

The Time is right: Outsourcing in Executive Search

In the face of an economic downturn and intensified global competition for customers, recruiters are refocusing their core competencies and sources of competitive differentiation. By reassessing their internal processes and outsourcing to leverage operational efficiencies, companies are realizing they can gain benefits such as lower operating costs, increased productivity, improved systems agility and reduced dependency on internal legacy systems, technology and personnel.

Furthermore, outsourcing or co-sourcing some aspects of your business provides you with a strategic partner whose thought leadership and experience can help you grow your business. In the executive recruiting business there are few providers who can offer such a partnership. Prospect City combines expertise in technology and support services with a long history in senior level executive search.

So when should you outsource or co-source? When you need to reduce costs, gain expertise or are limited by economies of skill or scale. More organizations are partnering with third party outsourcing providers, leveraging their technology expertise and scale to drive process improvements and generate sustainable cost savings. Madhavi Manth, senior analyst at Celent, a New York-based research and advisory firm, notes, "If a process and its associated infrastructure are not a key basis of competition for [an organization], then it should consider outsourcing." Executive search processing and supportive technology are less a determining factor in competitive situations than the individual recruiters: their industry or functional expertise and their ability to successfully complete search projects. Outsourcing technology and supportive components such as research is an attractive option that can help an organization sustain itself during difficult economic times. An ability to scale up, down or turn off outsourced services will align those costs with revenue.

The process of outsourcing – in all aspects of business – does take careful decision making and analysis by you, and careful consultation and thoughtful solutions on behalf of the outsourcer. You must decide what you want to gain in the process, such as lower operating costs, lower employee support costs, training and technology costs. While it's true that outsourcing will save you money in the long run more often than not, quality should always be the key.

Let's explore some of the areas of business that make sense to outsource in 2009.



Outsourcing IT

In the fast-paced environment of today's information technology solutions, alternative sourcing can run the gamut from specific functions (including Web design, development and operations) all the way to the replacement of technology assets (such as equipment and employees). Current trends include 24-hour-a-day monitoring capabilities, to always ensure your technology components are up and running effectively, the ability to create uniquely customized database functionality, assistance with generating web marketing campaigns, integrated resources, and the ability for your business to move forward quickly and efficiently – without added reliance and dependency on your employees. Working with a vendor also enables you to expand your capabilities without having to detail a how-to strategy and supervise an internal team of designers and IT professionals.

The importance of backing all of this with a strong and sophisticated technology platform is crucial, but is also expensive to support internally for most business models. Finding an outsourcing provider that offers sophisticated systems and/or has access to industry-leading technology creates a hub where you can outsource or co-source all of your needs to one place. This can drastically simplify the process of finding an outsource partner; satisfying all of your complex needs under one roof.

And perhaps most importantly, by outsourcing you will not need to worry about keeping up with the latest trends and technology, including the ongoing employee training that goes with it, because your vendor will do it for you.

Bookkeeping

Companies have three options when it comes to bookkeeping and systems: to build and manage it in-house, to purchase a software solution and implement it with their own staff (which comes at a hefty cost), or to outsource it completely. Since running a sophisticated business requires the right people, the right platform and capital – and because integrating your database and accounting systems can be complex and expensive – outsourcing makes a lot of sense. By partnering with a provider who can manage all of your customer interactions under one roof, you gain a backbone to all of your processes.

For companies running on older systems, hardships will certainly be found down the road as these systems will be unable to handle the complex and ever-changing demands of clients and employees. Plus, the training and retaining of employees to keep the systems running presents an ongoing challenge to businesses. A skilled partner will be able to help you process flawlessly and manage everything from database management to accounting services to client worksites to marketing campaigns – all insured by the intelligence and integration of their systems.

The business world is ever-changing; outsourcing puts the burden of staying up to date on the vendor rather than on you.

Business Intelligence (Research)

Business intelligence is no longer just a buzzword; it is critical to a business' success. With a global market, current economic woes and continuing, fast-paced technology expansion, IT leaders are coming under significant pressure to operate more effectively. Siloed, outdated systems make it difficult for businesses to extract even basic information from their databases in a timely and flexible way.

Jeff Goldberg, senior analyst, notes that, "Good data mastery will help a company find areas for increased efficiency and cost reductions." In fact, it is predicted that this year will bring a reinvention of information access. This fresh look will be driven by mounting pressure on organizations to integrate and consolidate enterprise data and resolve data fragmentation coming from numerous stand-alone system deployments. Today, with the growing number of external resources accessed by recruiters and researchers, it is imperative to more fully integrate those resources and capture the data automatically.

In this increasingly difficult environment . There's a renewed focus on streamlining operations, focusing on profitable processes and recruiters, and improving results.

Strategic Partnership Opportunities

By finding a recruiting industry strategic partner who can help with outsourcing and co-sourcing needs, you can gain advantages of working with someone who understands the issues you face. These outsourcing and companies offer a fresh perspective on your issues – they have possibly encountered issues like yours over and over again. They can offer a more detailed analysis of your strategies and help you find solutions you might not have realized were available. And by finding a strategic partner, you benefit by relieving some of the more granular decision-making pressure from your organization – and can focus instead on other areas of your business that you are best qualified to handle.

Having an outsourcing plan is an opportunity that no organization, regardless of its size, should dismiss without careful investigation. Organizations must change to survive and innovate to thrive. With an efficient and focused outsourcing or co-sourcing partner ready and able to respond to their needs, organizations will be best-positioned to navigate the turbulent waters of both today and tomorrow.

Now is the Time

During tough economic times, it's not uncommon for recruiting firms to shed staff. People are perhaps the most expensive component of the business. Business owners can use this opportunity to rebuild with a less-expensive, scalable solution that's aligned with your business revenue. Outsourcing allows business owners to weather the storms, but also allow them to experience a new, more efficient model that builds sustainability in any market conditions.