

THE RPO CONSULTANCY WHITE PAPER



The Smart Buyer's Guide to RPO & MSP

How to Choose the Right Recruitment Partner for Your Business Strategy

A practical decision-making guide for
HR and Procurement leaders

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Why This Guide Matters Now

Outsourcing recruitment is one of the most strategic workforce decisions a business can make, yet it's often approached like a simple procurement exercise. Organisations focus on price, big brand names, or claims of "speed and scale," rather than alignment to culture, values, long-term objectives, and practical delivery fit.

Having worked across the RPO, MSP and CWS landscape for nearly 30 years, I've seen what happens when businesses make the wrong choice.

- Frustrated hiring managers with jobs not getting filled
- Ballooning agency spend instead of a reduction in costs
- Implementation delays and general confusion about the process
- Brand damage from poor candidate experience
- Compliance gaps, increasing potential risk
- And ultimately, disengagement from internal stakeholders

But I've also seen how the right outsourced recruitment partner can deliver significant benefits, not just faster hiring and reduced costs, but improved candidate quality, a stronger employer brand, better workforce planning, and real strategic alignment between HR, Procurement, and the wider business.

This guide is designed for decision-makers who are considering their options for outsourcing recruitment, or re-evaluating their current provider. It's written to be practical, clear, and unbiased. You won't find any vendor pitches here. Just real insight, practical frameworks, and commercial clarity to help you make smarter, faster decisions with confidence.

Whether you're leading HR transformation, managing contingent workforce, or looking to optimise your hiring operations, this white paper will help you make outsourcing work for your business, not against it.

I'd love to hear your feedback or to answer any questions you may have.

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Companies of all sizes are navigating one of the most complex labour markets in a generation. Here's what's keeping HR and Procurement teams up at night:



Talent Scarcity & Skills Mismatch

The race for talent has intensified, particularly in specialist, STEM, digital, and tech roles. Legacy hiring models still favour CVs and degrees, while businesses are shifting toward skills-first recruitment.



Compliance & Regulation

Post-Brexit, the regulatory landscape has become more fragmented and high-stakes. IR35, GDPR, and the EU Pay Transparency Directive all demand proactive oversight.



Cost Pressures

Companies are under pressure to reduce agency costs, speed up time-to-fill, and get measurable ROI from talent investment while avoiding risk and turnover.



Technology Fragmentation

Disconnected "Frankensystems" with standalone ATS, onboarding tools, and payroll can create inefficiency and limit workforce visibility.



Remote, Hybrid & Borderless Work

Hiring across regions and meeting generational expectations requires new engagement models, better tech, and more adaptable workforce strategies.



Candidate Experience & Employer Brand

Candidates expect a responsive, transparent, and values-driven recruitment process. Poor experience impacts brand and hiring outcomes

The Business Case for Outsourced Recruitment.

While RPO and MSP models have been around for decades, they've often been seen as the domain of large corporations. That perception is changing, fast. For SMEs and medium sized businesses, outsourced recruitment isn't just about "getting help with hiring." It can help unlock strategic bandwidth, fixing legacy inefficiencies, and creating sustainable hiring models that balance cost, quality, and agility.

Reduced Cost per Hire



RPO and MSP solutions help streamline sourcing, reduce reliance on high-margin recruitment agencies, and drive efficiencies across the hiring lifecycle.

Improved Candidate Experience



Outsourced partners bring structured communications, branded touchpoints, and candidate care, improving NPS and offer acceptance.

Risk & Compliance Management Elevated Employer Brand



Especially with contingent workers, a good MSP helps ensure IR35, GDPR, and local employment law compliance, reducing audit and reputational risk.



Outsourced providers often act as employer brand ambassadors, refining messaging, managing content, and creating consistent market positioning

Faster Time-to-Hire



Process maturity, pooled candidate pipelines, and automation reduce the lag between requisition and onboarding.

Access to Expertise



Instead of relying on generalist recruiters, companies gain access to talent advisors, DEI strategists, workforce planners, and tech implementation support.

The Business Case for Outsourced Recruitment - continued

Scalability & Flexibility



Outsourcing allows businesses to scale hiring efforts up or down based on demand. RPOs can adapt to seasonal hiring spikes, while MSPs manage fluctuating contingent workforce needs

Enhanced Visibility and Analytics



Outsourced providers offer data-driven insights into hiring metrics, workforce costs, and supplier performance, enabling better decision-making

Strategic Workforce Planning



Building engaged talent pools, delivering talent intelligence, and providing contingent workforce forecasting are valuable strategic benefits.

Innovation & Best Practice



SMEs and mid-sized companies can gain access to innovative, market leading tools and best-practice which could otherwise be too costly or too time-consuming to implement.

When Outsourcing Goes Wrong

Of course, outsourcing isn't automatically a silver bullet. Poorly scoped solutions or misaligned providers can cause more problems than they solve:

- *Over-engineered models can increase cost and complexity*
- *Lack of cultural fit leads to internal friction*
- *Slow implementation kills momentum*
- *Inflexible contracts tie up budgets with little ROI*

That's why this guide is focused not just on outsourcing, but on choosing the right partner, at the right time, for the right reasons.

Choosing the Right Type of Provider

When it comes to outsourced recruitment, one size absolutely doesn't fit all. The provider landscape is broad. Each comes with its own delivery model, strengths, and blind spots.

To make a confident, informed decision, you need to understand how these different provider types operate and which one aligns with your goals, culture, and stage of growth.

Global Enterprise RPOs

Large, multinational recruitment outsourcing providers. Typically offer end-to-end RPO / CWS solutions and operate across multiple regions and business units.

Agile Boutique RPOs

Smaller, high-touch providers focused on deep partnership, cultural alignment, and flexibility. Often embedded within the client organisation.

Tech First or Disruptor RPOs

New-wave providers that lead with automation, AI, and digital platforms. Prioritise speed, scale, and self-service capabilities.

Hybrid MSP Providers

Managed Service Providers that combine contingent workforce solutions (temps, contracts, SoW) with permanent hiring or project RPO

Sector Specialist Providers

RPOs or MSPs that focus on a niche sector such as healthcare, life sciences, legal, logistics, or tech, with deep domain expertise.

Project-Based, On Demand, Modular or Augmented RPO

Providers offering short-term, scoped support (e.g., for seasonal peaks, new product launches, or office expansions).

Not all outsourced recruitment providers are created equal. And not all of them are right for your business. Here's a practical breakdown of the main four types you'll encounter and how they stack up depending on your needs.

RPO & MSP Provider Comparison Table

				
Compliance & Risk	✔ Robust policies	⚠ Local knowledge only	✘ Often immature	✔ Good, scalable
Cultural Alignment	⚠ Variable by region	✔ High touch, embedded	✘ Often generic	⚠ Depends on team
Technology Integration	⚠ Legacy platforms	⚠ Varies, manual process	✔ AI/automation strong	✔ Generally strong
Speed to Deploy	✘ Slow onboarding	✔ Typically <6 weeks	✔ Fast rollout	⚠ Varies by scope
Scalability	✔ Excellent	⚠ Limited by size	✔ Easy to scale tech	✔ Built for flex
Cost Flexibility	✘ Fixed, long-term	✔ Modular pricing	✔ Subscription models	⚠ Mixed models
Sector Knowledge	⚠ Broad, not deep	✔ Specialist expertise	✘ Often generalist	⚠ Depends on provider
Hiring Manager Buy-in	⚠ Mixed experience	✔ Personal support	⚠ Limited engagement	⚠ Process-dependent
Best For	Global enterprise	Mid-size, culture-led	Tech firms, scale-ups	Complex contingent mix

✔ Strong / recommended ⚠ Adequate but situational ✘ Weak or often missing

It's important to note that there are plenty of highly successful, capable and proven RPO and MSP providers that fall outside of these four categories.

There's no shortage of misconceptions about RPO and MSP. Some come from outdated experiences, others from providers overpromising or underdelivering.

Here are the most common myths — and the reality behind them.

Outsourcing is only for large companies.

SMEs and mid-sized companies can benefit from numerous, scalable solutions tailored to their needs

“ We'll lose control ”

“ *Good providers increase transparency and involve you more strategically* ”

“ It's one-size-fits-all. ”

“ *Every quality RPO/MSP customises its approach based on client maturity and market* ”

We'll see instant results

Like any system, onboarding takes time. ROI builds over 3–6+ months

It'll lower candidate quality

Process consistency, branding, and insights actually improve quality

“ It replaces our HR team ”

“ *It complements HR, freeing internal teams for strategic work* ”

“ They don't understand our business ”

“ *Best-in-class providers ramp quickly and embed themselves in your team* ”

MSPs just send CVs from a single supplier

MSPs often manage multiple vendors and optimise across your supply chain

It'll increase our security risk

Most reputable providers are ISO-certified and GDPR-compliant

“ We don't need to stay involved ”

“ *Partnership and communication are essential to success* ”

You can use this checklist to evaluate your hiring challenges and organisational goals. Tally your score at the end to see what type of provider is likely the best fit.

1. Strategic Objectives

- We need to reduce time-to-hire and eliminate bottlenecks
- We're planning to expand into new regions or markets
- We want to reduce agency dependency and cost-per-hire
- We're aiming to enhance candidate experience and offer acceptance
- We need internal HR to focus on strategy, not admin tasks

2. Operational Pain Points

- Our hiring manager experience is inconsistent
- We lack visibility over contractor or contingent workers
- Our tech stack is disconnected or hard to scale
- We face IR35, GDPR or pay transparency compliance risks
- We have no data to measure hiring ROI

3. Culture & Collaboration Needs

- We want a partner that will embed with our team
- We expect recruitment to reflect our brand and values
- Our hiring managers want guidance and hands-on support
- Flexibility and responsiveness are important to us

4. Technology & Innovation Goals

- We're interested in automation and AI-powered sourcing
- We want tech to integrate with our own HR systems
- We'd benefit from dashboards, data and real-time insights

What Your Score Suggests

8+ boxes ticked → You likely need a *strategic RPO/MSP partner* with embedded delivery and customisation

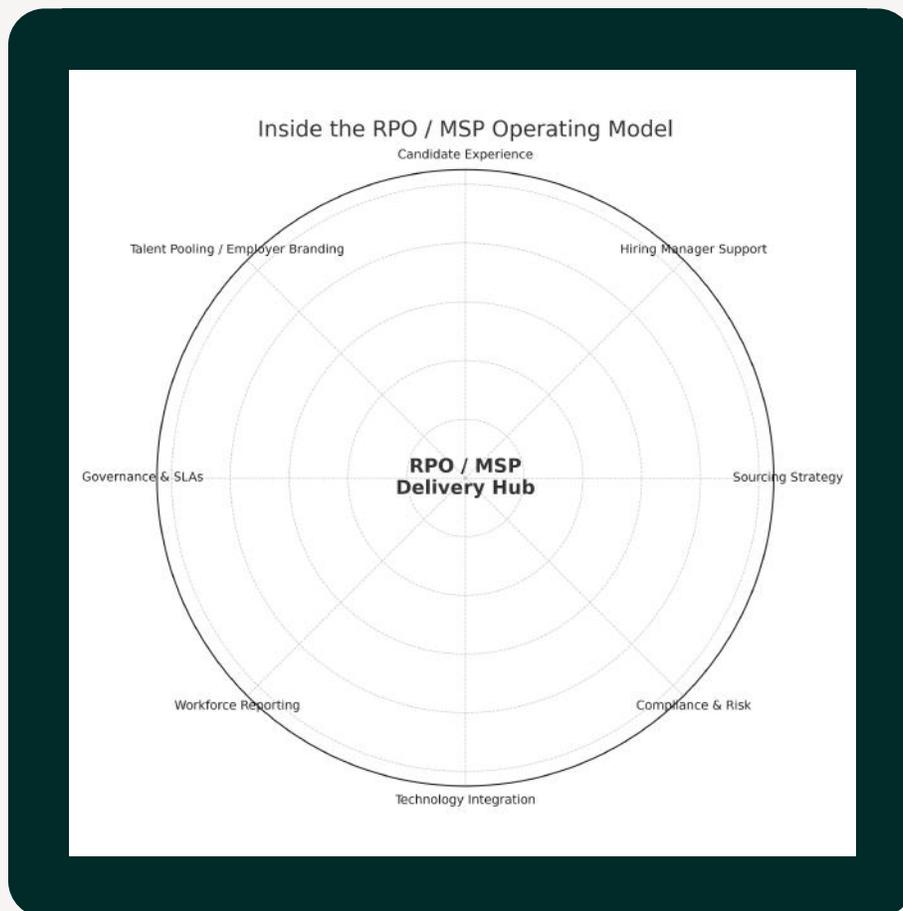
4–7 ticked → A flexible *specialist or boutique provider* could offer the balance you need

0–3 ticked → Consider *project-based or modular outsourcing* (e.g., sourcing only or tech-enabled short-term support)

To many first-time buyers, outsourced recruitment can feel like a black box. Understanding what a high-performing RPO or MSP actually does behind the scenes helps set expectations and identify the right fit.

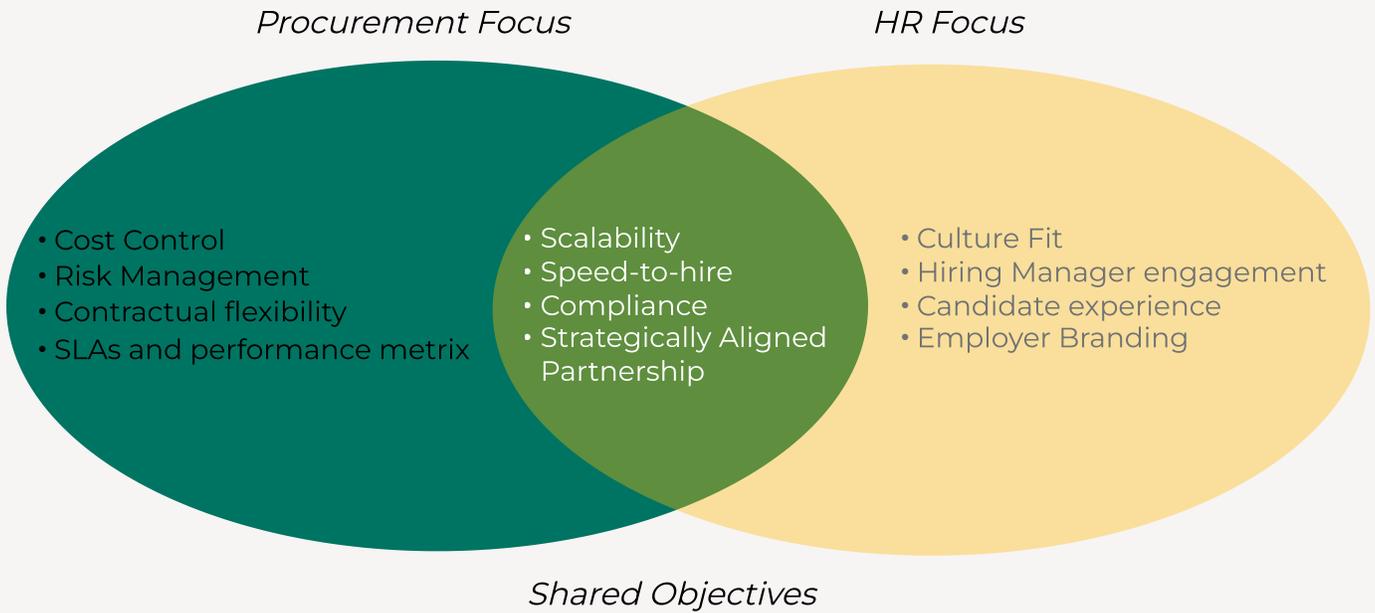
Here’s what you should see from a well-structured provider relationship

Role	What they are responsible for
Account Manager / Director	Strategic point of contact, escalations
Recruiters / Sourcers	Day-to-day delivery and stakeholder engagement
Compliance Lead	IR35, onboarding, and legal assurance
Candidate Manager	Communications, scheduling, NPS
Reporting Analyst	Dashboards, KPIs, workforce insights



Many outsourced recruitment decisions fall short not because of the provider but because HR and Procurement weren't aligned.

The best outcomes happen when these two functions collaborate early, challenge assumptions constructively, and focus on shared outcomes.



🤝 Shared Success Factors

Factor	HR Contribution	Procurement Contribution
Strategic fit	Align to values and hiring goals	Vet commercial model and scalability
Cost & ROI	Prioritise quality and retention	Ensure pricing transparency
Technology	Guide integration and workflows	Assess licensing and security
DEI & culture	Ensure inclusion and representation	Hold providers accountable on KPIs

When HR and Procurement work in tandem, businesses unlock not just cost efficiency but cultural alignment and strategic impact.

It's easy to talk theory. But what really brings this to life is seeing what actually happens when businesses choose the right (or wrong) RPO/MSP partner.

Here are three anonymised, real-world examples that demonstrate how alignment or misalignment plays out.

Success Case: SaaS Company Finds its Fit

Business: 800 FTE SaaS scale-up, hiring across UK and Ireland

Challenge: Rapid growth, overreliance on agencies, inconsistent hiring experience

Initial model: Large global RPO, focused on SLAs but not culture

Pain points: Poor candidate comms, high drop-out, hiring manager frustration

What changed:

- Moved to an agile boutique RPO with embedded delivery
- Onboarded in 30 days with culture-led EVP development
- Built tech-enabled talent pools and direct sourcing channels

Results:

-  Time-to-hire reduced by 35%
-  Hiring manager NPS rose from 32 to 68
-  Agency usage dropped from 74% to under 20%

Misfire: Logistics Firm Chooses Based on Price

Business: 500 FTE logistics and warehousing business

Challenge: IR35 exposure, high turnover, lack of talent visibility

What went wrong: Chose a tech-first disruptor with low-cost model

- No IR35 expertise
- Poor stakeholder engagement
- Reliance on a single contractor channel

Result:

-  Legal exposure from misclassified workers
-  2 failed audits
-  Increased turnover due to poor cultural match

Lesson: *Cost-driven selection without compliance and culture consideration = long-term cost and risk.*

Over-Engineering: Professional Services Firm

Business: 1200 FTE regional consultancy

Challenge: Inconsistent hiring across divisions

Approach: Signed a global RPO with rigid processes and systems

What failed:

- Lack of flexibility for business units
- Off-the-shelf ATS conflicted with internal CRM
- No account manager based in the UK

Impact:

-  Adoption stalled
-  Manager satisfaction dropped
-  Hiring lag increased

Fix: *Moved to a hybrid model with modular services, UK-based support, and local control.*

Even with the best intentions, buyers often fall into predictable traps when outsourcing recruitment. Avoiding these mistakes is half the battle:

Choosing on Brand or Price Alone



Big brands aren't always better. Low price can mean low touch. Always map provider capabilities to your strategy and delivery realities.

Not Involving Hiring Managers or key HR stakeholders



Procurement-led decisions that exclude operational stakeholders often fail to land, or last

Ignoring Tech Compatibility



Misaligned systems kill momentum. Ask early about integration, licensing, data access, and user experience

Not Planning for Scale



What works with 30 reqs/month may not work at 60, and vice versa. Build in room to flex the model or grow your supplier ecosystem.

Assuming It's Plug-and-Play



RPO and MSP are systems, not "set-and-forget" vendors. Expect a 2-3 month bedding-in period for most models.

Questions Every Buyer Should Ask:



- *How will you embed with our teams, culture, and values?*
- *What does success look like at 90 days, 6 months, 1 year?*
- *What happens if we want to scale up or dial down the model?*
- *How do you ensure compliance across worker types and geographies?*

RPO and MSP models are evolving fast. The way you hire today won't be how you hire in 2–3 years. So when choosing a provider, don't just think about now, think about next.

Here are five key trends shaping the future of outsourced recruitment, and what SMEs need to do to stay ahead.

1. AI & Automation in Recruitment



Why It Matters:

AI can reduce admin time by 40% and improves match accuracy by up to 30%. But without human oversight, it risks bias and candidate drop-off.



Ask Your Provider:

“How do you use AI to enhance, not replace, the human recruitment process?”



Action for SMEs:

Start by automating scheduling and screening, not decision-making. Look for providers offering transparent AI usage and bias checks.

2. Skills-Based Hiring Over CVs



Why It Matters:

More than 70% of job listings still prioritise degrees, even as hiring shifts to skills-first frameworks.



Ask Your Provider:

“How will you help redefine role profiles and implement skills-based assessments?”



Action for SMEs:

Audit 3–5 common roles this quarter. Replace degree requirements with proven skills, competencies, and behavioural assessments.

3. Total Talent Acquisition (TTA)



Why It Matters:

Workforces are becoming blended - perm, temp, freelance, and SoW. TTA brings this under one strategic roof.



Ask Your Provider:

“Do you offer integrated support across perm, contract, and SoW and can you show visibility across them?”



Action for SMEs:

Start mapping out your total workforce mix. Ask providers for dashboards that track both internal and external labour spend.

4. Compliance-as-a-Service



Why It Matters:

IR35, GDPR, immigration checks, and pay transparency create risk exposure, especially for SMEs without in-house legal teams.



Ask Your Provider:

“What ongoing compliance support do you offer and is it built into the core service?”



Action for SMEs:

Ensure your provider manages IR35, onboarding audits, and GDPR requirements as standard, not extras.

5. Candidate Experience as a Differentiator



Why It Matters:

A poor experience means top candidates ghost. 22% of candidates with a bad experience will discourage others from applying.



Ask Your Provider:

“What is your candidate NPS? How do you measure and improve it?”



Action for SMEs:

Walk through your own application process. Look for delays, tone issues, or drop-off points, and co-create a communications strategy with your provider.

Not all RPO or MSP providers are the same, and that's exactly why choosing the right one matters more than ever.

This guide has shown that great outsourced recruitment is built on:

- ✓ Strategic fit
- ✓ Operational transparency
- ✓ Cultural alignment
- ✓ Tech enablement
- ✓ Commercial flexibility
- ✓ Partnership, not just process

It's not about choosing the most well-known provider. It's about choosing the partner who best aligns with your goals, your team, and your stage of growth.

What you can do next:

If you're:

- Exploring outsourced recruitment for the first time
- Replacing or reviewing an existing partner
- Building a business case for change
- Wanting to align HR and Procurement around a clear strategy

Then let's have a conversation.

I offer a free, 30-minute discovery session to help you explore your options



Book your call here: <https://calendly.com/miles-therpoconsultancy>

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