



“Clients need recruiting solutions that enable you to attract and acquire the highest quality people, before your competition, at the most appropriate cost. Often, the absolute lowest cost solution is not the most appropriate.”

Dan White
Global Process Leader
IBM RPO

Overview

In today’s challenging economy, now more than ever, strategic recruiting must adapt to the business cycle. There are fewer requisitions and more candidates clamoring to fill them. And in large global organizations, there are competing challenges as well – multiple ERP systems; regional applicant tracking systems; organizational complexity driven by M&A, divestitures and legal compliance. In times like these, many companies simply trim headcount and hope to wait out the storm. IBM sees this as a time to transform talent management for business, clients, and the world.

IBM sees a vision of a smarter planet, one that is instrumented, interconnected and intelligent. It is putting this vision into action with solutions such as smarter energy grids, smarter traffic management and a smarter healthcare infrastructure. IBM believes that now— when the going is the toughest— is the time to invest in the future. Why? Because the companies that focus on value, exploit opportunities and act with speed will come out of these tough times the strongest and the most capable of competing and winning in the marketplace.

This is precisely why IBM turned to Taleo when it decided to invest in Recruitment Process Outsourcing (RPO) in 2008.

Some Background

In 2004, IBM launched its Human Resource Outsourcing (HRO) practice to enable Fortune 500 clients to make the most of globally integrated workforces and drive better performance. IBM’s HRO practice provides a wide range of solutions to deliver all aspects of the Human Resources function.

But IBM and its clients wanted more out of recruiting. IBM and Taleo have applied a long history of innovation with their respective consulting and product assets to create high value process services contracts for clients that deliver both immediate cost savings and a path for continuous services improvements and insight.

Options, Options, Options...and No Solution

Current economic conditions have created market consolidation and forced many HRO providers to focus on their strongest offerings, which typically do not include recruiting.

“RPO is a different animal,” said Chris Scowden, Global Delivery Leader, IBM RPO. “It is high-touch and involves selling candidates on why they should join your organization over another, and coaching hiring managers on who is the best-fit candidate both for them, and the company.”

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Most HRO providers are set up to answer questions and do simple, repetitive transactions only. And yet for large, complex, multinational employers, few options exist for Global RPO. In fact, most industry analysts and advisors cannot even agree about the definition of Global RPO, much less point to a number of providers doing the work.

“Global RPO is hard because it has many conflicting objectives,” said Dan White, Global Process Leader, IBM RPO. “Recruiting is local, so clients want the option of having IBM resources in country. But internal talent management and mobility should have a global perspective, to make optimal use of top performers. And measurement needs to be local, regional and global to match overall business planning and objective setting. And it needs to cost less.”

Global RPO requires at least some transformation to meet all these competing objectives at once. Seeing this market opportunity, despite the downward trends in the global economy, IBM chose to invest deeply into RPO in 2008. And it has paid off.

Doubling Down

To optimize its RPO practice, IBM decided to capitalize on its core assets: expertise in global process design; investments in large, multi-process shared service centers around the world; unparalleled technology expertise; and a relentless pursuit of delivery excellence using real-time metrics and a LEAN quality approach. Equally important, it needed to create a global partner ecosystem to deliver the high-quality, lower costs results that clients have come to expect and depend on IBM to produce.

IBM decided to standardize on one technology platform to support its global RPO solutions. “We chose to integrate Taleo in our operations to standardize the recruiting process, build best practices, and take them to our multinational clients,” said Scowden.

IBM selected Taleo’s industry-leading set of recruiting applications — Taleo Enterprise Recruiting, Onboarding, Reporting and Analytics — for their configurability and ease to deploy. IBM also chose to partner with Taleo for the company’s global brand presence, existing Fortune 500 client base, open platform, financial strength and business model.

The strategy is working. In less than one year, IBM has taken on numerous large multi-national clients in their new model and began delivering recruiting services across insurance, pharmaceuticals, airlines, and consumer products sectors. In 2008 the business grew 30%. In the 18 month span beginning in October 2007, IBM hired approximately 22,500 employees for its clients around the globe — all through the Taleo system.

End-to-End Recruitment

One example of what these two organizations have achieved in recruiting outsourcing is their recruiting work for a large North American insurance provider.

IBM took over end-to-end recruitment of all internal and external new hires for this leading insurance provider. Hiring volumes spiked as high as 1,000

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new hires per month and have been as low as 250 per month – a 400% variance. The client's needs have been very fluid due to changing business and market conditions, and it relies on IBM to meet its needs, whatever those needs may be. IBM has been able to meet them, in part due to the Taleo system backing up its own recruiting practices.

“Taleo helped us drive standardization across business units, bringing together recruiting operations that were once disparate and non-standardized,” said Chris Scowden.

- **Approach:** Create a centralized recruiting model, and utilize both offshore and onshore labor to facilitate consistent results across the company. The end-to-end solution was implemented in six months.
- **Results:** Improved cost reduction and time to hire, as well as the use of background check and assessment providers. A standard delivery model and platform drove consistency to the process and drove better cost savings.
- **Metrics:** IBM completed approximately 6,500 hires for the insurance provider in 2008. Time-to-fill was 48 days across the entire organization. There was a 91% requisition fill rate for recruiters, and near top 10% levels in cost per hire were achieved against Saratoga benchmarks for the insurance industry. Hiring manager satisfaction rates averaged 92% in 2008.

Within the context of a volatile global economy, IBM and Taleo are giving Fortune 500 companies configurations and deployments, allowing them much greater agility to adapt their workforces worldwide, as needed.

At the hub of this recruiting power, are IBM's air-tight recruiting processes for each of its clients. “We take a manufacturing methodology to the recruitment process,” said Scowden. “With Taleo, we have the ability to see every transaction that needs to be done, and manage work-in-process from requisition creation through to onboarding activities. This allows us to make sure nothing is lost; optimizing our workforce and balancing their workload so we can meet turn-around time and other quality requirements.”

Lean Delivery

Taking on the complexities of making the right hiring decisions, at the right time, everywhere in the world is a daunting task for a large organization. IBM approached this practice, leveraging Taleo, by taking measured steps for standardizing their approach, which can be readily adapted to the needs of any customer.

A key part of the IBM RPO strategy is to standardize, automate, and globally integrate their delivery organization. In order to do so, they have invested in and continue to leverage a LEAN¹ process methodology, principles, practices, and tools to create precise client value — goods and services with higher quality and fewer defects — with less human effort, less space, less capital, and less time than traditional in-house recruiting organization.

¹ For more information on LEAN and its origins, please refer to http://en.wikipedia.org/wiki/Lean_manufacturing

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“There is a long and open dialog about using LEAN methodologies in recruiting,” said White. “For many, I think it has almost become a ‘so what’ discussion. For IBM, it has become a part of the fabric of what we do, our secret sauce if you will. It’s not just about process improvement. It’s a new way of doing business.”

“Every day, throughout each shift, we ensure a tight process from the planning specialists who filter and assign the work, to sourcing specialists who fill the talent pipeline, to recruiters or administrators who execute the tasks, and our RPO support team that enables them to do their job.”

Increased Visibility

LEAN is not just about optimizing processes and resources, however. The deep and rich reporting tools that are available through Taleo combined with IBM’s client-dedicated reporting specialists have allowed IBM to deliver reports that create value for its clients as well as its own internal operations teams.

Recruiting is reporting intensive. Everyone wants a different slice or a different view of performance data. And rightly so: this aligns business and talent objectives.

By having the ability to create custom reports for its clients, IBM can generate the required data in order to support critical decision-making in the recruitment process such as sourcing strategy and effectiveness, cycle times, cost per hire, and many others. And by dedicating reporting specialists to every account, and sharing best practices across their client base, IBM can get this data to clients in a timely manner, at lower costs, with minimal business disruption.

Equally important, these tools and capabilities allow IBM’s internal teams to segment work by complexity and manage work-in-progress visually. These reports are updated and posted for all the teams to see throughout the day, week and month, allowing IBM RPO teams to anticipate spikes in volumes and distribute resources accordingly to ensure service level agreements (SLA’s) are consistently met. The reports also provide IBM’s RPO management team with performance data at the account, team, and individual levels to ensure any performance misses are identified quickly and proper resolution deployed.

And visual reporting drives the Mindsets, Behaviors and Capabilities (MBCs) of their teams – another key tenet of LEAN delivery. Recruiters are often mavericks. Traditionally, they manage requisitions from beginning to end, and they do it their way. IBM RPO resources have given up that mentality for the overall betterment of the team.

“Sourcing specialists, recruiters, and administrative specialists ... everyone does what has been assigned to them before they do anything else. They trust the system and back-up each other, and we have greater overall success as a result,” said Scowden.

IBM has adopted a training intensive philosophy to drive their culture and support these MBCs. IBM RPO has a catalog of more than 100 20-30 min-

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ute training modules that are delivered via a self-service learning portal that help RPO process owners learn their job, cross-train on other jobs and prepare for a leadership position. These modules are included in the work assigned by the planning specialists each day. And they are supported with team leaders and account owners that coach them on performance and client intricacies every day.

Best-in-Class Automation

“Taleo’s software provides the foundation for an end-to-end recruitment process contained within one application,” summarizes Scowden. Leveraging the flexibility and power of Taleo configuration tools, IBM has been able to implement their unique Global RPO delivery model, and provide a starting point for every client implementation that they are know will create a closed loop hiring system and be a solid foundation for success.

IBM has dramatically reduced the amount of manual work their teams are required to perform as well by streamlining processes, and enabling self-service through the use of Taleo. This automation includes:

Improved manager, employee and candidate online experiences, including Single Sign On between Taleo and the overall corporate and HR portals.

Focusing on Job Templates to reduce data entry and drive standard job descriptions across the entire organization, but most importantly to give managers a place to start when beginning the process.

- disqualification and Pre-Screen questions are used to reduce time spent in manually screening applications. Applicants complete these questions in the profile/application process and are screened in/out based upon responses.
- automated assessments are included in the application process. These are launched when candidates answer disqualification/pre-screening questions appropriately, and provide another level of automated screening to the process. Assessments are managed by ASSESS Systems, a Taleo Passport Partner.
- integration between HRIS and Taleo, enabling requisition and organization data to be passed into the Taleo system, and yet shared with other critical Talent Management functions like performance, succession, compensation and planning systems.
- integration between Taleo and numerous third party providers leveraging Taleo Passport.

“Through the use of Taleo Connect and Taleo Passport Partners, we have been able to integrate all aspects of the recruitment platform, from ERP core data to third party assessments, job board postings, compliance reports, background checks, and electronic I-9s into the Taleo application and recruiting process,” said Scowden. “Our teams are able to input and retrieve critical information from within the Taleo application and our partner ecosystem, eliminating the need for visiting multiple sites to capture data and ensure

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the data is stored in one central repository. These results have been terrific, especially in our audit compliance.”

Results That Matter

IBM RPO investments are paying off with results that matter. Clients are now leveraging IBM and Taleo for all levels of recruitment outsourcing: from technology only, technology and administration, and end-to-end recruitment process outsourcing. And the result is not just a reduction in recruiting cost. Metrics have also improved in areas including satisfaction.

IBM holds its HRO practice up to high standards. Based on recognized and respected Saratoga Benchmarks comparing Fortune 500 companies, IBM’s HRO results consistently fall in the top quartile for key criteria such as time to fill, productivity per recruiter and cost per hire.

Conclusions

With the current economic constraints, technology investments in HR are increasingly tough to justify; investments in recruiting are unheard of. By going against this trend, IBM RPO has done the hard work necessary to position both it and its clients for success, both now and in the future. How so?

As mentioned above, clients are struggling with Global Recruiting today. By focusing and investing there, IBM RPO has blazed the trail and performed the hard work required to prove that it can be done with proven results.

IBM has created the assets required to give clients a “fast start” to success by:

- Building a standard Statement of Work (SOW) template to define retained and outsourced work activities.
- Developing global process design documents to support how that work gets done.
- Creating a standard Taleo Enterprise configuration, integration, and reporting framework.
- Establishing a globally integrated LEAN delivery model that delivers the work backed by results.
- Demonstrating value with referenceable clients that will validate results.
- Using Taleo, IBM is building a smarter RPO solution, and its clients are reaping the rewards.

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ABOUT TALEO

Leading organizations worldwide use Taleo on demand talent management solutions to assess, acquire, develop, and align their workforce for improved business performance.

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