

Fixed vs variable cost case study

COMPANY OVERVIEW

This medical device company develops, manufactures, and markets products that simplify, automate, and innovate complex biomedical testing. With revenues in excess of \$3.2B, the company has more than 275,000 systems operating in both Diagnostics and Life Sciences laboratories worldwide. It serves customers in the Life Sciences and Diagnostics segment.

BUSINESS ENVIRONMENT AND CHALLENGES

An American-based global science and technology innovation company acquired the medical device company, and over the course of the following months, the process of integrating its global technology, processes, and systems began. In conjunction with these changes, the company appointed a new Global Talent Acquisition Manager who was charged with evaluating the success of its current RPO solutions provider. At that time, their current RPO solution carried high annual fixed costs, and as volumes decreased by greater than 50% over a two-year period, recruiting costs decreased by a mere 12%.

SOLUTION

Personify's pricing structure, industry expertise, and "on-demand" delivery model enabled the company to immediately mitigate the risks associated with cyclical hiring. Personify deployed a set of team leads and aligned them with the cross functional people groups at the company. Our cost structure reduced the company's monthly fixed costs from \$181,000 to \$7,000, a staggering a 96% reduction. Personify's Phased Recruitment model reduced cycle time and cost per hire by 20% and 25% respectively, saving the company an average of \$1MM per year versus its previous provider. This structure enabled Personify to meet or exceed its goal for cycle time in 4 out of 5 years of the partnership, while reducing agency utilization to under 5%.

Program Goal	Result
Time to fill of less than 72 days	<i>68 day time to fill</i>
Quality of submits greater than 60%	<i>66% submittal quality</i>
Five candidate submissions per requisition (minimum)	<i>Seven candidates submitted</i>