

# Drug Development Leader Achieves Recruiting Efficiencies through RPO

FLEXIBILITY, SCALABILITY, AND AFFORDABILITY ARE KEY BENEFITS FOR COVANCE'S OUTSOURCING PROGRAM. IN A BUSINESS THAT EXPERIENCES SIGNIFICANT HIRING FLUCTUATIONS, DRUG DEVELOPER FINDS LEVERAGING THE RPO PROVIDER'S EXPERTISE A PRESCRIPTION FOR ITS HIRING PAINS.

BY RAUL VALENTIN, VICE PRESIDENT OF GLOBAL RECRUITING AND TALENT SERVICES, COVANCE

As vice president of global recruiting and talent services for Covance—the largest supplier of drug development services to the



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pharmaceutical and biotech industries with operations in 20 countries and two-thirds of our workforce in the U.S.—I have responsibilities for ensuring that my organization is staffed with the most capable and talented employees. As anyone in my position and industry can

appreciate, competition for the best talent is fierce. And in a growing business, such as ours, retention and acquisition of additional talent is critical in maintaining our position as a global leader in the marketplace.

In response to Covance's business success and the growing importance of recruitment to our business strategy, we centralized staffing in January 2004. Our centralized model provides the local support needed for our various businesses throughout the world as well as capitalizes on the efficiencies of sharing resources and recruitment expertise.

To ensure centralized staffing met the needs across all business units, it was necessary to create a strategy that could handle the peaks and valleys of hiring as well as adapt to various positions and cultures that exist. In some units, predicting peaks and valleys is extraordinarily difficult because of the service demands of our customers.

In one of our larger revenue-generating businesses, hiring needs can fluctuate from

near-zero new hires to 200 in a matter of days. Historically, this was an area where the majority of hires came from contingency agencies, which contributed to high recruitment costs. Staffing a centralized recruitment department in a way that enables rapid response or redeployment of staff to effectively address such extreme fluctuations in hiring needs would be difficult for us to achieve on our own.

To effectively handle business units with wide fluctuations in hiring needs, we integrated **The WorkPlace Group, Inc. (WPG)** into our centralized staffing model. This recruitment process outsourcing company has provided services since 1997.

Currently, WPG is responsible for the hiring needs of Covance's Clinical Development Services and corporate business units. In addition, it provides supplemental assistance to other units during hiring peaks. The outsourcing model includes dedicated managers and lead recruiters supported by a scalable team of additional recruiters, sourcers, assessors, and support staff. WPG handles all talent acquisition, assessment, and hiring process management responsibilities, including on-site recruitment management for business units dispersed across the U.S., Canada, and Argentina.

Integrating an RPO strategy into our centralized recruitment model gave us the flexibility and scalability we needed to handle rapidly changing hiring needs. In addition, it standardized and streamlined processes. The gains in efficiency and effectiveness have been remarkable and noted by our business unit leaders and corporate officers.

However, ensuring that the relationship worked took time. Our internal clients as well as my own staff needed to learn to work with

in mutually established processes and become comfortable with treating WPG as a true part of our Covance team. To create this partnership, WPG participates in staffing meetings and is an active participant on task forces and recruitment initiatives that cut across centralized recruitment functions. Creating transparency for the provider offers competitive intelligence and information sharing that leads to strong results.

Across Covance, our centralized RPO strategy has reduced hiring costs, decreased time-to-hire, strengthened our employment brand, and increased satisfaction scores.

For example, in 2004, the number of Covance hires doubled, but costs decreased 10 percent, and time to hire fell 15 percent. In 2005, we achieved at least \$3 million in savings for our Clinical Development Services business with one of every 1.5 candidates interviewed receiving a job offer and 94.3 percent of new hires in good standing at year-end. For the first quarter of 2006, hiring costs are even lower than in 2005. In addition, agency hires within a distinct job family have fallen from a 2004 high of 49 percent to 3.5 percent.

As a leading drug development services company, Covance competes for talent with life science companies as well as other providers of drug development services. In many cases, our competitors are in the same geographical areas and corporate parks as we are.

With our aggressive growth plans that include becoming a \$2 billion company by 2010, attracting, retaining, and rewarding the best and brightest people are essential to our future success. Our centralized RPO recruitment strategy is one of many initiatives we have put in place to help us achieve our goals. **HRM**