

Case Study – Vendor Neutral

Brief

Having won the contract to provide a Managed Service Program to Air Products, a prestigious multi-national company supplying gases and related equipment and services, we were tasked to create a single recruitment process across their European operations.

With visibility, control and efficiency the key drivers, it was vital that we provided strong, talented candidates but without driving up the cost of that resource.

The MSP team matched skills and experience along with availability and balanced these against the candidate's pay rates and agency profit margins, working on a competitive bid principle.

Challenge

One agency began to submit their candidates with a significantly increased margin, far higher than the other agencies. Nor were they willing to negotiate on the charge rate.

As there were candidates of at least equivalent skills and experience available at lower rates with other suppliers, these were chosen instead.

As a result, we were in danger of losing the services of a trusted supplier who had consistently provided us with high quality candidates, simply by pricing themselves out of contention.

Solution

Although initially reluctant, the agency eventually entered into a constructive discussion with us regarding their charge rate. In preparation, we had reviewed their calculations for the margin rate and provided comparison with other talent providers. We also examined their submission and success rates over both existing roles and those before the increase in the margin, and looked at the possible implications to their business over the next 6 to 12 months.

But for all the statistics and figures we were able to bring to bear, the key point we needed to drive across was that as a truly vendor neutral provider we weren't a threat.

We were partners, both working toward providing a high quality service at a competitive rate.

The supplier was keen to continue sourcing candidates for the client.

With the next requisition, the candidates put forward by the agency were at a total charge rate that included a significantly reduced margin, which put them back into contention.

The consultative approach and engagement with client and supplier that VCG employ is simply part of the collaborative ethos that underlines our business. By enabling one of our trusted suppliers to remain competitive we helped to ensure that the widest range of top class candidates continued to be available to our client.