ASSOCIATION OF EUROPEAN BUSINESSES IN THE RUSSIAN FEDERATION

HR CONFERENCE
Recruitment
(Hall II)
Organized by the
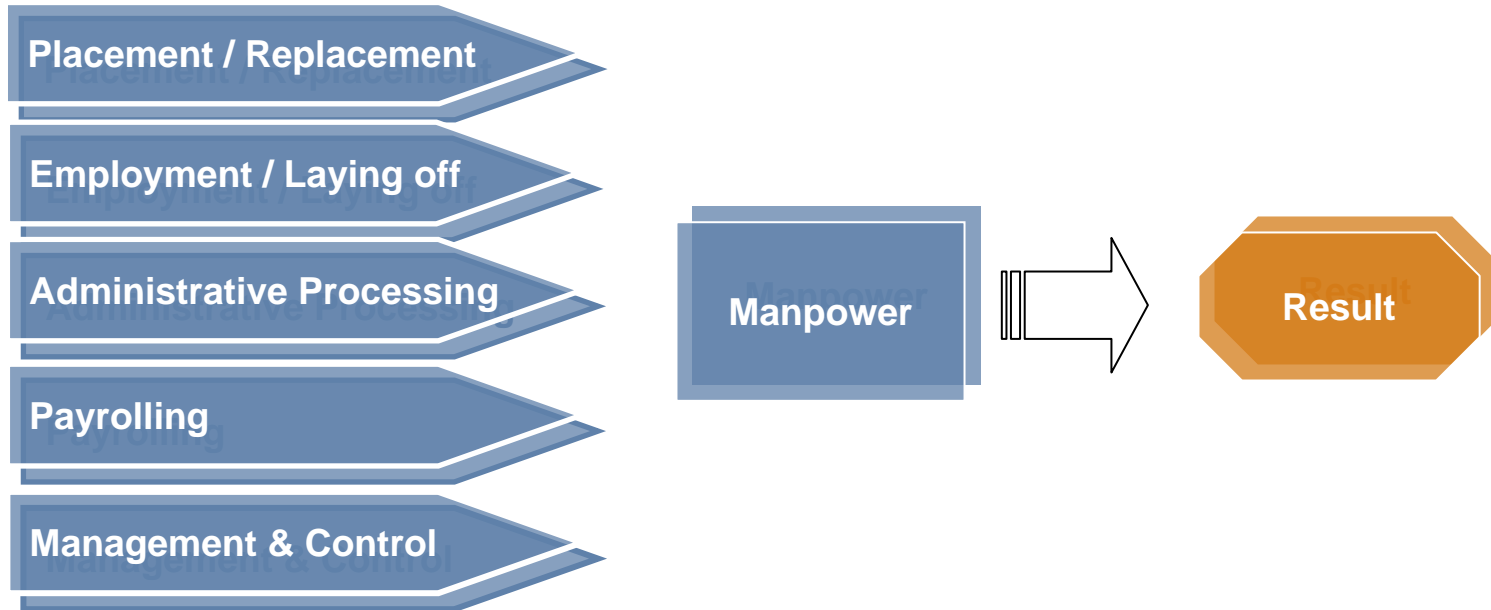## AEB HR Committee

20 May 2009,
Hotel Marriott Grand, Moscow

Manpower

➢ Founded in **1948** in Milwaukee, United States

➢ More than **4 200** offices in **82** countries

➢ Total revenue: **US $ 22 billion** worldwide in 2008

➢ Number of Clients: **400, 000** worldwide

➢ More than **5 000 000** placements globally in 2008

➢ Manpower recruits **312** people every minute

➢ In Russia since **1994**

➢ Manpower is rendering services throughout Russia, with established operations in **Ukraine, Belarus** and **Kazakhstan**.

Outsourcing

Outsourcing is the process of contracting out certain non-essential or non-core processes of a company to a third-party with proven expertise in the field.

Placement / Replacement

Employment / Laying off

Administrative Processing

Payrolling

Management & Control

Manpower

Result

History of Outsourcing

Outsourcing Today

Outsourcing for Payroll Services

Outsourcing Manufacturing

Industrial Revolution

Outsourcing in the 19th and Early 20th Centuries
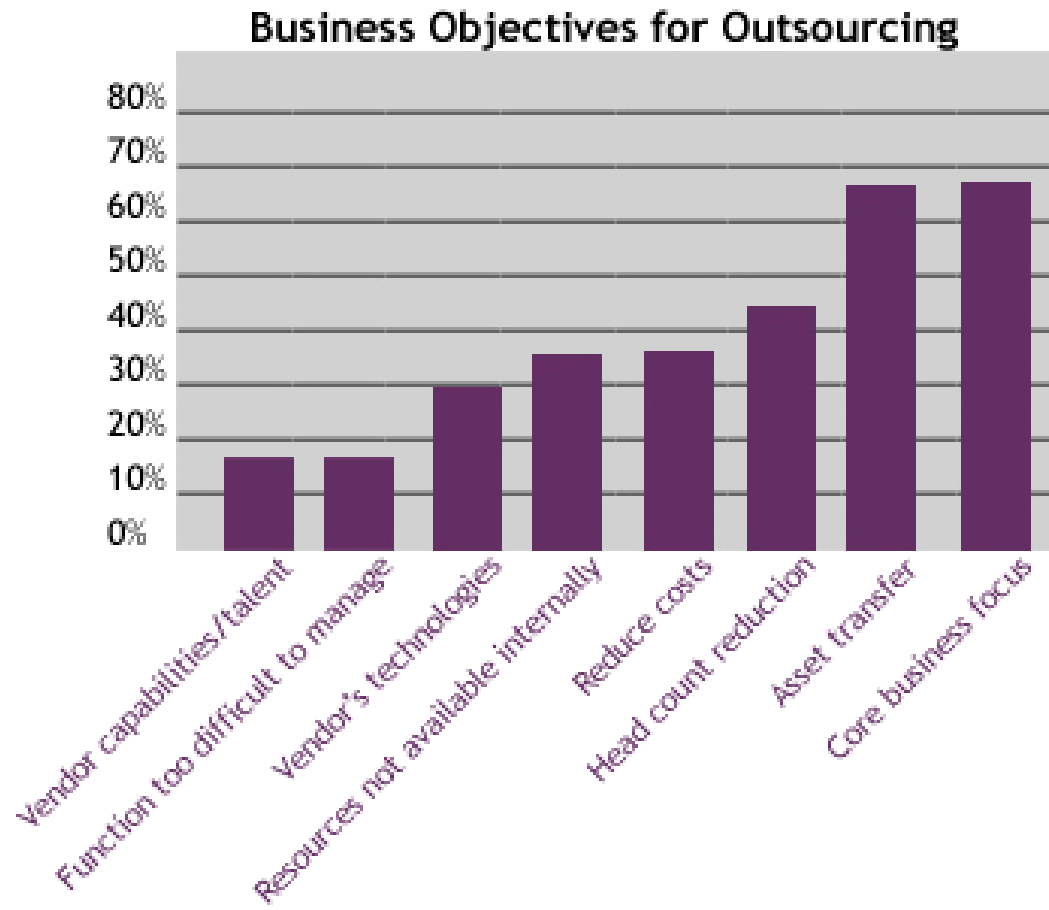
Why do companies outsource?

Here are some common reasons:

➢ Focus on core competencies
➢ Improve staffing flexibility
➢ Gain access to world-class expertise
➢ Reduce and control operating costs
➢ Free internal resources for other purposes

Society for Human Resource Management (SHRM)

Business Objectives for Outsourcing

Chart showing business objectives for outsourcing with categories: Vendor capabilities/talent, Function too difficult to manage, Vendor's technologies, Resources not available internally, Reduce costs, Head count reduction, Asset transfer, Core business focus.

Main factors influencing successful outsourcing

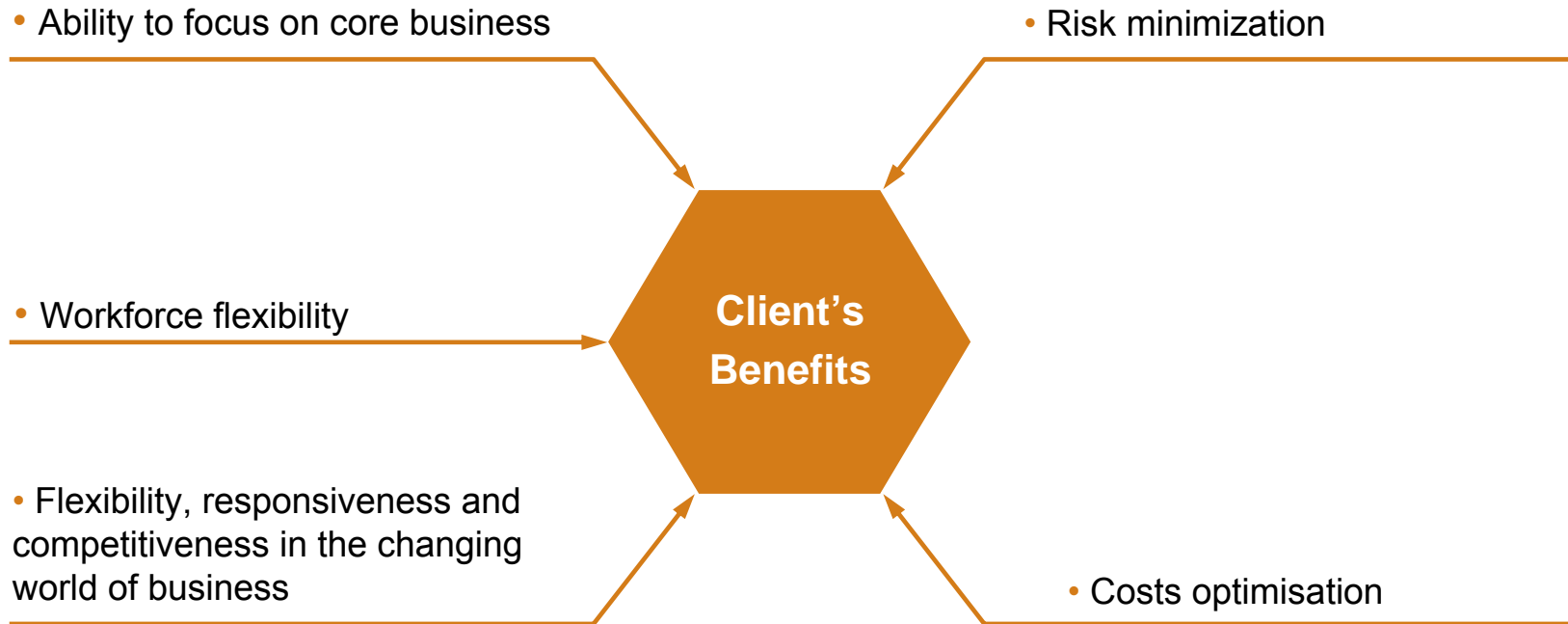The critical areas for a successful outsourcing program are:

➢ Understanding company goals and objectives
➢ Developing a strategic vision and plan
➢ Selecting the right vendor
➢ Developing a properly structured contract
➢ Senior executive support and involvement
➢ The vision of where, how and when needs to be identical

How do I decide what vendor or vendors to work with?

When choosing a provider, take into account the following:

The range of outsourcing services a provider offers
The expertise it has in the staffing industry
Its understanding of your priorities
Its available resources
Its financial stability
Its Clients' references

Why outsource?

- Ability to focus on core business

- Risk minimization

- Workforce flexibility

Client's Benefits

- Flexibility, responsiveness and competitiveness in the changing world of business

- Costs optimisation

Facts to Consider

➢ NAPEO (the National Association of Professional Employer Organizations) estimates the PEO (Professional Employer Organization) industry grew a very robust **$5 billion in 2008**, to **$68 billion** in gross revenues

➢ About **700 PEOs** are operating in the USA

➢ PEOs provide enhanced access to employee benefits for **2-3 million** working Americans
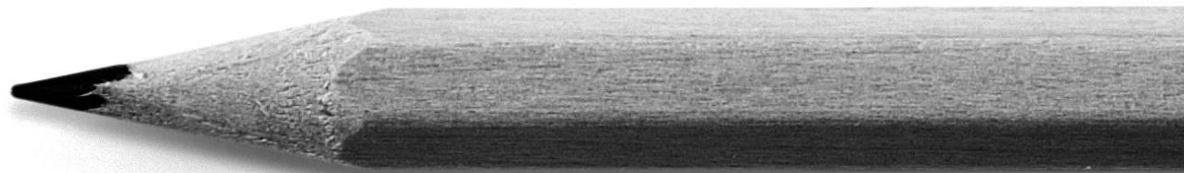
We frequently outsource activities in the following industries

FMCG

Pharmaceutics

Consulting

Automobile industry

Raw materials industry

IT/Telecom

Manpower |
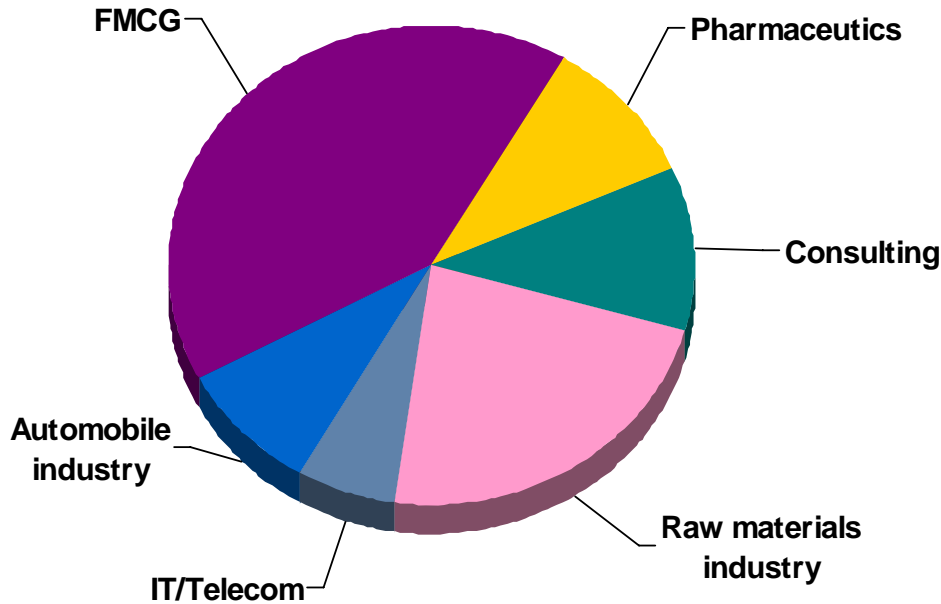
Outsourcing Services in the World

Europe

Rest of the World

North America

45%

51%

4%
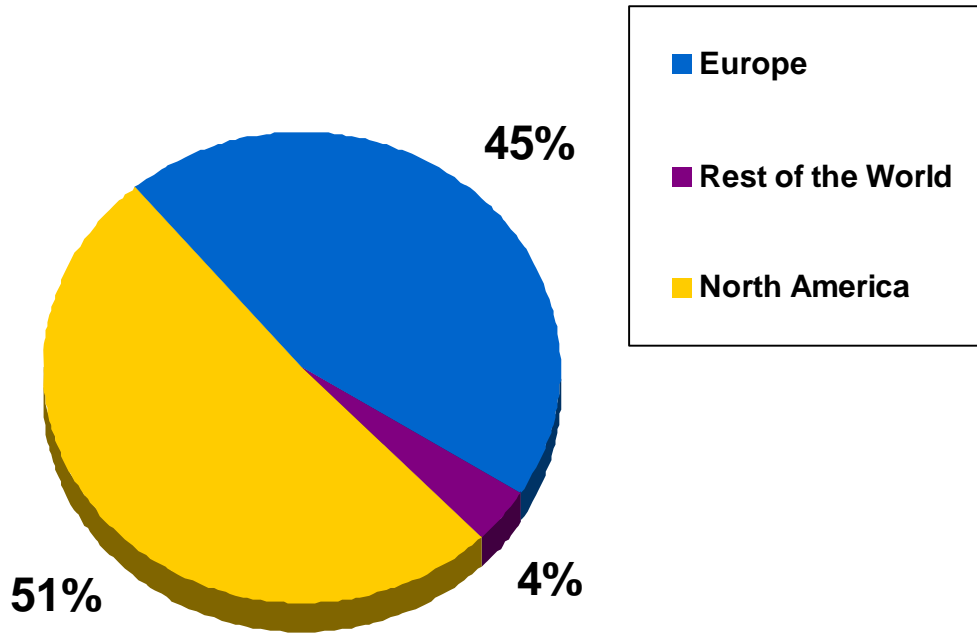
Source: the National Outsourcing Association

What Future Holds..

Global Outsource market is estimated to grow to $142 billion by 2010

Thank you for your consideration!

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& ORGANIZATIONAL
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SEARCH

THINK OUTSIDE.

AEB HR conference – Moscow May, 20th
2009
Panel Discussion – Cost Optimization

Thesis Claus-Peter Sommer – Vice President
KellyOCG

KELLYOCG
OUTSOURCING & CONSULTING GROUP

KellyOCG – Company Structure

KELLYOCG
OUTSOURCING & CONSULTING GROUP

Kelly Services, Inc.

Americas	EMEA	APAC

Kelly Outsourcing & Consulting Group

Recruitment Process Outsourcing	Contingent Workforce Outsourcing	Business Process Outsourcing	Outplacement & Career Transition	HR Consulting	Executive Search & Talent Sourcing

The RPO practice of Kelly Outsourcing & Consulting Group specialises in providing flexible and innovative recruitment strategies and technologies that improve and accelerate the customers' hiring process.

KellyOCG Global Reach

KELLYOCG
OUTSOURCING & CONSULTING GROUP

50 Countries and Territories

Argentina	**Finland**	**Malaysia**	**South Africa**
Australia	**Germany**	**Mexico**	**South Korea**
Austria	**Guatemala**	**Netherlands**	**Spain**
Belgium	**France**	**New Zealand**	**Sweden**
Brazil	**Hong Kong**	**Norway**	**Switzerland**
Canada	**Hungary**	**Peru**	**Taiwan**
Chile	**India**	**Philippines**	**Thailand**
China	**Indonesia**	**Poland**	**Turkey**
Columbia	**Ireland**	**Portugal**	**UAE**
Costa Rica	**Italy**	**Puerto Rico**	**Ukraine**
Czech Republic	**Japan**	**Russia**	**United Kingdom**
Denmark	**Korea**	**Singapore**	**United States**
	Luxembourg		

Fast Facts: Established in 1995 :: 100% of our business is dedicated to RPO :: Program sizes range from 75 to 7,000 hires annually :: Dedicated Sourcing Centers in each Region :: On RPO Bakers Dozen list for each of the past five years :: Employ over 550 recruitment and HR professionals

RECRUITMENT PROCESS OUTSOURCING

BUSINESS PROCESS OUTSOURCING

CONTINGENT WORKFORCE OUTSOURCING

HUMAN RESOURCES CONSULTING

CAREER TRANSITION & ORGANIZATIONAL EFFECTIVENESS

EXECUTIVE SEARCH

RPO Clients - EMEA

KELLYOCG
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Competitive Advantage through Lean Reecruitment

KELLYOCG
OUTSOURCING & CONSULTING GROUP

- **Flexible fee models in RPO offer „pay on demand" and reduce fixed internal overhead cost significantly**

- **External Recruiting Provider can leverage market knowledge and access across several industries and choose the most efficient talent channel**

- **Expertise in recruiting and experience across multiple customers can be used to make the recruiting process more efficient („LEAN")**

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EXECUTIVE SEARCH

Role Model Full Life Cycle / Shortlist

KELLYOCG
OUTSOURCING & CONSULTING GROUP

Step #	Shortlist Solution	Full Lifecycle Solution
1. Requisition Handling	🟢	🟢
2. Sourcing	⚪	⚪
3. Screening	🟢	🟢
4. Phone Interview	🟢	🟢
5. Face-to-Face Interviews	🔴	🔵
6. Offer Extension	🔴	🔵
7. Administration Support	🟩	🟩

🔴 **Client Recruiter**   🟢 **Screening Consultant**   ⚪ **Sourcing Consultant**   🟩 **Administration Support**   🔵 **Onsite Recruiter**

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Sourcing Methodology

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Level 1

Recruitment Strategy

- Continuous workforce planning
- Recruitment tools & tactics
- Recruitment strategy consultation
- Recruitment Media Marketing & Employer Branding

Resume Database Search

- Review existing resumes (current client database)
- Review historical recruitment data
- Employee referrals
- Internal candidate search
- Resume search (two standard online-databases)

Job Board Posting, Ads & Sourcing

- Niche
- Local
- Industry/Client specific

Level 2

KellyOCG MSP Advanced Sourcing Technology

- Candidate management technology
- Spidering technology
- Extensive web mining
- List generation

High Performance Sourcing

- Networking
- Web 2.0
- Associations/Groups/Blogs
- Local & virtual communities
- Competitors
- Direct candidate contact

Level 3

Third Party Management

- Active searching & cold calling with support of (external) researchers
- Negotiation, briefing and steering of agencies and headhunters if desired
- Consultative approach towards sourcing channel efficiency
- Controlling/monitoring of success and pipeline

Strategies can be deployed separately or simultaneously depending on the position.

case studies

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Case Studies – Infineon

KELLYOCG
OUTSOURCING & CONSULTING GROUP

Infineon	**KellyOCG delivers a flexible recruiting model to achieve significant cost savings**
Challenge	• Cost challenges and inefficiencies with the recruiting process and not acceptable cycle times • Fixed overhead of the client's internal recruiting team drove up cost per hire • No transparency within the process or automated possibilities for reporting & analytics
Solution	• KellyOCG implemented an end-to-end RPO solution (including F2F Interviews, Onboarding) • Customized service delivery model for hiring managers to select from a "cafeteria-style" menu • Countries in-scope are Germany, Austria, Romania, Portugal, Slowakia, Slowenia • In-scope positions range from Permanent to Interns, Work Students etc.
Results	• Screened more than 350.000 applications since 2004; hires per year range from 1.000 to 5.000 • Achieved cost savings of 15% due to better economies of scale and flexibility bonus • Harmonized systems, standardizing processes & increasing transparency through ATS • KellyOCG sustained 98 – 99% of program SLAs generated by the ATS until to date

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Case Studies – Hugo Boss

KELLYOCG
OUTSOURCING & CONSULTING GROUP

HUGO BOSS	**KellyOCG "suits up" to deliver a tailored RPO solution and assists HUGO BOSS on the high-growth runway**
Challenge	• High volume of speculative, unqualified applicants and no clearly defined screening process • Stretched resources - HR manager conducting interviews along with the hiring managers • HR concentrating on business partnering (especially talent development and retention)
Solution	• Kelly OCG service delivery model includes a fully integrated and dedicated on-site team • KellyOCG responsibility for the whole end-to-end hiring process • Flexible cost structure through a pay per use fee model, following business demands • Implementing clear service levels, thus creating transparency on duties and responsibilities
Results	• The RPO program provided cost savings through an integrated, flexible recruiting solution • 340 permanent vacancies and 2,700 temporary positions filled in the first 18 months. • Reduced time to hire from 54 days to 38 days • KellyOCG talent management resulting in 4,300 accessible candidates in the candidate pool • Reduced cost per hire through flexible fee structure, resulting in 31% cost savings

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Case Studies – Top Financial Services Firm

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OUTSOURCING & CONSULTING GROUP

KellyOCG helps a top financial services firm implement top recruitment processes

Challenge	• Aggressive growth strategy with an underlying need for sourcing and recruitment services • High number of open requisitions per recruiter and high employee turnover • Lack of process consistency and large fluctuations in requisition volume
Solution	• KellyOCG provided a blended sourcing team model (customer-facing recruiters, sourcing SSC) • Execution of a customized recruitment strategy, including candidate mining and networking • KellyOCG re-engineered internal and external hiring processes together with the customer • KellyOCG provided market intelligence in recruitment to ensure best-in-class service
Results	• KellyOCG sourced & hired > 2,000 external and 700 internal candidates within first 9 months • Benefits through scalable recruitment resources and a centralized process (quick reaction to the customer's acquisition strategy possible by adding 50 recruiting professionals in 90 days) • KellyOCG used market data to identify the customer's current and future "critical to market" skill sets and to customize a sourcing strategy • 30 % decrease in the time between requisition approval and candidate slate presentation

questions

HR ADMINISTRATION OUTSOURCING

Olga Bantsekina,

Coleman Services

Moscow

May 20, 2009

MAIN BENEFITS OF HR ADMINISTRATION OUTSOURCING

- Improve company's focus

- Improve quality, efficiency and effectiveness of HR

- Control/reduce operating costs

- Free internal resources for other purposes (ease time pressure demands)

- Gain access to resources, expertise & skills that are not available internally

- Guarantee of HR documentation compliance with the Labor Code

• Do you have a clear vision of what HRO should achieve?

• Can you determine the scope of functions to be outsourced?

• Are you comfortable letting a stranger handle your HR functions?

• Can your business afford an HR outsourcing agency?

SELECTING SERVICE PROVIDER – BEST PRACTICE

- Total capabilities & experience

- Transparency of business

- Employees' experience & skills

- Investment capabilities

- Technology – past performance, tested & proven

- Flexibility – quick response to Clients' changing requests

- Service Agreement & other documents

- Focus to continuous improvement

HR Outsourcing is no longer a question of *IF* but *WHEN* and *HOW MUCH*

Do what you do best

and outsource the rest!

Outsourcing of HR functions in IT industry pros & cons

Olga Knysh

HR Director Oracle CIS

Why consider outsourcing?

"The challenge of business today is to provide more with fewer people for customers who demand more for less."

What factors shall we consider?

- **Global market / industry trends**
- **Shareholders value**
- **Business needs & Organizational readiness**
- **Potential volume of the business**
- **Cost**
- **Quality of service**
- **Local markets maturity**

What 'functions' can be considered for outsourcing?

- HR admin transactions related to employment management:
  - Hiring
  - Employment termination
  - Transfer
  - Sickness administration
  - Vacation
- Payroll
- Global Mobility
- Talent Acquisition
- C&B
  - Benefits administration
  - C&B surveys
- Talent Management
  - T&D programs delivery

Payroll outsourcing

- Shared process between HR & Finance

- Benefits for HR ?   - Benefits for Finance?

HR admin transactions

- **Key success factors:**

  - **Efficient processes**
  - **Communication**
  - **Change management**
  - **Systems & technology**