

Deploy the power of your own
brand to access the best talent

The Ultimate Guide to Direct Sourcing

Explore



CXC Work Right.



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Introduction

Hiring and engaging contractors offers significant advantages for any growing business, such as cost savings, enhanced flexibility, and the ability to adapt quickly to market changes.

Because of these advantages, organisations are intensifying their talent acquisition efforts to attract highly skilled professionals. However, this can be challenging, especially in the face of fierce competition in the job market.

To navigate these challenges, modern companies are adopting various recruitment approaches, like direct sourcing, as a means to move beyond traditional reliance on staffing agencies.

While direct sourcing allows you to leverage your own brand, this doesn't mean you have to do it alone. You can partner with a reputable workforce solution provider, such as CXC, to help you use your brand to attract and source the best talent out there.

In this eBook, we provide everything you need to know about direct sourcing. We share insights on the common misconceptions about this approach and how you can implement it to gain a competitive edge.



What is direct sourcing?

Direct sourcing is a strategic approach in which your organisation uses its own brand to attract and build a pool of contingent talent. This method enables you to quickly mobilise pre-vetted professionals tailored to meet specific project needs.

With direct sourcing, an internal or known talent pool and an external or unknown talent pool typically make up your talent pool.

Internal or known talent pool

Professionals who have previously engaged with your company, such as previous workers, contractors, freelancers, referrals, runner-up applicants from past job searches.

External or unknown talent pool

Potential candidates sourced through staffing suppliers, talent marketplaces, and freelance management systems.

Passive candidates and targeted with an invitation to join your contingent talent network



Benefits of direct sourcing



Cost-efficiency

Eliminate intermediary costs and reduce per-hire expenses by engaging in a direct relationship with candidates, including past employees and applicants, further reducing HR overheads through standardised sourcing processes.



Enhanced brand management

Maintain full control over your brand's representation in recruitment, building an employer brand that attracts top contingent talent directly, aligning with your values and mission.



Builds pipelines for future needs

Proactively fill your talent pipeline through direct sourcing, ensuring you have immediate access to the necessary skills and resources, forecasting and adapting to future changes.



Decreased time to fill

Tap into a ready-built network of engaged talent, cutting down recruitment timelines significantly while streamlining compliance and preparation processes for seamless integration of new hires.



Access to a private pool of independent talent

Grants exclusive access to a vetted pool of candidates engaged with your brand, eliminating competition and the need to sift through unqualified applicants.



Smoother onboarding

Having a pool of talent already familiar with your brand enables quicker integration and productivity from day one.

How do I know if direct sourcing is right for my organisation?

Direct sourcing is just one method you can use to bring in temporary talent; it's important to consider if it's the right fit for your business. Typically, companies combine direct sourcing with other recruitment approaches, depending on the specific role or project needs.

Direct sourcing could be particularly beneficial for your organisation if:

- ✓ You need to hire a large volume of contractors, quickly
- ✓ You're hiring for a lot of roles that require similar skill sets
- ✓ You're hiring for a lot of roles in a single location
- ✓ Your workforce needs change frequently and you need flexibility
- ✓ You want to protect and enhance your employer brand
- ✓ You're looking to reduce your spending on recruitment agencies
- ✓ You need to improve your contractor experience



*Curious if direct sourcing could boost your hiring efficiency?
Discover the benefits and see if it's the right fit for your business in
our recent article!*

Read now!



Myths behind direct sourcing

Myth | Direct sourcing is too time-consuming for our organisation

The perception that direct sourcing requires considerable time investment from employers can deter some employers from leveraging its advantages. However, today's advanced technology can highly automate direct sourcing, enabling you to quickly and compliantly access a curated pool of pre-vetted talent.



What can you do?

Leverage technology platforms for your direct sourcing efforts to streamline recruitment processes and efficiently manage your talent pipeline, reducing time-to-hire. Automation couple with strategic planning can transform your direct sourcing into a time-efficient solution.

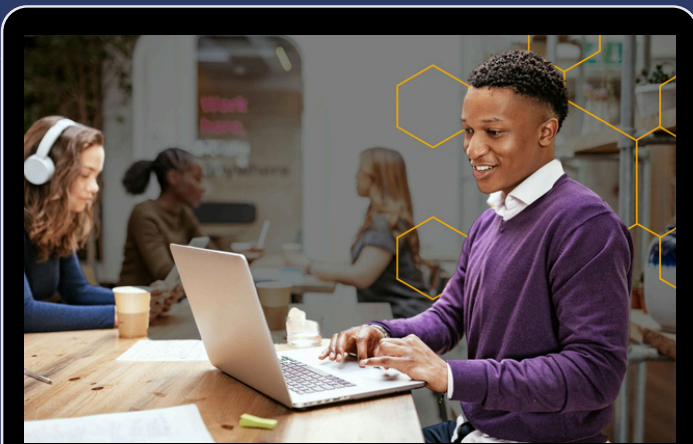


Myth | Direct sourcing can't attract quality talent

There's a misconception that quality talent is exclusive to traditional recruitment channels. The truth is, direct sourcing, when executed effectively, attracts skilled professionals by offering them a closer connection and engagement with your brand.

What can you do?

Create a compelling value proposition and brand messaging tailored to your ideal candidates. Promoting a strong employer brand while fostering positive candidate experiences can help you stand out from the crowd and attract highly skilled professionals.



Unlock global talent with contingent workforce solutions! Learn how to expand your hiring reach in this insightful article.

[Read now!](#)



Myth | Direct sourcing is only suitable for larger organisations

Some believe that only large companies have the resources to implement direct sourcing strategies. Small to medium-sized businesses (SMEs) can also benefit from this approach due to its scalability and adaptability.

What can you do?

Start with a focused, manageable direct sourcing program that scales in alignment with your growth. Strategic partnerships with direct sourcing platforms can provide SMEs with the necessary tools and expertise to make this initiative successful.



Myth | It lacks the personal touch of traditional recruitment

Companies that assume direct sourcing lacks personal touch compared to conventional recruitment methods may not be fully aware of the modern advancements in recruitment practices and technologies.



What can you do?

Implement personalised communication strategies and engagement practices throughout the candidate journey to maintain personal touch while harnessing the efficiency of the direct sourcing approach.

Myth | Direct sourcing is too risky for our organisation

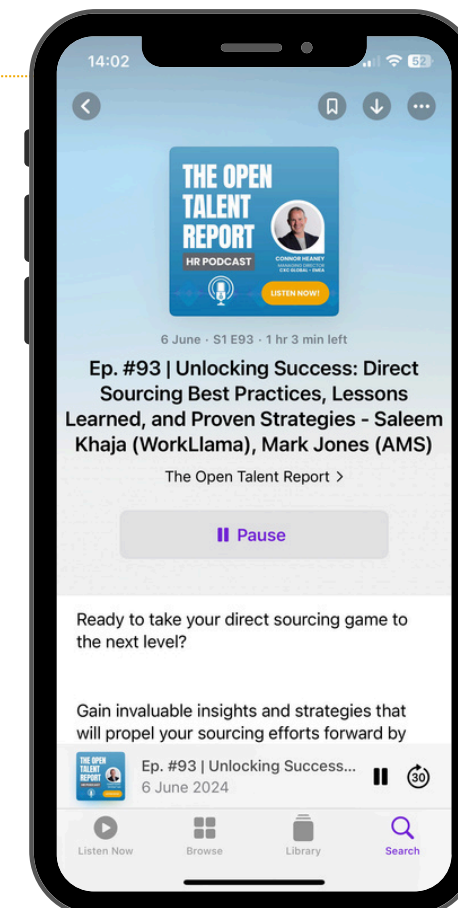
Some organisations hesitate to adopt direct sourcing due to perceived risks such as privacy breaches, discrimination, misclassification and tax breaches. While these are valid concerns, relying on multiple recruitment suppliers, each with their own interpretations of legislation and varied processes, may present an equally challenging set of risks.

Over recent years, numerous instances have emerged where recruitment providers have inadvertently exposed clients to risks of noncompliance, misclassification, and penalties related to labour hire licensing.



What can you do?

You can mitigate all these apprehensions with transparent, defined recruitment processes. If you use reputable talent marketplaces, together with proven payroll and workforce management providers, the risks can be far below that of an inconsistent approach through a number of suppliers.



Check out this episode of The Open Talent Report and unlock the secrets to successful direct sourcing!

Tune in to our this episode with Saleem Khaja from WorkLlama and Mark Jones from AMS for top strategies and key lessons learned.

Listen now!



Direct sourcing versus traditional recruitment

Advantages

Drawbacks

Direct sourcing

Cost efficiency | Reduces the reliance on external agencies, which can significantly lower recruitment costs.

Speed | By maintaining a ready pool of pre-vetted candidates, direct sourcing can notably decrease the time to hire, allowing your business to respond swiftly to market demands.

Control and brand alignment | This method offers greater control over the recruitment process and candidate experience, ensuring that interactions are aligned with your brand's values and culture.

Requires time and effort | Demands a significant investment in time and resources to build a talent pool and develop a strong employer brand.

Limited reach | While it offers a more targeted candidate pool, it reaches fewer potential applicants compared to traditional recruitment. The advantage lies in having a more brand-committed talent pool that can expedite future hiring processes.

Need for workforce planning | For this approach to be effective, you need to invest in workforce planning. While this can pay off overall, it's a lot of work to get started.

Traditional recruitment

Expertise and resources | Recruitment agencies bring specialized knowledge and access to a broader talent pool, which can be particularly beneficial for niche roles or industries.

Risk mitigation | Agencies are typically well-versed in compliance and legal aspects, reducing the risk of costly legal issues for your company.

Time savings for your internal team | When you work with a recruitment company, you effectively outsource all or part of the recruitment process to them. However, it's important to keep in mind that engaging in direct sourcing doesn't necessarily mean going it alone: a direct sourcing partner can help take pressure off your team.

Higher costs | Fees associated with recruitment agencies can be substantial, impacting your budget allocation for talent acquisition.

Less control | Relying on third parties can sometimes result in mismatches due to varying interpretations of your company's needs and culture.

Inconsistent candidate quality | When using recruitment agencies, finding the right person for your team can sometimes be hit or miss. Since these agencies aren't part of your business, they may not fully understand what exactly you're looking for, resulting in inconsistent quality.

What's the best approach?

Leveraging best of both worlds

Choosing between direct sourcing and traditional recruitment often depends on your specific organisational needs, the industry sector, and available resources. If you're looking to enhance control over your hiring process and are prepared to invest in the necessary tools and skills to manage recruitment and compliance internally, direct sourcing can be a highly effective strategy. However, for businesses that require specialised talent or lack the in-house resources to manage extensive recruitment drives, traditional recruitment agencies offer valuable expertise and can relieve a significant administrative burden



*Still confused about direct vs. indirect sourcing?
Dive into our article to understand the differences and find
out which approach suits your business best!*

Read now!



The hybrid approach

While some companies might do well with using direct sourcing method, others might benefit more from traditional recruitment agencies. The truth is, there's no one-size-fits-all answer.

With this, a hybrid approach often makes the most sense. This means using a mix of traditional hiring for some roles and direct sourcing for others, depending on what fits best for your requirements. The hybrid method is a strategic move as it lets you slowly integrate direct sourcing into your hiring strategies. This way, your hiring managers won't be overwhelmed.

If you choose this strategy, it's best to partner with a provider that offers comprehensive workforce solutions. That way, you'll be able to handle the various parts of your workforce without having to deal with numerous middlemen and suppliers.



Embedded solution with CXC

Visibility, compliance, and direct sourcing for Boeing through a global MSP

Across Europe, Boeing, the world's largest aerospace company, and its subsidiaries faced increased contingent worker costs with inflated margins, non-compliant practices, and process inefficiencies. They have no ability to report on contingent worker spend with suppliers negotiating varied margins across various entities. To streamline their recruitment process while remaining compliant, they needed a central supply chain management program to have complete visibility over their contingent workforce spend and mitigate potential risks.

This is where CXC steps in. CXC supported [Boeing with an MSP program](#) across multiple international locations, while implementing a VMS. Over the next five years, the scope and locations of this solution expanded, yielding the following results:

- Successful implementation of procure-to-pay MSP service model across eight international locations, with over 800 contractors under management.
- Streamlined onboarding and background check processes improved the candidate experience.
- All contingent workers are paid on time every time.
- Improved manager experience due to one stop shop and dedicated team for recruitment facilitation.
- Accurate spend data and process efficiencies with simple invoicing process created with one invoice per country.



[Read the full Boeing case study](#)



Building employer brand visibility with direct sourcing for Jeppesen

Jeppesen encountered challenges while rolling out a direct sourcing strategy for their Global Navigation Services (GNS) in Poland. These include managing recruitment across various locations, enhancing manager experience with a simplified process, navigating complex tax and labour laws, and building a strong employer brand in a competitive market.

That's where CXC comes in. After thoroughly understanding Jeppesen's specific needs, CXC crafted a tailor-made direct sourcing strategy for Jeppesen's GNS, leading to remarkable achievements, such as:

- Efficient talent acquisition through an enhanced screening process.
- Full compliance with taxation and local legislation, and increased employer brand visibility in the competitive Polish market.
- Successful implementation of the direct sourcing model, resulting in 95 directly sourced hires, with 75% converted to permanent contracts.
- Efficient invoicing, successful team hiring, and diligent management of contingent workers further demonstrating the value of strategic collaboration.
- Through quarterly executive business reviews, CXC provided data-driven insights, fostering ongoing improvement and program enhancement.
- The client's recruitment process experienced significant improvements, streamlining interactions, and simplifying decision-making, leading to enhanced manager experiences.
- Timely and accurate payments to GNS workers were upheld, ensuring worker satisfaction and compliance with labour laws.

The success of the model led to discussions with other client locations outside Poland to adopt a similar strategy, while solutions for other subsidiaries were already implemented across the EMEA and APAC regions.



[Read the full Jeppesen case study.](#)



How to get started with direct sourcing

Define the scope of your direct sourcing program

- Evaluate the current status of your contingent workforce program
- Define the goals you aim to achieve with direct sourcing
- Determine which roles or job families are most suitable for direct sourcing

Optimise your direct sourcing ecosystem

- Align with partners for direct sourcing technology, curation, and payroll
- Define the role of the contingent program owner, whether internal or managed by an MSP
- Integrate with your Vendor Management System (VMS)

Build and engage talent pools

- Attract and invite identified contingent workers to join your talent community
- Develop talent pipelines focused on key skills and job families
- Provide an exceptional candidate experience to drive high engagement



Create a plan

- Appoint an executive sponsor for the program
- Identify key stakeholders who will drive the change
- Establish project inputs, milestones, and KPIs

Strengthen your talent acquisition with employer branding

- Leverage your employer brand to enhance talent engagement
- Utilise advanced direct sourcing technology to create a branded talent community and optimise sourcing channels



How CXC can help

At CXC, we help businesses like yours find candidates, build talent pools, and ensure their pipelines are always full. Through our range of innovative workforce solutions, we can even help you vet, onboard, manage, and pay those workers once you've found them.

We understand that every business is different, so we work with every one of our clients to develop a unique, bespoke solution that works for them. That means that if you need a mixture of direct and indirect sourcing, we can help.

In short, we'll do everything we can to help you meet your strategic goals through thoughtful, strategic talent acquisition.

[Speak to our team](#)

32 years of
operation

Services to
100+
countries

696
clients with
programs from
30 to 3,000
workers

350
staff across
30+
offices

98% client
retention
rate

99% payroll
accuracy

Direct sourcing made easy

Engaging in direct sourcing doesn't necessarily mean going it alone. A direct sourcing partner like CXC can help take pressure off your team.

At CXC, our direct sourcing solution goes beyond job matching – it's about cultivating a more competitive, flexible, and comprehensive talent environment. We tailor our approach to fit your company's changing needs, so you always have the right people to drive your organisation's success.

Why CXC?

Better strategic partner

By having CXC onsite as one strategic partner, we'll have a clearer understanding of your company culture, processes, functions, and specific role needs for each department, and hiring manager. This helps us find the right fit for your projects. Plus, we'll also have a better understanding of how to maximise and protect your employer brand to engage the best talent in the marketplace.

Cost-effective

We've helped some of our clients cut their costs by up to 40%. Significant savings are realised by replacing your supplier relationships with one strategic partner. You are likely to be paying up to 30% in fees for specific or niche skillsets, but with our approach, you'll also streamline your contingent sourcing and reduce HR costs.



Tech-ready

The right people and processes are essential to delivering a successful direct sourcing program. However, what is equally crucial and has allowed this form of talent management to flourish, is technology. There are a wide range of talent pool and sourcing solutions now available that can provide visibility, not just in one silo, but across your organisation, all captured in analytics and reports.

Faster

In the traditional process, you'd typically engage with several recruitment agencies and wait for them to source, vet, and recommend talent that fits your needs. This can be frustrating when you're trying to fill critical positions. Having immediate access to a wide talent pool can reduce the time to hire by up to 20% and simplify the compliance vetting process.



Thank you for exploring our guide to direct sourcing. At CXC, we're committed to helping you navigate the complexities of talent acquisition with tailored solutions that drive success.

Ready to transform your hiring strategy with direct sourcing? Discover how our expert solutions can streamline your recruitment process and enhance talent management. [Learn more about our direct sourcing services](#) or contact us today to get started!

Speak to our team

