

Talking Business

with PETER SWITZER



January 2008

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Liam Ovenden

is the Managing Director of RPO Group, a company that is leading the way in creating a new era of recruitment in Australia, resulting in filling roles faster, cheaper and with a wider choice of candidates for managers to choose from. Liam shows how a fresh approach to recruitment will render external recruitment firms obsolete.

www.rpogroup.com.au

PS My next guest on *Talking Business* is Liam Ovenden who is the Managing Director of RPO Group. A recruitment company, RPO Group is attempting to create a new era in recruitment. Liam himself is passionate about revolutionising the way organisations are tracked and nurture talent in Australia in what is being touted as the decade of the employee. In order to achieve this aim he's refined a business model that revamps a company's entire recruitment process to consistently fill roles faster, cheaper and with a wider choice of candidates for managers to choose from.

Thanks for joining us on *Talking Business*, Liam.

LO Thanks, Peter.

PS Alright mate, you said to me you're not a traditional recruitment company, so what are you exactly then?

LO Well look, we're a recruitment company but not as people know us. I guess recruitment agencies will source candidates and sell them obviously too you and you'll pay the fee and on you go. Our firm creates staffing functions within companies, so we create a little centre of excellence — that's all we do — inside a company and they get paid for it but they don't have to own it.

PS Okay. So imagine someone has looked at your business and said, "okay, we'll give these guys a go. I need a couple of accountants". That's a tough challenge, isn't it? Show us how you're going to do that.

LO Look, if they actually wanted a couple of accountants it probably wouldn't be down our alley, so you go to a recruitment firm. But if you said, "we hire 60 people a year or we hire 700 people a year..."

PS Like a hotel?

LO Exactly, absolutely. You would come to us and say, "look, we're having trouble get a hold of people and keeping them, now what can you do?" So that's when we'd go in

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there and have a look at the way you're currently recruiting. We'd look at your competitors, where do you need to get your candidates from and, as I said, from start to finish we'd look to revamp the whole process – what's your selling points, how do we create a brand out there in a market that employees want to come to. Then, where are we going to find them, how are we going to get them in, how do we select them so they don't turn over, how do we induct them so they have a good experience. So we take it the whole way through, and then how do we redeploy them when they want to move throughout the organisation.

PS Okay. Now if I was the person paying for this service, and it sounds like a great service mate, I'd say "look, will you do the first one for me and get the people in to show me how it works in the hands of experts?" Do you do that as well?

LO Yeah, pretty much. Quite often it's a pilot so someone will say, "look, we know we've got 20 roles right now. We've got a big backlog, 20/30 roles. Can you come and do that?" So we'll actually put the whole service in from start to finish for that 20 or 30 roles, give you a feel for it, and typically then it goes on, yes.

PS Okay. So where did the idea come from to do it this way rather than the old ring up the recruiter and send a few people out and pay the money if they're any good?

LO Look, I've been in recruitment for years and years and owned a traditional recruitment firm previously and I guess sitting in there you're quite aware of the fact that you have a lot of knowledge that you don't really want to share with the client because it's really not in your interest to tell the client how to do all of this sort of stuff. Then we saw a trend coming up from overseas in the United States for this — outsourcing recruitment to people who weren't recruitment agencies — and I guess I sort of thought the writing's on the wall, it will come here, better to get on board and offer this service first. And really, that was I guess the genesis of it but we've refined it and we've got a lot better at it over time. You just start to get passionate about your individual client —

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winning that war within that industry for the talent.

PS And so in a sense it's a natural development from the DIY thing, isn't it? Do-it-yourself in a sense but get some expert to actually show you how to do it right?

LO Well, I thought in the old days you either went to a recruitment firm or you said "oh look, blow this, we're not happy with the service, we'll try and create our own recruitment function. It can't be that difficult." So what this is doing is getting the experts in — that's all we do, we live and breathe it — to come inside and act in your corner like your own internal recruitment function would but you've got the commercial imperative of a business that specialises in this and if we're not good at it, we're gone.

PS Okay, and so how do you get your recurring revenue if you teach someone to do it really well and they don't need you anymore?

LO Yeah look, I guess I mentioned before that we have developed our thoughts over time and really where we've developed is we're happy to come in, embed a process, 18 months to two years later it can get to the point where the company knows how to recruit now. But we want to get it to the point where further up the value chain they just rely on us and how we do it and our passion for it, and because we do it so much better they say, "look, we could do it ourselves now but we just love these guys, we want them here."

PS And ultimately a lot of businesses are time poor. They don't really want to do it. All they want to do is get the employee in and if they have to pay the 10 or 13 thousand to a recruiter, they can compare the cost involved in getting you guys involved. What are the comparative costs?

LO Well look, I'll give you a specific case. I can't mentioned the name of the client — well, I could if you look on our website but I won't do it here in case they're sensitive to it — but you know, cutting out 30, 40 percent of the total recruitment spend is very achievable and very common for someone who does use agencies a lot. So typically we'll still use agencies — they're a

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good part of the overall mix — but it's not the only way we do it. We're doing a lot of direct hiring, going through the internet, all of the referral programs — the Linked Ins, Facebooks, things like that — doing our own advertising, internal referrals. A lot of ways you can get candidates in other than just by an agency so that's really where the cost savings come in, but the fact that you're giving us either your whole recruitment or a particular department saying, "just do everything there," it allows us to manage that cost.

PS We're talking to Liam Ovenden from RPO Group. I guess even if you get a recruiter looking for the right candidate you still can make lots of mistakes in accepting that candidate as being right, so do you help employers understand the best ways of getting an idea of whether the employee is a nutcase or not?

LO Yeah look, you've got to think about we're in the business, we're feeling the pain. So one of our clients, within 6 months we got their turnover down from 55 percent — which was absolutely crippling them — to under 20 percent, and our aim is to get it by the end of this 12 months to 15 percent annualised. That was all about selecting. So what I would say is when I'm talking about "we'll show the process, we'll embed it and we want to have the client really relying on us there" it's because we just take it through to end game. If your result is you want turnover down, whatever we need to do to make that happen we will and that's going to be selecting better, inducting better, giving them a better experience in the first 12 months when they're most likely to turn around and leave and making sure they can get redeployed through the organisation when they have itchy feet again.

PS Can you share with us maybe one innovative technique that you use to actually try to find the good candidate?

LO God, there's so many. I guess the people in our businesses is where all the ideas come from and they come together once a month around the lunch table and they dial in from their locations and share all their stories. But I would probably say I think Linked In is a great one. It was

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innovative a few months back. Now we've actually placed so many people that way but when we placed that first person through that, it's a great little networking tool. I don't know if you're on it or not but getting our first person through that Linked In network – this was a big manager role for a telco. So they're one of our clients, a telco. This role's come up maybe every third, so we have no one. We don't pipeline head for this. No one on our database inside that business that is going to fill that role so we did put it out to agencies, we did go and do some searching on databases ourselves, but then Linked In actually gave us two perfect candidates. That was our shortlist from all the other sources we used and we hired one that way. I love that story because the hiring manager was expecting to be six, seven, eight months looking for this and we got it filled within two months and it cost us zero.

PS So if people want to look at what you guys are doing, does your website give us a good idea?

LO It does. It's rpogroup.com.au

PS Fantastic, mate. Well, thanks for joining us on *Talking Business*.

LO Okay. Thanks, Peter.