

Vendor Profile: Recruitsoft

HR.com spoke to Louis Tetu, Chairman and CEO of Recruitsoft, along with Louis Cofini, Executive Vice President, Recruitsoft Workforce OnDemand and Former Chief Executive Officer and President of White Amber.



Louis Tetu



Louis Cofini

Tell me about the recent acquisition between Recruitsoft and White Amber.

LT- This acquisition is the result of an exercise that has lasted about a year-and-a-half at Recruitsoft. Working with our clients, we were asked to move towards the direction of providing solutions that integrate all the sources of labor available. This means solutions that deal not only with the hiring of permanent employees, but also issues on mobility of the existing workforce, as well as the procurement of non-permanent labor including temporary, contingent and contractor labor.

Following a rather lengthy evaluation, we found Lou Cofini at his company White Amber. We had the opportunity to analyze in depth what they do and finally decided to merge the company to further execute on the vision. We believe this strategic combination brings complementary technologies, business solutions and services to deliver on the long-term needs of large organizations and the human capital marketplace. White Amber has about 50 employees, bringing the total Recruitsoft head count to roughly 475 people, with 250 in R&D.

Adding to that, can you explain exactly who Recruitsoft is to our readers?

LT- Recruitsoft is a provider of staffing solutions to large and global corporations. We cater to corporations that specifically have anywhere from 10,000 up to 200,000+ employees – serving them in more than 80 countries. Altogether, today we support about 400,000 users through our data centers. We host the vast majority of our customers on an ASP model, and some at the client site for various customers, providing both the recruiting and staffing platforms that allow them to manage all the transactions associated with assigning employees to jobs or work to be done enterprise-wide.

We also provide customers with consulting services that let them optimize their staffing processes, so they can improve on important quality metrics such as employee retention and productivity as well as cost savings. Some of our customers include Hewlett-Packard, P&G, Yellow Transportation, Pitney Bowes, Group SUEZ – companies of that nature.

Generally, what challenges would a client come to you with and how would you approach them?

LT- There are multiple challenges associated with staffing and global companies. Staffing is number one obviously, from a pure tactical standpoint. It is an extremely costly process that is fairly inefficient, so there is a way to renew full cost and cycle time associated with the staffing process. We're talking about the ability to reduce the overall staffing expense by 30-50 percent and reducing the time to fill a position by 50-70 percent. That's on the tactical side.

More importantly, companies have now started to realize that staffing is how they assign and deploy the workforce, and that their ability to become much more consistent and systematic in how they match and assign people to jobs, leads to value creation and substantial financial benefits associated with retention and productivity of employees. Turnover within large companies is extremely costly. We deal with clients that hire anywhere from 1,000 to 35,000 employees a year and receive, in some instances, a million candidates a year applying to these positions. Recruitsoft provides a platform that lets these companies manage this process more systematically on a global basis.

In 1999 we pioneered a concept called Skills-Based Recruiting, which is the ability to match people against jobs; using skills as apposed to the good old resume versus job description. We complemented that with a technology that manages the workflow, hence our ability to broadly deploy within those large organizations.

What was the turning point that led you to create Recruitsoft?

LT- Recruitsoft just celebrated its 4th anniversary – we started the business in 1999. The team that started Recruitsoft was involved in another international software venture in the area of supply chain management, dealing with supply and demand problems for large enterprises on a global scale.

In that case, we were dealing with physical assets, whether it was manufacturing plants, or distribution transportation assets – things of that nature. What we decided to do was to bring the principles of supply chain management and asset management, so to speak, to the area of human capital management.

Fundamentally the underlining principle is that the workforce is often the most important asset of large companies. The way they assign and deploy that workforce can greatly influence their financial performance. That's what gave us the idea. We were fascinated by this topic of human capital management.

We also thought that demographics were such that this would become an even larger challenge and we wanted to leverage our knowledge, asset management and supply chain management backgrounds in this area. The result of this collaboration has been the optimal deployment and redeployment of an organization's human capital, leading to the greatest return on their entire workforce. We decided to create a company around that theme.

Can you delve in a bit more about your products and services?

LT- There's not really a big or small package at Recruitsoft in the sense that all of our clients are very large by nature. On the other hand, the Recruitsoft sleeve comprises of multiple products that deal with topics such as campus recruiting, internal mobility, regulatory and diversity management, which is a big topic in many countries; issues concerning hourly and professional staffing, and now issues surrounding products that deal with contingent labor procurement, as well contractor and project-based labor procurement.

On top of that, we have reporting tools that allow organizations to report globally on staffing-related metrics, as well as a more broadly human capital management related metrics. The Recruitsoft Enterprise Staffing Management Suites is comprised of a suite of solutions that basically lets companies better assign and deploy the workforce on an ongoing basis.

What separates you from your competitors?

LT- Thanks to our focus on the large and global, high-end of the market, Recruitsoft is a niche company in a way. We have some unique abilities in terms of serving very large corporations. Also, our distinctive ability to integrate with Enterprise Resource Planning (ERP) solution providers such as SAP, PeopleSoft and Oracle, enables large and global companies to leverage their investment in such solutions as well as benefit from best-of-breed functionality. Recruitsoft currently has more than 50 clients integrated with ERP solutions.

However, more often than not, companies come to the conclusion that effectively managing and deploying human capital is a very important topic and that our solution suite is much broader in scope, bringing significantly more benefits. At Recruitsoft today, we have more than 250 analysts and developers working on a standard product, again involving the Recruitsoft offerings, so you're talking about a broad capability within the enterprise staffing stage. Recruitsoft customers leverage their ERP investment by integrating their

staffing management solutions with those ERPs. Through our Recruitsoft Partner Staffing Services program or R/PaSS, we provide the expertise and toolkits and platform to integrate not only with ERPs, but with third-party providers within HR specifically.

What do you hear from your clients regarding your services?

LT- I think the vast majority of our clients would say very nice things about us in addition to being able to qualify significant benefits that were derived through the application of our solutions.

We have documented about 150 Fortune 1000 clients, pretty much across the board, with staffing cost reductions ranging from 30-60 percent. This represents, in many instances, millions of dollars a year. We have a documented cycle time reduction on average to be anywhere from 50-70 percent. The average Recruitsoft client recruits in 34 days – down from a North American average of 69 days, without using our solution. Filling positions quickly within large organizations is a very hot topic, especially for growing organizations. Bringing the right person on board, who will contribute faster to the company, will greatly impact overall productivity. Every day that goes by that a position is open, is a lost financial opportunity for a company to fulfill demand.

Since last year's launch of our internal mobility product, we've dramatically increased internal rehiring by as much as 70 percent in one specific case. We conducted an internal survey a few months back with our customers and 76 percent of them believe our solutions helped increase retention by 1-4 percent. At the high end, 11 percent of our customers believe that we have increased overall retention by more than 7 percent, which is a fairly dramatic impact on enterprise performance.

Across the board, we also have reduced the regulatory and brand risk, which is a big topic and issue of compliance in the US associated with the Office of Federal Contract Compliance Programs (OFCCP) and the Equal Opportunities Commission (EOC).

What does the future have in store for Recruitsoft?

LT- The space we're in is a fascinating. Again, given the fact that increasingly, people consider talent as an important asset, the whole notion of bringing asset management techniques to talent and workforce management is key.

We're executing on a strategy we call workforce logistics, which is basically the ability to match, in a very agile fashion, and on an ongoing basis, work that needs to be done, against all sources of available talent. Basically the ability to mix and match various options associated with internal mobility, permanent and hourly hiring as well as temporary, contingent and contractor hiring.

The business rules associated with this are not very well understood within most companies. The decision associated with hiring a permanent employee versus hiring a contingent or temp employee for instance, is not well understood and those that make the decisions are more often than not in different areas of the organization. We think this unique ability to match all the sources of talent available is going to create immense value for companies. We are confident that Recruitsoft will remain a major player within the whole human capital management state.

LC - I think one of the important things going forward that we bring to the table is being able to really maximize companies return on their most value assets, as Louis mentioned, which is their employees. We facilitate rapid access to that talent in a systematic and more predictable fashion.

By being able to optimally deploy the entire workforce onto a single platform, we're able to now provide an integrated view of all the available talent, which is going to provide major corporations the ability to do better workforce planning, better sourcing and talent acquisition. It's also going to enable them to have the visibility into the workforce at a much more granular level; to see what type of skills are out there within the workforce, both on the perm side, as well as on the contingent side, etc. Where are these people physically located? What assignments are they currently assigned to? What are the costs associated with either their rates or their salaries? Then, providing the ability that really doesn't exist today, which is the ability to account for resource redeployment of the entire workforce. That's really not an option that most companies are leveraging today. We're then going to comprehensively bring that to the marketplace. I think that's one of the most exciting things about the union of Recruitsoft and White Amber.