly a staffing company will want to build and maintain a bench 5 deep with quality candidates at all times in the selected categories. This means that you would always strive to have 25 candidates with 5 accounting skills within the top 5 industries in your market ready to place everyday.

Maintain the proper mind set

Looking back on my 20+ years of experience if I could have focused on just one area of my operations it would have been maintaining the proper mind set. The mind set within most companies is such that

they simply don't view candidates as inventory, a rich and valuable one at that. Most firms do a good job of performing compliance screenings and skill assessments before inputting the candidates into the data base to await an opportunity. It is much rarer to find a company that stays in touch with a candidate and makes them feel as though they are valued enough to have someone constantly working on their behalf. This deficit creates a huge missed revenue generating opportunity! Do you think talent agents in Hollywood are satisfied to see their stars not finding leading movie roles? If there is no filming there is no billing ...you get the idea.

#### Focus

To develop a successful Candidate Centric model everyone within the operation, from this highest to lowest level, has to be focused. You have to set daily and weekly operations goals. It will be necessary to measure every detail and you will have to make it a priority for everyone. There are two sayings that come to mind, "the devil is in the details" and "people will respect what you inspect". The amount of attention to detail that is needed and the focus that it takes to be successful is trying at times, especially in tight labor markets or difficult to find skills categories.

#### Training

Do you have the in-house ability to make this type of transition? You will need to take a candid assessment of your training abilities. If you are lacking in this area you will need to hire the talent and make the investment necessary to successfully transition to a candidate centric approach. I would not recommend jumping into the Candidate Centric model without working with someone who has been previously successful in this environment. You will need to establish the proper goals, models and operating metrics to be successful. Without having the proper talent to guide and train staff to adapt to the transition would be like driving a car across the country without a map. You need to have the resources to plan and implement a course of action.

#### Tracking

It doesn't make sense to spend all of the time, money and resources required to find such talent if you are not going to fully utilize it. I would suggest that management begins to track the following items as a minimum: amount of time it takes to place talent once they enter the data base, the percentage of people within the data base utilized, the previously mentioned 5 deep inventory of skills, the "lost billing" that comes as a result of not having a rich inventory of talent to fully utilize. From a sales and operations perspective I would also track the amount of skill marketing calls, connects, and send outs. Finally I would suggest closely monitoring the leads of both clients and candidates that come from the interview process. This is the best way to gain sales leads.

## Commitment

The commitment to alter your sales approach is a large decision, one not for the faint of heart. The transition will be disruptive; it will create tension and will require a great investment of resources and money to develop a more Candidate Centric company. A long term view with realistic expectations will be required to weather the initial start up and follow through of this effort.

## Summary

Is the Candidate Centric approach really all that different or can you get by in the niche categories with business as usual in your operation with a few candidate focused activities or modifications? To many reading this article you might say this model doesn't seem incredibly radical; you are already focused on the candidates, you market your talent and you try to keep your talent coming off of assignments working. I would argue that unless you spend 75% of your time, recruiting, building and tracking inventory, interviewing for placements as well as sales leads, and then marketing and planning retention efforts around your talent, you are not fully Candidate Centric and you are missing an incredible opportunity.

As I look into the future, many staffing and recruiting providers I speak with are planning some level of specialization. This direction has been driven by client demand, higher margins and faster growth rates not to mention the commoditization found in many areas of staffing today. I would caution your entry into a niche without thoroughly thinking through how you are going to fill the orders, receiving them is the easy part.

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[www.GPalmerandassociates.com](http://www.GPalmerandassociates.com) a management consulting firm focused on the staffing industry. You can find the recently published GPalmer temp labor forecasts and related material on the GPalmer website.

