

IDPP CONSULTING SERVICES

Achieving Hire Intelligence

“Putting you in the picture and back in charge.”

Selecting, Assessing
and Auditing
your External HR
Suppliers

SUPPLY CHAIN REVIEW & AUDIT

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SUPPLY CHAIN REVIEW & AUDIT

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Our Goal in offering you this Service

“Firstly, to help you in selecting the best suppliers for your needs, either from scratch or by continual assessment. Secondly, to ensure that the chosen suppliers remain (or become) compliant in terms of working methods, service levels, and contractual and financial terms”.

Introduction

The primary problem with any recruitment process is that usually it requires the involvement of external suppliers. In order, therefore, for the process as a whole to be efficient, it follows that the external suppliers should be equally efficient and professional.

The external recruitment industry is extremely fragmented with hundreds, if not thousands, of companies offering very similar-looking services. It is essential that this potential supplier base is reviewed and appraised, and its subsequent use in the form of “preferred suppliers” should be continually assessed and audited in order to ensure the quality of, and control over, the support that it provides.

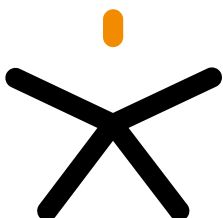
Our **Supply Chain Review & Audit** service is an advisory service in which we are able to help you with the selection, on-going assessment and audit of your supplier base. We are also able to offer a fully comprehensive hands-on supplier management service, via our **Supply Chain Management** service, details of which are available from our website, www.idpp.com.

In short, it is vital that you choose the right suppliers for the recruitment services that you require, and that these suppliers are regularly reviewed, appraised and audited to ensure that they consistently offer you the best service at cost effective prices.

You'll probably need this service if:-

- You use a variety of legacy or historical external suppliers;
- Your list of “preferred suppliers” is non-existent or has not been updated for some time;
- You have different suppliers on different contractual terms;
- You have different suppliers charging different amounts;
- You feel your suppliers need to be more accountable;
- You don't know what your suppliers are paying your contractors;
- You don't really know how each supplier is doing, what their strengths and weaknesses are;
- You don't really know why you use the suppliers you do;
- You feel that you're spending huge amounts of money without necessarily getting the best value for money;
- You just feel that somehow, somewhere the support you get from your suppliers could be better;
- Or, sometimes, you just feel that your suppliers need a kick – just to remind them who they work for!

Welcome to our Supply Chain Review & Audit service.



Supplier Vetting and Selection

Through our experiences in the recruitment industry, we have been involved in many supplier assessment programmes, which seek to evaluate and ultimately select a small number of preferred external suppliers.

The make-up of the external supplier base is essential in the overall effectiveness of the recruitment process. In selecting a portfolio of suitable suppliers, it is necessary to ensure that all aspects of your likely future requirements are met. In gauging suitability of the portfolio, whether that be a sole supplier or a significant number, the following areas need to be considered:

Geography

Does the portfolio of suppliers collectively offer the appropriate geographical coverage required, albeit local, national or international?

Application

Does the portfolio of suppliers collectively offer coverage over all of the required applications and job types, ranging from managerial, technical, administrative, etc.?

Work Status

Does the portfolio of suppliers collectively offer the appropriate mix of personnel types in terms of permanent staff, contract staff, interim, part-time staff, etc.?

Reputation

Does each supplier possess a good reputation within its industry sector? This is vital in securing the best candidates.

Quality Service

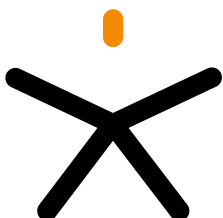
Does each supplier adhere to strict quality procedures, and are those procedures geared to offering good quality service?

Security and Infrastructure

Does each supplier have the managerial and financial resources to sustain the required relationship over the required time frame?

Adaptability and Capability

Does each supplier have the necessary capability to adapt its systems and services to genuinely meet your specific service needs?



Supplier Vetting and Selection *(continued)*

Future Proofing

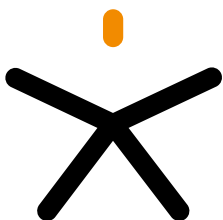
Does the portfolio of suppliers collectively see their futures inextricably linked with your own? Do they see the same developments that you do, will they invest in areas that are of emerging importance to you?

Commitment

Will each supplier agree to provide a service that specifically meets your requirements and, furthermore, will each supplier commit to providing a certain minimum standard of service as specified by you?

In selecting a suitable portfolio of suppliers, we would work with you throughout the entire process in producing initial tender documents, reviewing tender responses, attending presentations, interviewing and/or visiting potential suppliers.

Having chosen the final portfolio of suppliers, it is then vital that the transition period is handled correctly and effectively. It is often this transition period that is badly handled. Communication is often poor, and the new regime is tarnished before it really has a chance to prove its worth.



Supplier Interface & Modus Operandi

How do you want your suppliers to work? This is an opportunity to establish substantial efficiencies and cost savings into the overall process.

In addition to the selection of a supplier portfolio, it is essential that the general modus operandi be stipulated between the suppliers and yourself.

The relationship between yourself and the suppliers can be considered under a number of discrete areas:

Legal and Contractual

The selection of a finite supplier portfolio provides the ideal opportunity to re-define and standardise on the legal and contractual relationship. Although there may be geographical or other variations in the standard terms of business, a large number of areas can be standardised, particularly for suppliers providing contract labour where the relationship tends to be of a more on-going nature.

- Notice periods for contract labour;
- Charges, margins, mark-ups, payment terms, etc;
- Contract lengths and review periods;
- Annual increase definition;
- Discounts;
- Contract to Permanent transition charges;
- Confidentiality, non-competition and copyright;
- Non-poaching agreements.

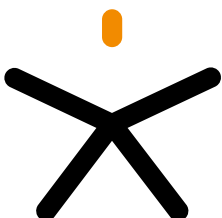
By standardising the legal and contractual relationship, you will substantially reduce administration and potential litigation.

Service Level Agreement

In addition to the legal and contractual relationship, it may also be appropriate or desirable to specify levels of service and procedure to which you require the suppliers to adhere.

These are likely to be bespoke to the particular area of your business that the suppliers are supporting, but could include, where appropriate:

- Response times for CV submission etc;
- Performance criteria, success rate ratios etc;
- CV format and content of submitted candidates;



Supplier Interface & Modus Operandi *(continued)*

- Number of CVs to be submitted;
- Candidate screening parameters;
- Points and methods of contact within your organisation;
- Contractual obligations with candidates;
- Reporting stipulations;
- Charges, discounts, penalties etc.

Being able to standardise in these areas will enable a far simpler internal recruitment process.

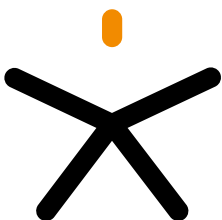
Procedural

In order to benefit most from your selected suppliers, it is important that you develop a series of internal procedures to deal with all aspects of the routine dealings that you will invariably have.

The procedures will cover, at least, the following functions:

- Requirement notification;
- CV receipt and submission;
- CV submission feedback;
- Interview arrangement, confirmation and feedback;
- Placement confirmation and references follow-up;
- Contractual negotiation and agreement.

The actual management of these relationships and the various processes agreed can be a substantial task in itself. We are able, via our **Recruitment Process Management** service, to offer a solution that will provide you with complete control of the processes and a complete awareness of the performance and contribution of each supplier via on-line management reporting. Further information is available on our website www.idpp.com.



Supplier Review, Appraisal and Audit

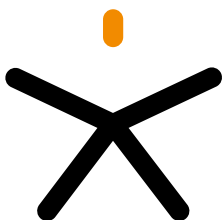
Having selected the initial portfolio of suppliers, it is important to constantly review their performance against pre-determined criteria. These criteria can be specified in the Service Level Agreement.

Typical performance measurement can include:

- Response time between requirement notification and CV submission;
- Suitability of CVs as evidenced by the CV submission to interview ratio;
- Effectiveness of candidate briefing as evidenced by interview feedback;
- Number of candidate acceptances and rejections;
- Number of successful placements;
- Typical charges and margins;
- Ability to renew contractors as required;
- Ability to provide good contractor retention;
- Contractor satisfaction and payment;
- Contractual compliance;
- Charging and margin compliance.

We would recommend a regular review such that these areas can be discussed and remedies sought.

As before, all of the above statistics and information would be readily available within our **Recruitment Process Management** service.



Our Goal in offering you this Service

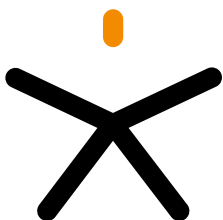
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Conclusion

In short, choosing the right external suppliers is vital in securing an efficient recruitment process. Having selected the appropriate suppliers, it is then equally important that their efforts are channelled and harnessed in accordance with your requirements, through the intelligent definition of contractual terms and service levels.

Finally, it should be noted that a service level agreement is a two-way agreement. Even the best suppliers can only perform well if you keep your end of the bargain.

It is vital that your own internal processes are effective and responsive in order that the efforts of your external suppliers are not negated.



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