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The Direct Sourcing Toolkit

Christopher J. Dwyer

Vice President, Research

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Executive Summary

In today's competitive landscape, set against the backdrop of a global pandemic and pervasive economic uncertainty, talent engagement is more important than ever before. Not surprisingly, direct sourcing has become the hottest topic in the global world of talent and work. Given the many channels of non-employee talent available, which include traditional staffing vendors, digital staffing outlets, professional services, talent networks, and social media platforms, the ability to tap into on-demand pools of talent to better align project requirements with available skillsets can be an incredible competitive advantage. Businesses that harness the underlying power of direct sourcing and talent pools have the ability to develop an agile workforce which can be the difference between surviving in disruptive business times…or truly *thriving* in a marketplace that rewards dynamic, talent-led responses to new business pressures and challenges.

A Talent-Led World

Many transformative events have sparked incredible shifts in the business landscape of this relatively new 21st century. Globalization, communication, technology, and innovation have all empowered enterprises with the tools and strategies to thrive in a highly-competitive and now dramatically-volatile world that is now beset by the pervasive uncertainty brought on by a global pandemic. Amidst two decades of incredible change, one business attribute that has not changed is the important role of talent in driving enterprise operations and results.

While the criticality of talent has not changed, how it is engaged, sourced, managed, and rewarded has shifted dramatically. The type of work and the people doing it is also changing. For example, enterprises today are competing to fill many positions that did not exist five years ago. Additionally, the entrance of a new generation of workers to the market brings many great new ideas and approaches, but also many new sets of expectations and requirements. These workers entering the job market have grown up in an entirely digital age and as a result, businesses must be more dynamic in both how they respond to market pressures and challenges and in how they engage and build their talent pool.

Today's businesses must have the proper strategies and tools to know how to attract the best-fit, best-aligned talent, which define how they structure talent acquisition and recruitment approaches. As the "war for talent" continues to rage, business leaders must understand and leverage the strongest means for attracting top-tier, high-quality talent. Agility, which has become the foundation of a successful business, should also be the focus for why and how enterprises structure their workforces. The many facets of talent engagement (identifying and communicating with the top candidates) and talent acquisition (sourcing the best-fit workers) have evolved over the past several years. The boom in the overall utilization and reliance on non-employee workers has contributed to an age when businesses are laser-focused on getting work done, no matter the source of the talent behind it. In fact, the changing skills and expertise of the total workforce (FTEs and non-FTEs) is the top area of emphasis for businesses when asked how work will be transformed, proving that today's enterprises are laser-focused on the depth and quality of their talent and expertise (*see Figure 1 below*).

Figure 1: Market Factors that Will Transform the Way Work is Done

Need to account for new and evolving skills	72%
More focus on upskilling and reskilling	68%
More "fluid" roles and positions	63%
More focus on the "talent experience"	54%

The responses highlighted in Figure 1 show that, above all else, the skillsets behind talent are what *will drive* the best possible business outcomes regarding how work is done. That a clear majority (72%) of businesses need to account for new and evolving skills bolsters this point; to survive and thrive in an increasingly complex and globalized world, enterprises must stay ahead of the competition. Executives today also understand that the next influential project may not be completely supported, driven, and/or managed by existing FTEs or other in-house resources, especially considering the quick-paced advancements occurring in the world of technology and automation.

Direct Sourcing, Defined

Direct sourcing, also known as "self-sourcing," has emerged over the past several years as a powerful instrument in the talent acquisition toolbox. Direct sourcing entails a business, in essence, acting as its own recruitment firm. By building "pools" of talent from curated sources and channels (i.e., referral programs, organizational alumni, silver medalists, job board postings, etc.), businesses can bypass traditional talent acquisition options (such as staffing suppliers and other third-party sources)

when seeking the best-aligned talent for a particular job, role, or project.

The "art" of direct sourcing is a multi-phased series of strategies, underpinned with key technological elements, that drive a continuous flow of candidates who can be engaged and hired in an on-demand fashion. Enterprise talent pools essentially become new channels of skillsets and expertise that are often available in 1) traditional recruitment streams, 2) as "suppliers" within a contingent workforce management (CWM) technology tool, such as Vendor Management Systems (VMS), and 3) HR and talent acquisition platforms. Direct sourcing has been a core human capital approach in mature, European-led contingent workforce and talent management programs for many years. These programs often owe direct sourcing sophistication to long-running Managed Service Providers (MSP) that offer this as part of their overall suite of services. In other parts of the world, however, such as North America, it has only recently emerged as a popular talent management strategy. In fact, Ardent Partners research points to both direct sourcing and talent pool curation as the top two priorities for today's procurement, HR, and talent acquisition leaders (*see Figure 2 below*).

Figure 2: Top Priorities for Talent and Workforce Management This Year

Priority	Percentage
Talent pool curation and development	74%
Direct sourcing strategy or initiative	70%
SOW management and services procurement	64%
Workforce data and intelligence	60%

Less than two years ago, the top two items on the priority list for businesses regarding work and talent were intelligence/visibility and the implementation and adoption of new solutions. While those aspects remain incredibly important within the Future of Work realm, there are several key factors that point to direct sourcing and talent pools as the biggest priorities for businesses:

The continued growth and relative skillsets possessed by the non-employee workforce. Before the Great Recession of 2008-2009, most sources of contingent labor were considered supplemental talent, leveraged to support non-critical aspects of work. Executives that tapped into the contingent workforce during this challenging period on a basis of "need" also experienced crucial enterprise benefits, such as cost flexibility, better alignment between skills and projects, and shorter-term engagements. They continued to invest in this agile workforce, so much so, that today, the staffing of many core business projects is not delineated between full-time and non-employee talent.

The need to "nurture" candidates in an uncertain economic landscape. Times are indeed challenging due to the economic fallout and relative disruptions caused by the COVID-19 pandemic. Today, not all businesses will be positioned to ramp-up hiring at a pre-pandemic scale in the second half of 2020 and into 2021. However, just because new requisitions are on pause and there are fewer roles to fill, does not mean that candidates and workers in talent pools cannot be effectively "nurtured" for when the time is right to re-engage.

Businesses that stay in close contact and communication with the candidates across their talent pools will be the ones that will have the ability to easily ramp-up when the opportunity arises.

The overall drive to reduce the "hard" costs of recruitment activity. Six months ago, cost savings were important for businesses, but they were not a top priority or consideration. Today, in the face of economic uncertainty and both supply chain and revenue disruptions, cost savings will be critical to those organizations that are struggling.

Direct sourcing enables a business to act as its own recruitment firm, harnessing the power of its company brand and engagement strategies to attract desired workers to its centralized talent pool.

These candidates are typically either vetted in some form, are "known" depending on their status ("silver medalists," retirees, past contingent workers or freelancers, etc.), or were targeted for curation based on their current job experience. By cutting out the agency or middleman, enterprises can tap into this "bench" of talent directly (hence the "direct" part of direct sourcing), significantly cutting time-to-fill and fully-loaded talent acquisition costs.

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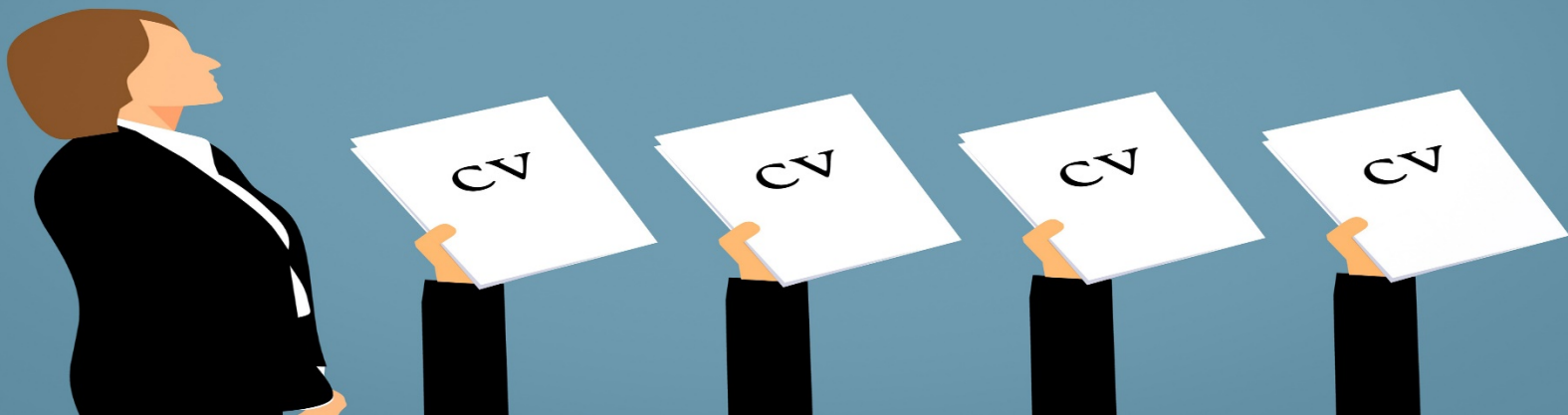
The Value of Direct Sourcing

There are many reasons why direct sourcing is going to accelerate its growth and overall impact, but the superior alignment between an organization's needs and the available, top-tier talent to address them sits at the top of the list. We are living in a talent-led economy that promotes skillsets and expertise above all else; however, the worldwide pandemic has caused procurement, HR, and talent acquisition leaders to refocus on more traditional metrics that can drive short-term value in conjunction with the talent quality boost. This has deepened the overall value of a direct sourcing program.

Today's direct sourcing strategies can:

- **Reduce the risk of "bad hires."** Most HR or human capital executives understand the real cost of a bad hire, aggregated across processes such as recruitment, interviewing, onboarding, etc., not to mention the immediate gap in productivity. Candidates in talent pools are not always fully-vetted, but the mark is close enough that businesses can feel secure in hiring workers directly from these channels and reducing the overall risk of bad hiring.

- **Mitigate employee turnover risk.** Typical employee turnover problems stem from general unhappiness (which is often linked to a poor talent experience), worker burnout, non-alignment of skills and roles, etc. Although the loss of FTEs is inevitable (in a business world where the average worker tenure hovers around two years), a deep talent pool can soften the impact from high employee turnover, since most (if not all) candidates in this pool have been invited or have been accepted based on their experience, history, and expertise.

- **Improve both "hard" and "soft" workforce management benchmarks**. Direct sourcing can eliminate many of the hard costs associated with training and onboarding; if a company's talent pool strategy is effective, workers sourced from these channels will often be up-to-speed and productive faster than a cold hire. Direct sourcing also presents lower hard costs from administrative perspectives (as well as other savings from leveraging self-driven sourcing from this type of strategy, including fee avoidance). From the "soft" benefit point-of-view, increases in workforce efficiency, better alignment between open roles and available talent, and the "on-demand" nature of direct sourcing all point towards viable advantages.

- **Enable superior workforce visibility.** Since total talent management is founded on principles related to the "total talent intelligence" arena, having visibility into both traditional FTEs (via standard HRIS and similar systems) and non-employee workers (via talent pools, VMS, etc.) certainly enhances total workforce intelligence, which can ensure that future talent requirements are aligned with expected evolutions in product and service development, as well as accounting for anticipated market and economic shifts.

Barriers to Direct Sourcing

There are a variety of benefits generated by a successful direct sourcing program, including the opportunity to improve the quality of candidates in the talent pipeline. However, building a direct sourcing program takes time and resources, while specific barriers must be overcome (*see Figure 3*).

Sixty-two percent (62%) of companies face organizational culture issues related to the implementation of direct sourcing strategies. "Culture" can sometimes be a catch-all, blanket term for how a business operates; however, within staffing and workforce management, it means much more.

Recruiters, hiring managers, and other stakeholders linked to HR and talent acquisition are the "front line" in how candidates view a prospective employer. And, too often, these leaders may not truly understand the overall vision of the business and accurately reflect it when communicating with candidates. Although many recruiters are thinking beyond skillsets when they evaluate a prospect, they may not be progressive enough to analyze the real match between business fit and overall vision with how a candidate presents himself or herself. This is a typical barrier for direct sourcing, as the fundamental processes of talent pool curation are intended to attract and engage candidates that represent a high skillset and cultural match for the greater business.

Non-centralized talent engagement (52%) is a common barrier for direct sourcing and other workforce management strategies (particularly total workforce management/total talent management). Although hiring managers and HR leaders often take the lead in staffing activity, there is often (even in top-performing organizations) some measure of "maverick" hiring that can happen outside of preferred agencies or enterprise talent pools. This will remain a major challenge given the volume of channels to engage and hire contingent workers and freelancers.

Some non-centralized talent engagement is normal and expected; too much, however, can stand in the way of launching an effective direct sourcing program, which is founded on principles that leverage consistent talent pool curation processes, centralized capabilities for targeting the best-fit skillsets and expertise for the greater enterprise, and standardized means for tapping into these pools as part of greater talent acquisition efforts. As with other enterprise initiatives, a lack of budget (48%) and a lack of the proper technology (46%) are standard roadblocks. Although workforce management technology, including the solutions that enable talent pool curation and direct sourcing, is more accessible now than it ever has been before, many businesses struggle to gain internal buy-in from budget holders to adopt and implement new solutions. Hiring managers, HR leaders, and procurement executives that find themselves in this position should attempt to leverage existing solutions (such as VMS) to build bridges to direct sourcing.

Those companies currently leveraging HRIS or other HR software (like ATS solutions) can repurpose some existing functionality to build general talent pools. In other cases, however, it will take a robust business plan and clear ROI to convince stakeholders to invest in the proper technology. What is most important is the savings that are actually realized by the enterprise.

The Key Elements of Direct Sourcing

Although the foundational ideas behind it are not new concepts, the evolving philosophy of direct sourcing is driven by a relatively fresh set of strategies that are influencing how businesses find, engage, and source the highest-quality talent.

As business competition and globalization continue to impact organizations, hiring managers often exhaust their options when it comes to bringing in the best-fit skillsets and expertise. Ardent Partners' 2020 *State of Contingent Workforce Management* research study found that there are two major reasons why today's businesses try to improve how they engage talent: 1) the desire for a more agile culture that promotes flexibility in how they address work, talent, and technology, and, 2) the overarching need for higher-quality and new and emerging skillsets.

Direct sourcing is fast becoming a critical means for enterprises to support these progressive goals. Ardent defines the following elements (see below) as crucial for an efficient and effective direct sourcing program.

Direct Sourcing

Direct sourcing is fast becoming a critical means for enterprises to support these progressive goals. Ardent Partners defines the following elements as crucial for an efficient and effective direct sourcing program.

1 FIND	2 CURATE	3 INTEGRATE	4 ENGAGE	5 HIRE
Find ideal candidates Attract them to job portals and job boards via company brand Ensure that candidate expertise aligns with hiring goals	Curate candidates into enterprise talent pools Segment candidates into specific sub-areas based on role, skill, experience, location, compensation, etc.	Broadcast availability of talent pool candidates Integrate talent pools into recruitment streams, such as VMS and human capital platforms	Foster communication with candidates Implement nurture-based strategies Keep candidates informed and engaged	Directly-hire candidates for both short- and long-term projects Onboard candidates Fuse talent into business initiatives

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Find: The Attraction Angle

The initial stages of any direct sourcing initiative should answer a key question: how do we attract candidates that can help our organization?

Today's most successful direct sourcing programs have leveraged a series of strategies for creating an alluring perception of the business as a place to work, and, consequently, attracting various worker types that will ultimately be curated into enterprise talent pools.

For many business leaders, tapping into their own networks may be the first (and easiest) way of inviting candidates to the talent pool. Social networks, including heavyweights like LinkedIn, can harness personal relationships as a means of invitation.

So-called "job boards," which have evolved mightily over the past decade, are also relied upon to invite prospective candidates; in fact, many businesses are leveraging white-labeled career pages as a centralized tool to attract both active and passive candidates (including freelancers and contractors).

In all, the most effective strategies are the ones that bring candidates into the organization, "no matter the source." Direct sourcing, as explained earlier, is a strategy that can reduce costs and improve talent engagement speed and delivery; if businesses are leveraging a mix of channels to attract candidates, the resulting depth of talent pools will be a likely result and clear benefit.

Curate, Part I: The Art of Talent Pool Development

"Talent pools" have become synonymous with direct sourcing because a properly functioning direct sourcing initiative must be built on a foundation of talent pool curation and development.

The curation of talent pools requires the same rigor and keen sense for talent as its non-business namesake. Art curators (the best-known curation role) are responsible for identifying, collecting, and managing works of art based on their skill in identifying for value, type of art, and quality in paintings, sculptures, etc. In a similar sense, talent pool curators (often consisting of business leaders well-versed in talent acquisition and hiring) are responsible for identifying top-tier workers and "collections" of expertise and skills that can be tapped in an on-demand manner. At its core, talent pool curation involves grouping various types of candidates into a veritable "bench" of

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flexible, agile talent. Common worker types that are often built into the average talent pool include:

- Past employees (alumni)

- Past contractors, contingent workers, freelancers, and gig workers

- "Silver and bronze medalists" (Runner-up candidates for recently filled positions)

- Workers engaged via diversity initiatives

- Recent retirees

- Interns past and current

A core feature regarding these different worker types is that they are generally known commodities who have had direct exposure to different business decision-makers; businesses have selected them for talent pool inclusion due to their proficiency of skillsets and expertise and how those advantages can help the enterprise. Workers that are curated into talent pools have a unique series of skills that are effectively aligned with the greater organization from a human capital perspective. These candidates are often curated due to their overall fit and relevance to recurring roles. At the end of the day, businesses understand the potential impact of these candidates.

While businesses can certainly manage talent pools via manual processes, Best-in-Class organizations (who have directly-sourced over 25% more of their talent than all other organizations) rely on solutions that can support the more complex aspects of direct sourcing. These systems address the underlying process of how to bring workers into enterprise talent pools. Digital and on-demands staffing technology platforms, which have grown nearly four-fold over the past five years, are presenting businesses with newer and fresher options for real-time access into top-tier talent. Many of these solutions' main offerings revolve around talent pool curation technology and services, helping businesses build white-labeled "talent portals" (aka "career pages" or

"job boards") from which to build deep networks of workers.

These portals harness the overall power of a company's brand, market perception, and potential compensation that can attract both active and passive candidates. Candidates can build information-heavy profiles, include their work history and experience, and upload portfolios of past work. They are then included in company talent pools, screened if required, and are readily available to be engaged if the need arises.

Curate, Part II: The Value of Segmentation

While talent pool curation is the foundation of direct sourcing, talent pool segmentation is how the initiative achieves the next level of value.

While some businesses maintain deep pools of talent that are "generalized" in scope, they may not be incredibly effective from an agile workforce perspective. Talent pool segmentation is a way for enterprises to better link their candidates for easier, faster, and better alignment with future requirements.

A typical first step in talent pool segmentation is to conduct due diligence around candidate skillsets, past work history, compensation, proficiency, and overall enterprise hiring alignment. In fact, talent pool segmentation should be managed with the following ideas in mind:

- Common skillsets of workers.

- The source of these candidates (sourced by the company, applied directly via a branded job portal or community, referrals, etc.).

- Organization of candidates by desired job role or position.

- Overall engagement or hiring criteria (i.e. active or passive candidate status).

- Contact status (to ensure that candidates who have already completed assignments are part

of active communications; enterprises will want to stay in touch with these candidates to keep them attracted and engaged).

One of the most effective ways for businesses to further segment their talent pools is by dividing all candidates into two distinct groups: 1) candidates that are aligned with active hiring needs, and, 2) candidates that are aligned with expected longer-term hiring needs.

Longer-term hiring needs can be understood by harnessing data and intelligence from human capital or HRIS platforms (to spot hiring trends over the past several months or years) and making determinations, with added data regarding future skills needs based on the overall trajectory of the organization's products and services, of new, evolving, and unidentified roles.,

Integrate: Injecting Talent Pool Candidates into Enterprise Recruitment Streams

An organization may have Best-in-Class capabilities for building talent pools, however, if candidates within these groups are not integrated into talent management systems and strategies (including VMS technology), all is for naught. In fact, when it comes to "sources" of talent that are aligned with new and open job requisitions, candidates across all talent pools must be fully-integrated as additional channels of labor (akin to a "supplier" in a workforce management platform or similar source in an HR system). The very purpose of direct sourcing is to bypass traditional, third-party recruiting services and sources to enhance the overall quality and speed of talent acquisition; not having talent pool candidates ready-to-engage and injected into greater recruitment streams nullifies the direct sourcing vision.

Many of today's leading digital and on-demand staffing solutions (including those that align with the "Freelancer Management System" (FMS)

mold) that offer talent pool curation functionality also extend integrations into core workforce management systems, such as Vendor Management Systems (VMS), Human Resources Information Systems (HRIS), and Applicant Tracking Systems (ATS). As hiring managers, as well as HR and procurement leaders, create new job requisitions within these platforms, candidates from talent pools will be included as engagement options. And, most importantly, those workforce management systems that are integrated with digital staffing platforms will include these same workers in any automated or AI-led candidate-matching functionality.

This aspect of direct sourcing is what sets it apart from other talent engagement strategies. Effective talent pool development and segmentation will allow businesses to include better-aligned candidates in any talent acquisition initiatives that require specific skillsets and expertise.

Engage: Nurture, Culture, and the Balance between Active and Passive Recruitment

While talent pool curation and development (and segmentation) are the groundwork for a direct sourcing strategy, there is an inherent level of communication and engagement that is required for this program to be effective. Just like the old adage of "people aren't pencils," talent pools need to be treated with a level of human touch that extends beyond staffing supplier management. Given the innate spectrum of skillsets and expertise deep within these talent pools, businesses cannot afford to mismanage the engagement aspects of direct sourcing.

The "candidate experience" has become one of the most-discussed topics in the world of human capital management. The pre-pandemic labor market belonged to the open worker, who often had the opportunity to pick and choose their career path. This exacerbated the importance of the candidate experience, as HR and talent

acquisition leaders were forced to ensure that candidates for open roles felt connected to the position, the company, the overall enterprise brand, and its core values.

Ardent Partners, over the past several years, has offered a progressive take on the candidate experience or "talent" experience. This experience encapsulates more than both the employee and candidate experiences. It accounts for how well-connected and engaged all talent is to the average organization including freelancers, contractors, temporary workers, gig workers, and, of course, talented professionals that comprise enterprise talent pools.

Mid- and post-pandemic, Ardent believes that many candidates across multiple sectors will still be able to choose their career paths. This reinforces the overall need for "human-led" engagement for workers in enterprise talent pools, as the "nurture factor" has quickly become one of the most critical elements of any direct sourcing strategy.

While many candidates in talent pools are "active" in the sense that they are actively seeking new positions, there are many more that are considered "passive," who are not active in the job market but are open to new opportunities if the right prospect arises.

Passive candidates are the targets that nurture-based strategies are designed to engage. Even though they may be entrenched in an enterprise's talent pool, there is no guarantee that these candidates will be easily wooed when a new position arises that is well-aligned to their specific expertise.

While most active candidates can be engaged via simple messaging and job applications, passive candidates require a nurture-focused approach that is much more complex and meaningful.

Passive candidates need to be shown the value of the business' overall culture and how it fits into their long-term career plans. These prospective

workers are more likely to join when they understand how well-aligned the company brand is with their own personal beliefs and attitude. A nurture-based approach is two-fold in today's transformative market. Businesses must first harness workforce intelligence to gain a clear view into how specific positions can be more attractive to passive candidates including compensation, flexibility, and culture perspectives. They must then treat the relationship as more of a "courtship" than a traditional employer-candidate (or business-contractor) association.

For direct sourcing to truly be effective, it must account for these passive candidates. While solutions and strategies that offer consistent messaging and communication with candidates within overall talent pools can spark robust engagement, accounting for the passive side of this workforce entails a more nurture-focused approach that blends specific and relevant content, personalized outreach, introductions to company culture, and reinforcing the benefits of working for the business (and the pertinent job position details beyond day-to-day expectations, such as the long-term career arc, future opportunities that are linked to this position, and (if applicable) any leadership prospects).

The Brand Ambassadors

There is much more to the "company brand" aspect of direct sourcing than attracting initial candidates to join a talent pool. Since talent pool curation is a more focused and deliberate series of strategies meant to impress candidates, these workers are more likely to experience an enhanced viewpoint of a company and its overall culture. Candidates in enterprise talent pools are often subjected to various recruitment, hiring, and engagement processes from which they are exposed to a business and its beliefs, core ethos, and overall market presence. A positive "talent

experience" for these candidates translates into an easier path of re-engagement for future projects.

Candidates that have a positive talent experience are more likely to refer others to the business, a surefire way to continue building the overall talent pipeline. These "brand ambassadors" are also much more likely to feel welcome reengaging on future projects and initiatives (especially in uncertain economic times like today). It cannot be stressed enough that candidates and workers will remember their overall experience and pass along these (hopefully positive) perceptions to others in their social and business networks.

Ardent Partners' research has shown that direct sourcing and talent pools have an incredible link to work optimization, as 65% of businesses believe that these strategies will transform how work is done.

Businesses with strong brand recognition from talent and work perspectives are attractive to both active and passive candidates. Enterprises that leverage consistent and standardized direct sourcing processes, including talent pool communication, will benefit from the overall levels of quality and engagement of candidates.

Direct Sourcing in the Pandemic Age: Uncertainty and Unprecedented Workforce Transformation

Going into 2020, direct sourcing was a major strategy for businesses seeking to enhance how work is addressed and how talent is engaged and sourced.

When the COVID-19 pandemic hit in early 2020, it caused unprecedented disruptions to global supply chains, economic health and activity, and the global workforce.

Many businesses were forced to furlough or layoff scores of workers while dealing with sharp revenue declines that have since created financial stress. At the same time, many of those organizations hit "pause" on the hiring plans that were slated for 2020.

65%
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Whether or not the global economy rebounds quickly, the hiring of traditional full-time workers will lag the recovery as many businesses will move conservatively to first re-hire those that were cut before starting new initiatives. Given the general uncertainty regarding outbreaks and spikes in confirmed coronavirus cases across different countries and regions of the world, hiring will assuredly be affected for the remainder of 2020 and deep into 2021.

Businesses that have been impacted by the pandemic, however, can still harness the power of direct sourcing and experience its benefits by:

- **Ensuring that recent furloughed or laid off workers are invited to enterprise talent pools**. "Known" talent, even during economic uncertainty, can deepen the organization's talent pools. Workers that were unfortunately cut in the midst of these challenging times may have the opportunity to return on a contract or freelance basis, and, when business financial health has improved, can be offered a full-time position without much focus on training or onboarding. Enterprises that enact this communication, however, may want to segment furloughed/laid-off workers in unique talent pools based on their knowledge of the organization and alignment of skillsets and expertise.

- **Focusing on the candidate journey**. Just because hiring has been paused does not mean direct sourcing processes come to a standstill. Business leaders should take this opportunity to prepare for an economic rebound; an ideal first step is to execute consistent communication between the organization and the workers within its talent pools, especially with a much larger group of unemployed candidates. Even weekly touchpoints (such as "check-ins" and reminders) can go a long way towards strengthening the relationship between these workers and the greater business. In this case, without open positions available, companies can focus on cultivating the talent pipeline and establishing longer-term candidate relationships.

- **Executing "nurture"-based strategies so that when there are open positions and roles, workers that have been engaged over these months will be incredibly more receptive**. The Future of Work has become more "human" in nature due to enterprise needs for flexibility and agility to ensure that non-technological aspects like diversity, business culture, and the talent experience are paramount. Candidates will ultimately recall that their respective "clients" were engaged in consistent follow-ups, status checks, and communication during this downturn. When it comes time to ramp up hiring again, workers with positive experiences will be first in line to return.

- **Harnessing direct sourcing and talent pools to support long-term (i.e. 2021) hiring strategies**. Direct sourcing must be considered both a longer-term strategy and a short-term solution for hiring woes (especially in today's business climate). Even though hiring may be momentarily paused, these challenging times will pass. It is never too late to begin forecasting the need for talent in 2021 and kickstart talent pool development today. Building a talent pipeline right now can pay incredible dividends in a rosier tomorrow.

Conversely, enterprises in those industries that have seen uncharacteristic growth in revenue, hiring, and commercial opportunities during these unprecedented times, as well as those expected to bounce back quickly, must harness the strengths of direct sourcing to (1) quickly hire workers without days-long skills vetting (2) automate pieces of onboarding and screening (due to a lack of physical office presence) to improve time-to-productivity, and (3) execute faster requirements-to-skills matching for superior alignment between projects and candidates.

Building the Direct Sourcing Program, Part I: The Blueprint

A direct sourcing strategy requires an effective mix of technology, innovative thinking, and the transformation of business culture. A dedication to rethinking how talent acquisition can work is a major factor in the program's ultimate success, as well. The following steps should be considered a "blueprint" for how to design a direct sourcing program:

Understand the proper balance of traditional and non-employee workers within a bigger skills-oriented "audit." Talent pool curation will not be effective if the business leaders do not understand their total workforce needs. For example, some enterprises in less complex verticals may not need an expansive bench of skills, while others may be evolving so rapidly that a deep talent pipeline is a necessity to thrive. A deep-dive audit into available skills, and, to a greater extent, how those skills are spread across both traditional and non-FTE workers, will help pave this crucial understanding.

Utilize total workforce management strategies, such as procurement and HR convergence. The fundamental principles of total workforce management include integrated procurement and HR competencies and systems, prioritization of visibility into the total talent pool (FTEs, contingent workers, gig workers, freelancers, independent contractors, professional services, etc.), and streamlined and standardized means for engaging and acquiring all types of talent. Many of these strategies and capabilities, particularly procurement and HR convergence, can ensure that a direct sourcing program marries the fundamental principles of contingent workforce management with the rigor of traditional recruitment.

For talent pool development, start small, then map out segmentation initiatives. Many enterprise-size talent pools are segmented dozens of times over, specifically sector based on job type, functional area, region, or skillset. Immature direct sourcing programs do not need that level of granularity right away but should rather focus on a more generalized approach towards talent pool curation. Start with a simpler initiative that begins to outline which candidates to target, how to integrate both active and passive candidates, what the makeup of the pools should look like, etc. Segmentation is critical, although only if talent pool curation is a well-oiled machine.

Focus on brand, culture, and other crucial attributes. The theory of "client of choice" has permeated in the world of independent talent, with top-tier freelancers and workers viewing positive talent experiences as markers of strong relationships with enterprises leveraging their expertise or services. "Clients of choice," aka chosen and trusted employers, are afforded the ability to re-engage top-shelf and highly-skilled candidates as they see fit ("agile talent"). This is specifically why enterprise culture and the perception of the company brand is so critical; business mission, shared values, and cultural attitudes are all significant factors in how engaged workers are with the greater organization.

Ensure the direct sourcing pipeline is connected to all recruitment streams. Talent pools may be deep and the talent pipeline may be full, however, if these candidates are not integrated in enterprise recruitment streams, all is for naught. Talent is and was curated for one main reason: to be available to the hiring managers, functional leaders, and key stakeholders across the organization that require top-tier skillsets and expertise. Whether talent pools are reflected in ATS platforms, VMS solutions, talent acquisition systems, or other channels, the hardline point is that these candidates can have an incredible impact on key projects and initiatives…thus, they need to be reflected in all enterprise recruitment streams.
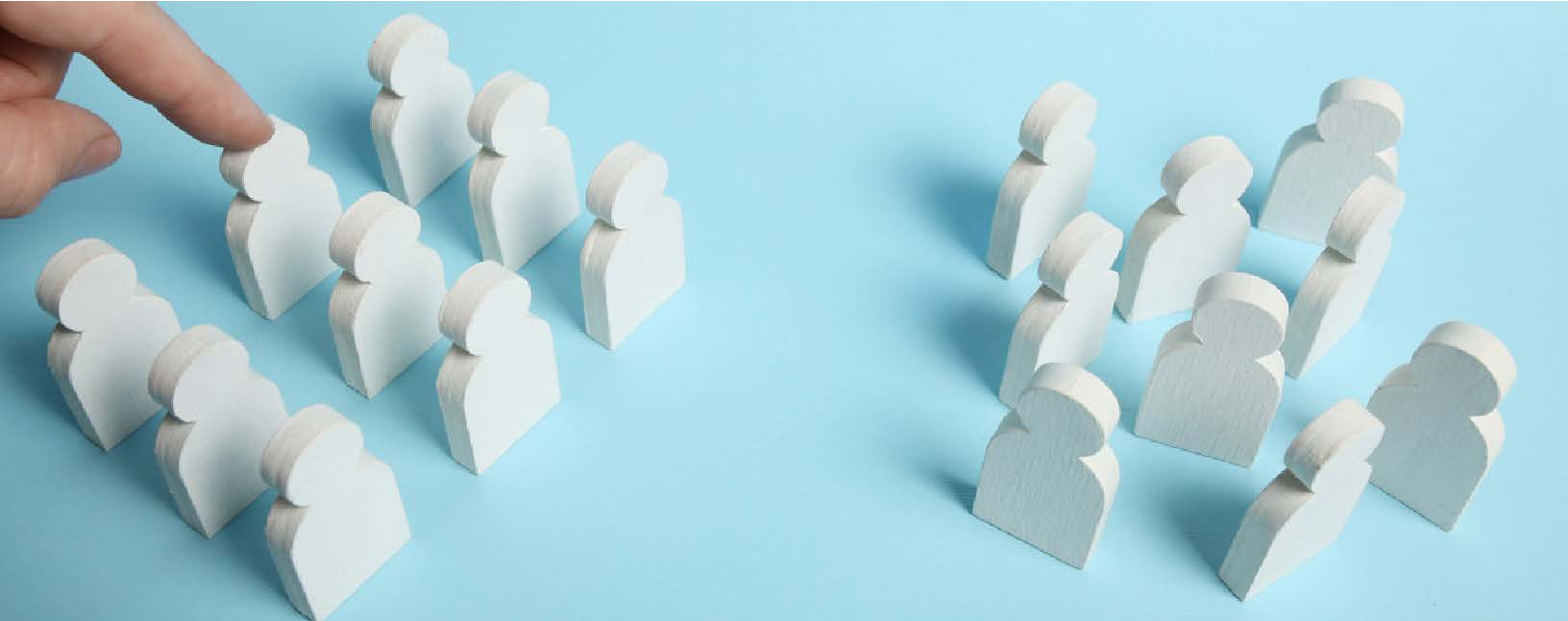
Building the Direct Sourcing Program, Part II: The Solutions

Many pieces of the direct sourcing program fall under human-led initiatives, especially the "reimagining" of how the greater organization identifies, engages, and sources the talent for its key positions and roles.

However, the inherent power of today's contingent workforce, human capital, and digital staffing solutions provides enterprises with the ability to automate crucial aspects of talent pool development and integrate these sources into the business' broader talent acquisition processes.

Managed Service Provider (MSP) solutions have come a long way since their initial breakout decades ago and are now assisting clients with managing day-to-day contingent workforce management operations while delivering added, white-glove services-oriented value.

Many of today's leading MSP providers offer full direct sourcing services, helping CWM program leaders (and HR/talent acquisition executives) build targeted enterprise talent pools and position the organization's direct sourcing "users" with the knowledge to effectively channel these candidates into greater talent acquisition strategies and processes.

Vendor Management System (VMS) platforms have evolved in alignment with the world of talent and work over the past decade, offering users progressive value via automated control over requisition management, services procurement, statement-of-work (SOW) management, and several other talent-related attributes.

Leading VMS solutions have integrated talent pool curation and development into their core suites, with candidates from talent pools directly linked as worker options when new requisitions are created (expanding a user's total network of talent). Many core VMS tenets, including standardized invoicing and billing, are typically wrapped into direct sourcing offerings.

Most VMSs also offer direct integration with digital staffing solutions, which can enhance talent pool functionality and open wider nets of top-tier candidates.

Digital and on-demand staffing solutions (including providers with Freelancer Management System (FMS) functionality) can offer much more than ready-to-engage, global networks of available talent. Those digital staffing providers that bear some semblance to the FMS archetype often have talent pool curation functionality as a

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core offering, helping users scour their vast networks (social media, alumni, silver medalists, past freelancers or contingent workers, etc.) and place candidates into targeted talent pools. These solutions also enable ready-to-engage offerings that allow their users to tap into these candidates in real-time. Some digital staffing solutions are built on recruitment-oriented platforms that enable users to white-label talent portals and integrate these candidates into other core workforce management systems (like VMS, ATS, HRIS, etc.).

Building the Direct Sourcing Program, Part III:
The Lessons Learned

In addition to research, data, and years of staffing and contingent workforce insights, Ardent Partners held discussions with several procurement and HR leaders of direct sourcing programs of varied sizes and maturity. The below section includes their experiences and some "lessons learned."

Direct sourcing has many distinct advantages that have been highlighted in this report. Businesses that have robust pipelines of talent within their talent pools can be agile and dynamic in how they react to major market shifts. Given the state of the business world and the uncertainty that is actively forcing enterprises to reevaluate how they identify and engage talent, direct sourcing is reinforcing the idea that the candidate journey, the talent experience, and, of course, the impact of the talent itself, are all critical aspects of the evolution of talent acquisition. However, businesses that have built direct sourcing programs can certainly attest to specific "lessons learned" that have helped guide them to the success that they enjoy today.

"We found that we really needed a talent curator for the [direct sourcing] program to work," a contingent workforce management program executive at a Fortune 100 enterprise said. "Talent curation has been the key." This is the crucial

"The technology [for direct sourcing] had to be there for us," said a Fortune 100 HR executive. *"Without that level of sophistication, it might not have gotten off the ground. And, over time, the technology evolved to assist us even more: the matching algorithms became much deeper and vastly improved the overall quality [of talent]."*

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reason why all direct sourcing initiatives must prioritize talent pool curation and development in its initial stages, as building these channels of workers can take time, effort, and resources across several functions, namely procurement, HR, and talent acquisition. "We really believe it is the future," the CWM executive added.

Pertinent to the technology aspects of building a direct sourcing program, another Fortune 100 executive stated that the proper mix of technology and services was the linchpin to pushing the initiative from its initial stages to actively leveraged across the entire enterprise. "The technology had to be there for us," the executive said. "Without that level of sophistication, it might not have gotten off the ground. And, over time, the technology evolved to assist us even more: the matching algorithms became much deeper and better and vastly improved the overall quality [of talent]."

This additional best practice is a common one across Best-in-Class direct sourcing programs, which frequently have a "core" system in place for handling requisitions and job postings (i.e. VMS or ATS), a peripheral solution to assist with talent curation and branded portals (such as digital staffing platform), and/or, in some cases, a fully-outsourced service, like an MSP, that can serve as a de-facto curator of talent.

As discussed earlier in this report, "nurturing" candidates in talent pools is becoming even more critical in the face of today's economic uncertainty and its ramifications on staffing. A CWM program manager said, "We continue to reach out to the talent in our talent pools. We believe we should be nurturing them, telling them what's going on, and keeping them interested in what we are doing as a company."

Another crucial lesson learned is how to effectively realize the hard advantages of a direct sourcing initiative. A human capital executive at a large, North American financial services firm stated that

it is imperative to actually measure the savings gained from direct sourcing. "I'm always asking, 'How much money are we saving?' The trick is for us to actually realize those savings and communicate to others how effective we're performing in that regard."

One of the many pitfalls of the typical direct sourcing program can be linked to an initially low rate of overall talent that is engaged via this program, especially in the early months of the initiative. "Low [direct sourcing] numbers are normal," the human capital executive said. "In time, as the culture around talent acquisition begins to change, and, as more hiring managers realize just how quickly they can find candidates via talent pools, the overall number will steadily rise."

Conclusion: The Age of Direct Sourcing

When it comes to talent, businesses in 2020 are at a critical inflection point. More than ever before, access to top-tier talent is what sets leading organizations apart in an age of globalization and innovation, amidst a backdrop of wild uncertainty and truly unprecedented times. Businesses that have access to a dynamic workforce are the ones that are not only surviving these uncharted corporate waters, but are also building momentum to thrive in the remaining months of the disruptive year that is 2020.

As these issues converge over the course of the next several months and well into 2021, it is incredibly clear that a high-powered strategy like direct sourcing can assist an organization in achieving a level of agility within its workforce, as well as drive value across recruitment processes via improvements in both cost and speed.

The tools, both technological and strategic, that businesses leverage to build their direct sourcing programs will determine the depth and impact of talent pool initiatives and their overall impact on operations. In what appears to be an unprecedented time in which every dollar and minute is scrutinized, direct sourcing can help businesses thrive. In addition, business leaders will discover that direct sourcing can assist them in strengthening relationships with top-tier talent through consistent nurture-led communication strategies. Both of these attributes will ultimately help aid the overall corporate culture by instilling a loyal, trusted workforce that can more elegantly ramp up or down based upon current market conditions, while also reaffirming the enterprise's overall plans and vision. While successful direct sourcing programs reduce talent acquisition friction and costs in the short-term, as businesses continue to devote resources to it, they will find these programs can also transform how work is done.

SUMMARY: Direct sourcing is primed to become a revolutionary means of tapping into highly-skilled, on-demand talent in the face of global uncertainty and business disruption. As businesses strive to reduce hard recruitment costs and build an agile workforce, direct sourcing will quickly become a primary channel for organizations to facilitate deeper alignments between available talent and work that needs to be done.

About the Author:
CHRISTOPHER J. DWYER, VICE PRESIDENT OF RESEARCH, ARDENT PARTNERS

For the past 15 years, Christopher J. Dwyer has been the industry's preeminent contingent workforce management (CWM) analyst and an early Future of Work evangelist. His research focuses on the application of innovative workforce and technology strategies that help businesses around the world optimize how work is done. Dwyer is the author of hundreds of research studies and briefs related to CWM, talent acquisition, human resources, and supply management, and the underlying technologies that enterprises can utilize to improve how talent is engaged and managed. This research has enabled thousands of organizations make smarter technology investment decisions related to their talent and workforce needs.

As the Vice President of Research at Ardent Partners, Dwyer oversees all research programs related to talent and workforce management. His research and consulting in the digital and on-demand staffing space have helped revolutionize how businesses source talent and labor.

Dwyer is the also voice behind _Contingent Workforce Weekly_, the industry's first podcast dedicated to the contingent workforce industry. Now in its fourth season, the podcast is one of the top Future of Work-oriented shows across all major podcast platforms.

Dwyer has been quoted/featured in _USA Today_, _Staffing.com_, _The Christian Science Monitor_, _Forbes_, _CNBC_, _The Recruitment Innovation Exchange_, and other major business publications. He has been honored multiple times by _HRO Today_ (2013, 2014, 2015, and 2016) as an "Analyst and Advisor Superstar" and was twice recognized as a "Pro to Know" by _Supply and Demand Chain Executive Magazine_ (in 2014 and 2019). And, in 2018, he was named as a "Top 100 Future of Recruitment Influencer" by Onalytica. He welcomes your comments at cdwyer@ardentpartners.com. Connect with Dwyer on LinkedIn and follow him on Twitter (@CJD_Ardent).

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