



Why Direct Sourcing

Everything you need to know to see if it's right for you.

2023

What is it
How to unlock benefits
Real world results: case study



PLUS:
Level up with straight
answers to Direct
Sourcing FAQs.



Table of Contents:

Chapter 1 – The Shift from OR to AND

What is Direct sourcing

Real World Results

FAQ

Chapter 2 – Curation

How to build a talent pool

Real World Results

FAQ

Chapter 3 – What the Tech?

How the right tools help lead to success

Chapter 4 – Diverse Workforces

Designing for diversity and inclusion in your hiring strategy

Real World Results

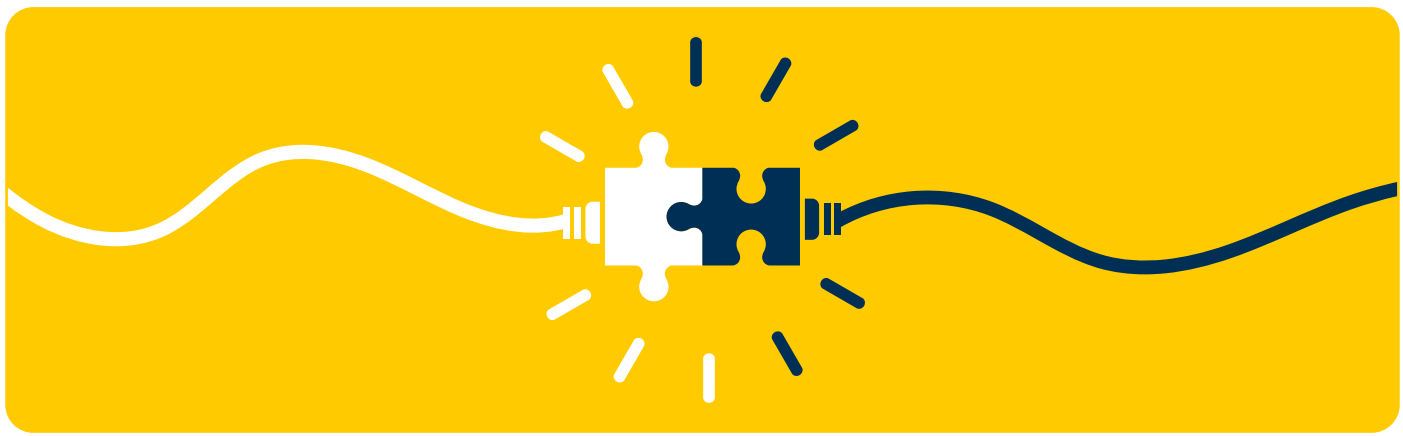
Why Direct Sourcing?



Chapter 1:

FROM OR TO AND





From OR to AND

Over the years, hiring leaders have often been forced to choose between two approaches:



In his powerful book, *Lead With AND*, leadership expert, Tim Arnold, highlights the fact that either/or thinking is no longer a valid option for today's leaders. In the same way that leaders shouldn't have to choose between managing costs OR focusing on quality, those responsible for a company's staffing should no longer be thinking of their efforts as either internally managed or externally managed.

But how can a company make that shift from "or" to "and" in its contingent talent engagement efforts? The most efficient way is by adopting a new approach to recruitment, hiring and onboarding contingent staff. **That approach is called direct sourcing.**

Author/Leadership Expert:



But what is Direct Sourcing?



For some time now, it's been common for companies to have multiple staffing suppliers compete to fill open contract staff positions as they are released. Direct sourcing takes that approach to the next level by implementing a system that leverages the company's brand to systematically attract, engage with and then curate a carefully vetted database of contractor candidates, who are organized into very specific talent pools. The company can then tap into these pre-qualified talent pools at any time, as the need for contingent staff arises.

Three key factors differentiate direct sourcing from the typical contingent staffing approach your company may be used to:

1. Leveraged Employer brand



The employer brand and value proposition are used in job advertising and recruiting, which can attract between **two and five times more - and better - talent.**

2. Your Pool on demand



Rather than having to rely on a staffing firm to serve up candidates, the company has **access to their own carefully curated and highly organized database** of contractor candidates that are being regularly engaged with, to ensure they're ready to work the minute the need arises.

3. Talent demand is forecasted



Talent demand is forecasted in advance of job requisitions being created, **which provides a priority window for future direct sourcing,** once the talent pools are filled.

While early adopters are seeing great success as they dip their toes into the direct sourcing waters, the fact that many are only using it to target small subsets of potential candidate sources is holding them back from achieving more significant wins. Check out our direct sourcing FAQs to know more.

HOW CAN UNLOCKING THE BENEFITS OF DIRECT SOURCING HELP YOU WIN FASTER?

Implementing direct sourcing during its early adoption stage offers companies a clear competitive advantage, to help them rise above today's unprecedented talent shortage. In a recent survey of companies from around the world representing the technology/telecom, finance/insurance, healthcare, energy and professional services industries conducted by Staffing Industry Analysts and WorkLLama, half of the buyers surveyed reported that they expect to increase their investment in direct sourcing. By implementing or expanding direct sourcing efforts today, early adopters can stay ahead of the competition and reap rewards that include:



Hiring Better

By pre-qualifying, you can reduce the number of shortlisted candidates by 66%

Hiring Faster

With talent pools filled with pre-identified candidates, you can hire up to 60% faster

Hire for Less

Higher placement volumes achieved through direct sourcing pave the way for decreased staffing markups by up to 50%, driving total program savings between 5-10%. Those savings can add up quickly with multimillion-dollar contingent workforce programs.

REAL WORLD RESULTS: DIRECT SOURCING SUCCESS AT ENBRIDGE

If the prospect of hiring better, faster, and for less caught your attention, you're probably curious to know just **how those types of estimated performance metrics translate to real-world results** for early adopters of direct sourcing. **Enbridge serves as an excellent case in point.**

In late 2020, faced with a time-sensitive contingent staffing challenge, Enbridge called in the Managed Direct Sourcing team from Raise to develop a comprehensive student hiring solution. Leveraging the latest direct sourcing technology and working hand-in-hand with Enbridge's internal talent acquisition, marketing and legal teams, **Raise created an enhanced recruitment funnel that was put to the test by 125 different hiring managers.** In developing this custom direct sourcing solution to support Enbridge in better managing its Student Contractor Program, Raise also helped Enbridge hire better, faster, and for less.

Hiring Better



According to Dean Bergen, Manager of Contingent Labor and Consulting at Enbridge,

"Using Managed Direct Sourcing for the student program got us out of the weeds, and gave us a more strategic view. Previously, Talent Acquisition was so busy recruiting that they couldn't see the forest for the trees. Now they're able to see all these ways the student program can be extended to build a stronger pipeline of future permanent hires, and improve recognition of the Enbridge brand with the next generation of workers."



Dean
Bergen

Hiring Faster



In just three weeks, Raise developed a direct sourcing solution for Enbridge that would successfully manage the recruitment and application process of 3660 applicants, the interviews of 643 people and the logistics for 168 new hires. Crucial timesavers included:

- ✓ Integrated application questionnaires
- ✓ SMS/text messaging with applicants
- ✓ Providing Enbridge hiring managers with carefully curated candidate shortlists of best-fit applicants and one-way video pre-interviews

Hiring for Less



Having to spend far fewer internal hours on student recruitment wasn't the only savings this initial use of direct sourcing provided for Enbridge. **Being able to tap into their own carefully curated talent pools** on an ongoing basis, as they have hiring needs going forward, **will continue to generate savings by eliminating the need to pay their staffing firms a finder's fee.**

According to Jessica Matty, a Raise Managing Director who works closely with Enbridge, "Raise's initial Managed Direct Sourcing work with Enbridge really highlights that the cost savings for companies goes far beyond the elimination of staffing firm finder's fees. If you think of your contingent hiring like a factory, Managed Direct Staffing is the key to having minimal downtime in your systems. Having your talent pools populated with really strong candidates who are actually ready to work when the need arises means people can start in roles faster, and that drives incredible efficiencies."



Level Up: Straight Answers to Direct Sourcing FAQs

Discovering the benefits of direct sourcing and some of the real-world results that Raise has helped its Managed Direct Sourcing clients achieve often inspires questions from those wanting to learn more. Some common questions we hear from stakeholders include:

Question: *Would it be better for my company to implement direct sourcing internally or engage an external supplier to manage the effort for us?*

Answer:

While it is possible for companies to implement and manage direct sourcing efforts internally, many struggle when they attempt to do it alone. If you are considering managing direct sourcing efforts internally, we highly recommend having some common systems in place beforehand, including:

- ☐ A Candidate Relationship Management tool for permanent use
- ☐ A mature Talent Acquisition team with proven success sourcing and nurturing passive candidates
- ☐ Solid alignment between Procurement and Talent Acquisition teams
- ☐ A budget that can support the purchase of the software required for success
- ☐ Strong relationships with staffing suppliers that can withstand the potential conflict direct sourcing can create

If your company doesn't have these things in place, trying to manage your direct sourcing internally could actually end up costing you money while, jeopardizing your chances of success.



Question: *Is it more common for companies to manage their own direct sourcing efforts or outsource the work?*

Answer:

Recent research from SIA found that 62% of the companies they surveyed were leveraging an MSP or direct sourcing provider. The advantages associated with opting for a managed direct sourcing solution include:

- ✓ Faster start-up times
- ✓ No upfront investment or costs
- ✓ No major program or process changes or additional roles and responsibilities to roll out to staff
- ✓ No risk of wasting time or money
- ✓ The support of an experienced partner that is accountable for results while taking on all the work and any hassles of implementation

Question: *Is there a way to know whether the type of jobs our company most commonly needs to fill are a good fit for direct sourcing?*

Answer:

In assisting hundreds of companies with their recruitment and placement efforts, Raise has identified five distinct hiring scenarios in which direct sourcing is best suited for delivering value and cost savings:

- ✓ Repetitive and/or high volume hiring in the same locations
- ✓ Jobs where there are many active job seekers, such as entry-level and low-skill positions, and areas with high unemployment
- ✓ Positions where the use of the employer brand will attract more/better candidates
- ✓ Roles where you have an existing internal database of “known” talent, such as alumni, retirees, “silver medallists,” and referrals
- ✓ Positions with high supplier competition and rate imbalances



Question: *What are a few solid next steps our company could take to determine whether direct sourcing aligns with our contingent workforce objectives?*

Answer:

While a member of our Raise team would be happy to lead your team through a direct sourcing assessment, we also recognize that sometimes it's best to start the conversation with a discussion between internal stakeholders. Read [this article](#), written by Managed Direct Sourcing Consultant Tim Rhodes, and borrow some of the exact questions he uses during his discovery process with clients. After that discussion, if you decide to move forward, ask your staffing suppliers if they have experience managing a direct sourcing program. If they do, ask for some of their examples and success stories to learn more. You can also book a discovery call with one of our Direct Sourcing experts at any time.

Why Direct Sourcing?

Chapter 2:

CURATION





How to build a talent pool for your Direct Sourcing Program?

Direct sourcing takes the concept of waiting to advertise a job until there is an open position and turns it on its head. Instead, direct sourcing efforts fill a company's talent pipeline with highly qualified candidates in advance of a job vacancy. This process of populating a company's talent pool with all-star options is called curation. In filling the talent pool, the Curation Specialist serves two essential roles. Like a traditional in-house corporate recruiter, they enthusiastically promote the employer brand. Like a staffing firm, they proactively source and engage with candidates through a variety of other channels, **including:** 

Programmatic job advertising

Social media marketing

Company career site

Encouraging former applicants, alumni and retirees to consider joining the contract talent community

Ongoing engagement campaigns and personal check-ins

CURATING TALENT FOR DIRECT SOURCING

Any swimming pool owner will tell you that filling the pool is just the first step. Filtering is critical, and the Curation Specialist must also ensure that every candidate that arrives in the talent pool has been carefully screened for fit.

That proactivity in sourcing and curating talent pools pays off. According to recent research from LiveHire, when compared to traditional methods of sourcing applicants from job advertising, sourcing candidates from curated talent pooling generates far greater results, **including:** 

31%

Faster submit times.

24%

Better submittal-to-hire ratios

30%

Fewer candidates withdrawing

A strategically crafted curation process helps ensure that only the best-fit candidates graduate into your talent pools. According to Mykeala Barley, Account Manager at Raise, “Our Raise Curation Specialists aren’t just experts at assessing for the technical skills required for the roles we fill. They also gauge candidates’ soft skills before placing them in a talent pool to ensure they are equipped with the traits that will ensure their success in that specific client’s working environment.”

In assessing for technical skills, Raise Curation Specialists can test and verify for virtually every technical skill that may be required, **including:** ↓

- All software languages
- Front-end framework skills
- Cloud architecture
- DevOps
- Back end (SQL)
- Data science, machine learning and AI

Measurements including time to complete, score (level of experience), coding quality, and solution expertise are all used in placing and ranking candidates within the talent pool.

On the soft skills side, Raise Curation Specialists can execute customized psychometric assessments to assess each candidate’s working habits, listening skills, empathy, emotional intelligence and conflict resolution skills. Situational judgment tests, video demonstrations using on-the-job scenarios, and focused interview questions help determine how candidates will react to different situations, stressors, and biases.

“Our Raise Curation Specialists aren’t just experts at assessing for the technical skills required for the roles we fill. They also gauge candidates’ soft skills before placing them in a talent pool to ensure they are equipped with the traits that will ensure their success in that specific client’s working environment.”

- Mykeala Barley, Account Manager, Raise



ONGOING COMMUNICATION IS THE KEY TO BEST-IN-CLASS CURATION

Continued engagement with candidates once they have earned a place in a talent pool is critical to ensure they are still strong candidates when a specific role becomes available. Raise Curation Specialists send a regular cadence of personalized messages to candidates in their talent pools to keep them engaged and pique their interest, **including:** ↓

- Updates on upcoming opportunities
- Newsletters
- Relevant “quick hits” that create excitement for your company’s brand

REAL-WORLD RESULTS: Building a talent pool with direct sourcing for a global healthcare technology leader

Does curating a talent pool filled with thousands of candidates sound like a task that will take longer than you have? Think again. When this client urgently needed experienced assembly technicians and material handlers for an expansion that was too large to source from a single contingent workforce supplier, they handed the baton to the Managed Direct Sourcing team at Raise.

In just one week, Raise launched an client-branded program using specialized direct sourcing technology that **quickly curated 11 unique talent pools with over 2000 candidates**. Tactics used to fill those pools included bulk resume harvesting, programmatic advertising, postings on niche job boards and A/B testing of job advertising content.

THE RESULTS:

Within three months, the client's program was averaging a 66% submission-to-interview rate and a 25% interview-to-offer rate. **By the third month of the program, 32% of total program placements were coming from Direct Sourcing, creating substantial long-term savings for the company.**

Effective, efficient talent pool curation doesn't just achieve wins for the hiring company; it can also create a higher sense of satisfaction with new hires. **When asked to rate their first week of work with the client, 97% of contractors reported that they'd had an excellent experience.**

According to the client's Contingent Workforce Senior Program Manager, "In just a few weeks Raise delivered a seamless implementation of their innovative Managed Direct Sourcing solution, and quickly delivered excellent results. I am truly excited about this progress, and what the future holds for our direct sourcing program."



[Read the complete Case Study](#) 



Level Up: Straight Answers to Talent Pool Curation FAQs

Question: *Just how important is it to include our company name and branding in talent pool curation efforts?*

Answer:

Using your employer brand is the most critical factor in the success of your direct sourcing efforts. In our opinion, without the use of the employer brand, it's not even direct sourcing. Talent pool candidates want to know the name of the company that may have a work opportunity for them. If they can't get those details, many will quickly lose interest in applying for any related positions. Using your employer value proposition and linking available contingent jobs to your main Careers website generates between two and five times more and better talent.

Question: *What metrics are the most important in determining the effectiveness of talent pool curation efforts?*

Answer:

Because each hire you make through your direct sourcing program is a net cost savings thanks to its lower markup than your average supplier markup, your direct sourcing placement rate is definitely a number to track closely. The more placements you can make through your direct sourcing program, the more cost savings you'll be generating. In our experience, your direct sourcing efforts should be filling between 50% and 80% of the job requisitions normally placed by staffing suppliers during the first year.

Other metrics that are important in assessing how healthy your talent pools are in terms of depth, quality, and relevance, as well as supplier responsiveness and contractor satisfaction, include:

The Metric	How To Measure It	What It Tells You
Screen-to-interview Rate	Total number of candidates interviewed / total number of candidates submitted to hiring managers	Your success at providing right-fit candidates
Offer Rate	Total number of offers / total number of interviews	Candidate fit and ability to facilitate effective interviews
Acceptance Rate	Total number of candidates who accept an offer / total number of candidates offered	Candidate experience and ability to satisfactorily fulfill the job requests of candidates
Time-To-Fill	Average number of days from job posting to offer acceptance	The time it takes to fill roles
Hires-Per-Month	Total number of offers accepted in a given month	Total hiring output
Number and Depth of Talent Pools	Quantity of talent pools and how many candidates are in each pool	The degree to which candidates and contractors feel they're being prioritized in the process
Probation Turnover Rate	Percentage of candidates who leave within their probation period	How few candidates are leaving after they're hired

Question: *If pre-qualifying candidates is occurring in the process of curating our talent pool, can we reduce the number of short-listed candidates?*

Answer:

Absolutely! At Raise, we've found that by proactively engaging with and carefully pre-qualifying candidates, we can reduce candidate shortlists by up to 66%.

Question: *How can I learn more about curating a best-in-class talent pool for my company's contingent workforce positions?*

Answer: *Follow Raise on [LinkedIn](#), [Facebook](#), [Twitter](#) and [Instagram](#) for ongoing tips and tricks that will help take your talent pool curation skills to the next level.*

Why Direct Sourcing?

Chapter 3:

WHAT THE TECH?





Direct Sourcing Technology – how the right tools help with program success

While technology plays a vital role in a successful direct sourcing strategy, a massive technology investment isn't a prerequisite for companies looking to get started. There are, however, some key technology features and functionality that will help your direct sourcing efforts scale more swiftly and successfully. The following technology tips will help you better understand the tools you should have in place to support your team on their journey to direct sourcing success.

TECHNOLOGY TIP #1: Determine if your current hiring platform has direct sourcing smarts.

While you may already have an applicant tracking system (ATS) in place that you are comfortable using, chances are if its initial design was for full-time employees, it might be lacking a few critical tools.

AI matching, which allows for the separation of curated talent pools from active job requisitions, is just one example of the tools being built into today's direct sourcing platforms that traditional ATS platforms can't offer. AI matching capability serves as a state-of-the-art digital matchmaker, automatically serving up qualified candidates for the talent pools with relevant job opportunities. Automatically connecting "known" candidates in the talent pools with new jobs as they enter the system saves a lot of recruiter time and surfaces best-fit candidates that might otherwise get missed.

TECHNOLOGY TIP #2: Cast a bigger advertising net.

Ensuring your software supports programmatic job advertising will help get your company's positions promoted on hundreds of job sites to the ideal candidate demographics, but that's not all. Having a platform that enables automated bidding functionality will also optimize your advertising spend.

TECHNOLOGY TIP #3: How to improve candidate experience.

Simply put, direct sourcing can help improve candidate experience by enabling communication via their preferred channel. Today's job seekers prefer to engage through text messaging, also known as SMS (for Short Messaging Service), over email. While getting a candidate to respond to an email often takes hours and even days, in one study of 270,000 employer messages across 81 employers, the average response time of talent pooled candidates when a job invitation was sent by text was just 17 minutes! Email's not dead, but text communication capability is an absolute must

TECHNOLOGY TIP #4: Make it easy for candidates to keep you in the loop.

The lives of contingent workers tend to change more rapidly and with greater frequency than full-time employees. Ensuring your hiring team has the latest information on their availability, skills, desired compensation, and preferred work assignments is critical to serving up the right candidates for your shortlists. The best way to do that is to make it easy for candidates to update their profiles through your platform. Unlike a traditional ATS, direct sourcing platforms allow candidates to quickly and effortlessly create and update their profile.

TECHNOLOGY TIP #5: Know when to lean on a partner with the right resources.

If your company's ATS doesn't offer the types of tools and functionality outlined above, opting to have a service provider like Raise manage your direct sourcing program is a risk-free option. This alternative, which allows you to pilot test and rapidly scale with no additional investment in software or IT infrastructure and support costs, is catching on. SIA recently found that nearly two-thirds (62%) of the companies they surveyed engaged in direct sourcing efforts have chosen an outside party to manage their direct sourcing program.

Why Direct Sourcing?



Chapter 4:

DIVERSE WORKFORCES





Tapping into the power of Direct Sourcing to lift equity diversity and inclusion in recruitment retention

Although more companies are catching on to the many advantages of workforce diversity, there is still a tendency to focus diversity efforts on full-time employees. Direct sourcing offers companies a fast, focused way to kickstart diversity hiring strategies for their contingent workforce as well.

As North America's only staffing firm that's third-party audited for performance in diversity and inclusion, Raise can help your company execute the out-of-the-box thinking, partnership building, and data tracking required to truly break through the barriers to employment you may not even know your company has.

DESIGNING FOR DIVERSITY AND INCLUSION IN YOUR HIRING STRATEGY

Raise can build diversity hiring and tracking strategies right into program delivery, helping to ensure that your contingent opportunities are being promoted through channels that put them in front of more diverse audiences. Our platform allows for self-identification data collection and tracking, which means we can accurately measure the demographic makeup of talent communities in real-time and proactively reach out to our partnerships and networks to increase representation where needed.

At Raise, we make equipping our Curation Specialists with the tools and best practices they need to equitably and inclusively fill talent pools a priority. Ongoing training topics include:

Inclusive sourcing

Unconscious bias

Inclusive interviewing

Developing cross-cultural behavioral interviewing questions and techniques

Strengthening the diversity, equality and inclusion knowledge and skills empowers our Curation Specialists to seek out and suggest opportunities for improvement as they work with partner companies and clients.

REAL WORLD RESULTS: Increasing representation in the oil and gas industry

In developing a directing sourcing solution to fill the talent pools for Enbridge's Student Contractor Program, Raise executed targeted diversity outreach campaigns with schools, training centers, career symposiums, and directly with underrepresented groups. Those efforts generated results, with 62% of hires identifying as being from a visible minority and 37% of hires being women, which is relatively high in this traditionally male-dominated industry. Through a partnership Raise has with Autism Speaks, we were also able to offer several positions to candidates living with Autism, resulting in one hire who is still working with Enbridge today.

REAL WORLD RESULTS: Community partnerships create pandemic-fighting placements

Raise worked with a large government organization to hire over 1,700 COVID-19 contact tracing and vaccine scheduling workers in just five months. Early on in the process, Raise suggested and oversaw the creation of a special task force to encourage engagement with Indigenous candidates. By leveraging community connections and working closely with a range of community partners, Raise assisted the government organization in placing 18 Indigenous people to bring their valuable perspective to this life-saving role.

Would you like to learn more about strategies and tactics to help improve your company's diversity, equality and inclusion efforts within your contingent workforce? Schedule a call with one of our Raise experts.

Do you have questions about anything in this E-book? Want to learn more about Direct Sourcing as it pertains to your program?

Schedule a chat with one of our Direct Sourcing experts to learn more:



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