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## **The True ROI for RPO is RFQ**

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Just what the business world needs, you might be thinking, another three letter abbreviation for some new process or solution! I'm pretty sure you are all too familiar with the first two, ROI and RPO. But RFQ, perhaps it stands for Request for Quote? Request for Questions? Request for Quiet? Actually none of these, so let me explain.

All consulting firms in the recruiting industry look to differentiate themselves from the competition for recruitment process outsourcing engagements. Clients tend to make the decision to consider outsourcing based primarily on cost economics. Will my cost per hire be less than it currently is? Will I spend less time screening, selecting and interviewing? Will I be paying less in agency fees? Will my time to fill be less than in the past?

These are all valid questions that every RPO provider can answer with volumes of statistics, data and testimonials from satisfied clients. And because the client is focused solely on the spend side of the equation, the Return on Investment (ROI) is always presented as a dollarization of the proposed solution. The differentiator thus becomes cost savings or dollars spent on the engagement.

If your workforce plan calls for 200 new hires over the next 6 months and you have been spending X amount of dollars per hire, spending X amount of time to hire, spending X amount of dollars on agency fees, and waiting X amount of time to fill a position then any good RPO provider can claim some cost savings. This is the typical ROI for RPO.

But there is better way to evaluate the ROI of an RPO and that is by looking at the RFQ or **Results, Flexibility and Quality**

**Results** - The key to any well managed Recruitment Process Outsourcing engagement is setting the proper expectations upfront and getting agreement on the expected Results and then delivering those Results. But what Results? Most RPO providers would argue that Results equates to candidates hired, that it is all about the transaction. The problem with this approach is that it provides a quick fix not a long term solution.

RPO providers who deliver “best practice” consulting services understand this difference. RPO clients should look for a provider to implement a consistent, manageable, sustainable recruiting process that aligns with the business strategy and over the long term results in great hires.

**Flexibility** - During the course of an RPO engagement things tend to change. Sometimes the company needs to hire more due to an increase in business. Or, the company needs to slow down the process as a result of the economy or loss of key accounts. Whatever the reason, the well managed RPO should always have some Flexibility. The RPO provider should be able to scale up or back depending on the client’s situation without disrupting existing processes or deliverables. This Flexibility on the part of the RPO provider is another way of demonstrating more ROI than just some temporary cost savings.

**Quality** - No matter how much money or time that an RPO engagement can save a company if the Quality is not what the company is looking for and should demand, then the RPO provider has not delivered. Again most RPO providers would suggest that when talking Quality it is quality of hire that is being referenced.

The Quality that should be delivered is the Quality of Service. Did the RPO provider design, implement and manage the RPO engagement in a way that exceeded your expectations? Quality of service is the job. Quality of hire is the fruit of that labor.

So, measuring a true ROI for an RPO is not just about the dollars saved. It is about the RFQ and that is what you should look for when evaluating an RPO provider.