

## Supplier Management for IT Contract Recruitment

### Measuring

To successfully manage suppliers and resource management functions, a system needs to be able to capture and report on service levels according to an agreed metrics. We recommend a monthly reporting system which should be targeted at the business owner of the overall service. The following areas of performance and finance are key to this success:

- Break-down of contractor cost (average, new, extension, duration)
- Break-down of permanent fees (average, high, low)
- The Service provider (HR / Internal Recruitment)
- Supplying agencies
- Line management

In addition to costs, the three major interfacing parties (Supplier, Resource Centre & Line Manager) must be measured to force a service ethos and performance target achievement objective.

*SOFTWARE NOTE: e Technology originally ran it's on-site management using standard office software to capture and display reports in the format required. The tables shown in this page were originally generated using Microsoft Excel. Copies of client's use, standard **Requirement, CV, Interview and Placement log** spreadsheets are available from us. Please contact us for a sample.*

### Responsibilities

- The Managed service provider is responsible for reactive actions, negotiating ability, escalating time-bound deliverables and customer satisfaction.
- Supplying Agencies (which may include the service provider) are responsible for resourcing individuals at the right price and negotiating acceptable rates. Additionally, they must work to time-bound actions and respond to requests for action.
- Line management are responsible for identifying requirements and vacancies as early as feasible, working to realistic time constraints and responding to the service provider.

## **Data Capture requirement**

As a minimum, the following data is required to be accurately captured:

### **A) Requirements**

1. Date Released
2. Line Manager
3. Skill type required
4. Perm / Contract
5. Duration published (if contract)
6. Interview date target
7. Price / Salary guide
8. Ideal start date
9. Latest start date
  
10. Skills and Role description
  
11. Requirement status (Live, Filled, Killed, on-going)

### **B) CVs received**

1. Date received (& date submitted to line manager should be the same)
2. Submitted price / salary
3. Notice period (or availability if contractor)
4. Submitting agency
5. Date feedback received from manager

### **C) Interviews**

1. Date requested
2. Date conducted
3. Result type (there are multiple potential outcomes from an interview request which may be used in measuring suppliers, not just a reject or placed!)

### **D) Successful placements**

1. Negotiated price / Salary
2. Agreed start date

3. Actual start date
4. Duration (if perm)

## E) Contract Extensions (not applicable for permanent placements)

1. Request date
2. Current contract end date
3. Contract extension duration request
4. Agreement date
5. Duration
6. Price

## Reporting

**Important note:** Many of the reports shown below are more applicable for the IT Contract Recruitment. It is important to take the ideas shown and use them as templates for methods of recruitment at your organisation.

A monthly report should be targeted at a senior business owner responsible for the service and should be reviewed with the Resource Centre manager on a monthly or quarterly basis. Four topic headings may be identified.

### 1. Contract Recruitment Summary report example

Enables a high level analysis of the overall contract solution (if applicable for your site), identifying trends and costs. Ideal for a busy business owner.

#### **COSTS**

##### **Number of contract staff on billing**

Itemise numbers per division or project

##### **Overall average daily cost**

**Likely total monthly cost at 92% billing rate**

##### **Number of new placements this month**

##### **Average new cost this month**

Average new cost last month

Average Top quartile cost

Average Lowest quartile cost

Average CV cost this month  
Average CV cost last 12 months

**Total number of contract extensions**  
Average % increase this month  
Average % increase last 12 months

**Number of contract stops this month**  
**Total Terminations this month**  
Instant  
4 weeks  
**Total Terminations last 12 months**  
Instant  
4 weeks

## **ACTIVITY**

**Number of new requirements this month**  
12 Monthly average  
**Number of CVs received this month**  
12 Monthly average  
**Number of Interviews this month**  
12 Monthly average  
**Numbers of placements concluded**  
12 Monthly average  
**Numbers of extensions concluded**  
12 Monthly average

## 2. Recruitment type analysis

Type	Numbers	Average duration	Average price

Enables an overview of the numbers of types of individuals currently on contract to the company. May also be used to determine the numbers of permanent recruits successfully placed in any month. Also allows decisions to be made for other permanent recruitment activity and can be used to view any particular "over-use" of skills from the contract market.

A set of known skill sets are required to be placed into the system for analysis. The following example may suffice in the first instance:

- Senior Manager / Consultant
- Project Manager, Development
- Business Analyst
- Systems Analyst
- Technical Author
- Systems Architect
- Technical Architect
- Office Planning Manager
- Project / Programme Planner
- Test Team Leader
- Test Analyst
- Project Manager, Infrastructure
- Infrastructure Rollout Project Manager
- Infrastructure Rollout technician
- Mainframe Analyst / Developer
- Mainframe Developer
- Mainframe DBA
- Mainframe specialist consultant
- Unix Analyst / Developer
- Unix Developer
- Unix DBA

- Unix specialist consultant
- PC Development Team Leader
- PC Analyst / Developer
- PC Developer
- Lotus Notes Developer
- Lotus Notes Senior Developer
- ERP Database Developer
- ERP Database Specialist
- User Training Manager
- User Trainer
- PC Support Analyst
- **Other**

### 3. Suppliers

Some notable recruitment clients build a solution to force agencies to submit a maximum of 3 CVs for any requirement. Constraints are immediately placed in the system because at the last minute, a fourth CV may be found which is of particular use to the client. A crazy situation can arise which actually excludes the best candidate for the job.

Rather than placing constraints on numbers, it is best to allow agencies to self-manage themselves by having all their statistics published back to them at the end of the month.

Agencies which over-send CVs will be spotted immediately - normally this will be suffice in alerting them to the over-use.

A sample follows for a complete quarter:

Supplier performance			<u>By Month</u>				FIRST QUARTER 1999
<u>Jan 99</u>							
				CV to	Interview to		
<b>Agency</b>	<b>CVs</b>	<b>Interviews</b>	<b>Placed</b>	<b>Interview</b>	<b>Placement</b>	<b>Numbers</b>	
A	36	10	5	28%	50%	14	
B	35	10	3	29%	30%	15	
C	10	1	0	10%	0%	6	
D	10	4	0	40%	0%	9	
F	16	8	1	50%	13%	14	
2nd tier suppliers	13	2	1	15%	50%	-	
<b>Totals/Averages</b>	<b>120</b>	<b>35</b>	<b>10</b>	<b>29%</b>	<b>29%</b>	<b>58</b>	
<u>Feb 99</u>							
				CV to	Interview to		
<b>Agency</b>	<b>CVs</b>	<b>Interviews</b>	<b>Placed</b>	<b>Interview</b>	<b>Placement</b>	<b>Numbers</b>	
A	26	5	1	19%	20%	17	
B	52	5	3	10%	60%	17	
C	19	3	0	16%	0%	5	
D	18	2	1	11%	50%	9	
F	15	5	0	33%	0%	14	

2nd tier suppliers	10	2	1	20%	50%	-
<b>Totals/Averages</b>	<b>140</b>	<b>22</b>	<b>6</b>	<b>16%</b>	<b>27%</b>	<b>62</b>
<b>Mar 99</b>						
				<b>CV to</b>	<b>Interview to</b>	
<b>Agency</b>	<b>CVs</b>	<b>Interviews</b>	<b>Placed</b>	<b>Interview</b>	<b>Placement</b>	<b>Numbers</b>
A	20	4	1	20%	25%	18
B	40	6	2	15%	33%	19
C	6	1	1	17%	100%	3
D	15	3	1	20%	33%	9
F	43	8	1	19%	13%	15
2nd tier suppliers	7	3	1	43%	33%	18
<b>Totals/Averages</b>	<b>131</b>	<b>25</b>	<b>7</b>	<b>19%</b>	<b>28%</b>	<b>82</b>

Suppliers enjoy this instant feedback at the end of the month and it suits the business owner too.

### Sample interview result Service Metrics

Additionally, it is suggested that the outcome of interviews are measured:

Agency	Blowout	Cancelled	Declined	I/View	No show	Placed	Reject	With-drew	Total
<b>A</b>	0	1	5	3	0	13	20	3	<b>46</b>
<b>B</b>	0	5	5	3	3	19	30	11	<b>77</b>
<b>C</b>	0	1	2	0	0	2	7	8	<b>20</b>
<b>D</b>	1	6	7	3	0	12	35	4	<b>68</b>
	<b>1</b>	<b>13</b>	<b>19</b>	<b>9</b>	<b>3</b>	<b>46</b>	<b>92</b>	<b>26</b>	<b>211</b>

### 4. Highs & Lows

Rather than reporting on all statistical information, the system may report particular highs and specific low areas of performance

Suggested format:

**Top five usage cost centres / projects:**

- 1
- 2
- 3
- 4
- 5

**Highest cost individual contract staff**

- 1
- 2
- 3
- 4
- 5

**Lowest performing agency:**

Number of offered / declined (quarter)

Lowest number of contract staff

**Time to respond to Service Centre CVs**

Best performing line manager

Worst performing line manager

**Contract start measurement (This month)**

Days variance - ideal to actual start date

Days variance - ideal to latest start date

**Contract start measurement (12 months)**

Days variance - Ideal to actual start date

Days variance - ideal to latest start date

## Conclusion

Many client companies don't measure anything. To them, calculating which supplier or line manager is performing is impossible. Centralise your recruitment and measure! It could be costing you more than you think.