

An RPO That Milks Talent

A New Zealand dairy co-operative expands and globalizes its recruiting engagement.

BY KATRINA RITCHIE

As New Zealand's largest employer and one of the world's leading dairy exporters, Fonterra understands the strategic importance of effective talent acquisition. The company is a co-operative owned by 11,000 New Zealand dairy farmers with 17,000 employees worldwide. Fonterra supports an extensive global footprint, and it depends on critical, specialized talent to succeed in an industry driven by constant change, including seasonal variations as well as evolving market conditions.

While Fonterra has enjoyed strong leadership in its industry, the demands of an increasingly global operation placed pressure on talent planners to develop a more strategic recruiting capability. One of the chief concerns was the need for an enterprise-wide approach to talent acquisition. This entailed migrating recruiting out of the transactional HR function to a more strategically aligned, dedicated talent acquisition operation.

Increased transparency with a view of recruiting activity across the enterprise was crucial. Support for Fonterra's needs required an RPO with significant strengths, including deep integration between client and provider resources, global operational reach, and ability to create a strategic recruitment function.

STRATEGIC RPO APPROACH ENABLES CONSISTENT GLOBAL TALENT ACQUISITION

Fonterra had developed a relationship with Futurestep through an engagement that began in 2004. Based on early successes and an established trust between the organizations, Fonterra embarked on an initiative to expand, standardize, and globalize its talent acquisition strategy across the business in 2008.

The approach centered on an effort at re-engineering the recruitment process, including adoption of e-recruitment technology solutions across the organization. A pilot implementation began within the Corporate Head Office function of the business. The approach was then followed by a larger implementation of an in-house recruitment center, across the Consumer and Manufacturing businesses in New Zealand and Australia, with up to 30 personnel across seven locations.

Important ingredients to the expanded RPO are reporting and metrics on key areas of performance, including candidate source, volume, speed, and spend. What began as a recruiting relationship four years earlier had effectively shifted gears to encompass a strategic talent acquisition approach.

TRANSLATING RPO INTO BUSINESS RESULTS

Since implementing expanded RPO operations, Fonterra and Futurestep have realized significant benefits. Since mid-2008, Fonterra's cost-per-hire

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has been reduced by approximately 38 percent, thanks in large part to a more efficient recruiting process. At the same time, Fonterra has seen a significant reduction in time-to-offer during the same 12-month period.

While cost and speed are important, company planners view the strategic aspects of the RPO as the most critical components. For example, a consistent recruiting process has improved candidate care, boosting the value of the company's employment brand and improving attraction for new candidates. This contributes to agility, as Fonterra can readily access proven resources to accommodate changing seasonal and business demands. Likewise, standardization of reporting has greatly improved Fonterra's strategic focus, enabling increased governance and visibility of recruitment activity across the organization. Management of recruiting now extends across external hiring, restructuring activities, project recruitment, graduate and employee referral programs. A networking and alumni program is currently being developed.

LESSONS IN SUCCESS: BUILDING AN EFFECTIVE RPO RELATIONSHIP

One of the most important elements in Fonterra's successful RPO is the transparent relationship it maintains with the RPO provider. The Futurestep team "lives and breathes" the product, understands the client's business, and then applies specialized recruitment knowledge to bring the benefits of RPO to life. The result is smooth execution of the recruitment strategy, a clear understanding of hiring needs, and high candidate quality.

Today, Fonterra and Futurestep continue to operate and evolve an RPO that has brought clarity to the recruitment process and delivered core value to the business as a whole. While talent acquisition needs are constantly changing, an effective recruitment process gives Fonterra the flexibility and responsiveness to address them. It's an advantage that has served Fonterra well since the implementation of its RPO, and it is one that will continue to deliver advantages well in the future. **HRO**

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