

Introduction to Direct Sourcing Program Design

Successful leaders are consistently seeking new ways to drive their organizations forward.

In today's workforce, this means more and more organizations are leveraging the flexibility of various employment models, such as Direct Sourcing, to engage the talent they need.

To learn more about the benefits of implementing a Direct Sourcing program in your organization [click here](#).

However, when implementing a Direct Sourcing program, there are several key steps to take when designing a program that is both successful and cost-effective. This document will briefly explore the four key steps of Direct Sourcing program design that were highlighted in [the latest installment](#) of our webinar series:

1. Benchmark the Current State of your Talent Acquisition Program

Benchmarking the performance of your current program will allow you to set – and measure – eventual goals that you would like to see with your new Direct Sourcing Program

Consider:

- How well is your current program performing?
- How do your hiring manager stakeholders feel about your current program?
- Is your current program serving their needs?
- Are they getting the talent that they want and in a timely manner?

Be it the cost of hiring, speed of process, or access to candidates, the decision to implement a Direct Sourcing channel is driven by the goal of improving on one or more of these aspects.



2. Set Explicit Goals for your Direct Sourcing Program



Benchmarking allows you to spot the most glaring gaps in your organization's current talent acquisition program, while also identifying areas for improvement.

A 2020 Staffing Industry Analyst report finds two of the largest areas of opportunity for business leaders are improving access to talent and reducing contingent worker cost.

Do these goals align with the goals of your organization?

3. Determine the Role of People and Technology in your Direct Sourcing Program

As organizations are increasingly seeking to leverage automation and Artificial Intelligence to disrupt the current state of talent acquisition, the recruitment technology space is a heavily invested business area that is rapidly evolving.

Depending on budget, and use case, there are different options and technical requirements required when implementing a Direct Sourcing Program.

Some of these technical considerations include front-facing processes, such as creating an online talent community hub and connecting to an external job board; others are back-end like applicant tracking systems.

With tools to make a recruiter's job more efficient, you must now determine whether you want to use an internal or external recruitment team.



If your organization elects to hire internal recruiters:

- Will they be on contract or full-time additions to your team?
- Will you need to dedicate additional resources to managing them and their daily activities?
- Does your organization have processes ready for when the recruiter is onboarded to your team, or will your organization need to dedicate resources to develop this process?

If your organization elects to hire external recruiters:

- Who is the right partner for this job?
- Will your recruitment partner have adequate knowledge about the intricacies of your organization?
- How will the costs of external recruiters fit into your organization's budget?

4. Evaluate the Costs Involved in a Direct Sourcing Program



The costs of a Direct Sourcing program will vary depending on the technology that an organization elects to use and the internal/external team that they create to perform the recruitment function.

For the use of technology, fees vary considerably. However, a good rule of thumb is that Direct Sourcing technology costs are typically in the 1%-3% range of the contractor's billable rate.

There are also costs when considering recruitment support.

Considerations with an internal recruitment team:

- Your organization can budget for this team accordingly depending on the amount of support that is needed for the program.
- You must carefully consider your overall incentive model. The best recruiters in the business are often attracted to the vendor side as there are more opportunities to leverage their abilities and maximize their earnings.

Considerations with an external vendor:

- The cost model is typically like that of a contingent vendor (a markup on every hire).
- Although this fee should typically be lower than a contingent vendor, these fees may vary considerably.
- Discussing with your vendor partner to ensure you are aligned on your program goals and expected volume levels can result in reduced fees.

Want to Learn More?



What are the most effective ways to benchmark your talent acquisition program and what are the associated costs?



How can Direct Sourcing help with opportunity areas such as improving access to talent and reducing contingent worker cost?



What contributes to the varying pricing models for different Direct Sourcing programs?

If your organization is considering leveraging the flexibility of a Direct Sourcing Program, watch Procom's latest webinar on Direct Sourcing Program Design.

[Watch Procom's Latest Webinar on Direct Sourcing Program Design Now!](#)