



Case Study at a Glance

Big-4 firm diversifies its workforce in South Africa by hiring previously unemployed workers through government agencies and discovers a sustainable recruiting model to fill its entry-level positions with highly motivated employees at relatively lower cost

Impact Sourcing: Low Cost Talent Model with Social Benefits

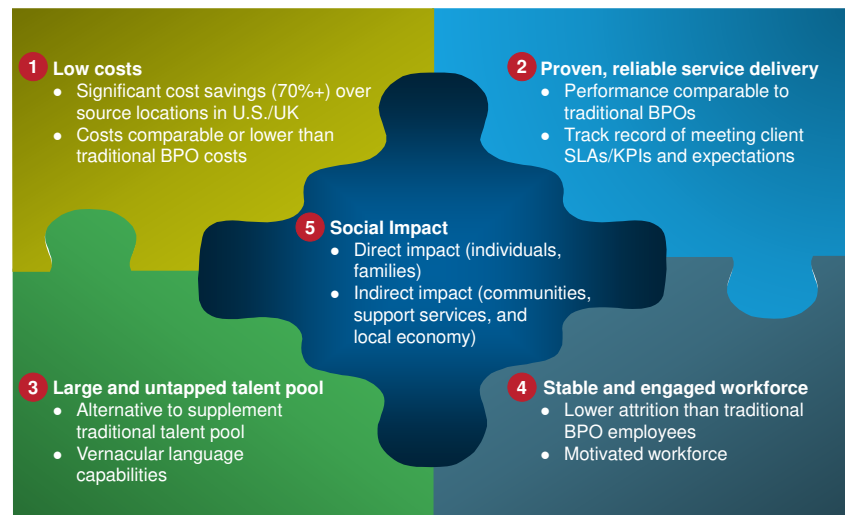
Six Years into Impact Sourcing, Deloitte Achieves Its Goals of Diverse Workforce and Lower Costs in South Africa, with the Added Benefit of Providing Employment to Disadvantaged Individuals

Introduction to Impact Sourcing

Impact Sourcing (IS) is a business process service delivery model that provides quality and cost at parity with traditional BPO services, but with optimized enhancements such as:

- A qualified, trained, untapped talent pool with skillsets aligned to match client needs,
- Lower attrition rates and higher corresponding levels of employee engagement, and
- Opportunities to fulfil corporate social responsibility and diversity objectives while operating within a traditional BPO framework

Value Proposition of Impact Sourcing



This document highlights several elements of impact sourcing value proposition, such as **low cost**, **proven, reliable service delivery**, **access to large and untapped talent pool**, and **social impact**.

The Backstory

Deloitte needed to find alternative sources of entry-level talent for its accounting and IT operations, without compromising its talent skill or quality levels. Aware of South Africa's large population of unemployed youth, Deloitte determined that it could achieve its goals – and more – by partnering with government organizations for sourcing and training these individuals.

Six years into impact sourcing, the company has established this model as a critical part of its talent sourcing strategy in South Africa. Further, the company has achieved cost savings and similar attrition rate without compromising on quality of work delivered.

Leveraging Government Agencies to Source and Prepare Talent

There were two key challenges that Deloitte identified in sourcing previously unemployed individuals: 1) Mobilizing the right set of individuals, and 2) lack of training among this population for a professional services environment.

The company partnered with the Finance and Accounting Services Sector Education and Training Authority (FASSET), one of the 21 Sector Education and Training Authorities operating in South Africa. FASSET is engaged in mobilizing unemployed youth and providing them with about six months of job-readiness training with a focus on financial and accounting services. The training program not only facilitates their entry into a professional services environment, but also enables them to hit the ground running given adequate process training.

Impact Sourcing: Beneficial all the way around

The company primarily hires impact workers for its accounting business. It specifically targets unemployed individuals who either have prior accounting education or are interested in pursuing this education along with employment at Deloitte. The company gains a sustainable recruiting model to fill its entry-level positions with highly motivated employees at comparatively lower cost.

Ongoing employment in an accounting firm is an essential requirement for individuals pursuing professional accounting courses. These individuals (following adequate job readiness and process training with FASSET) are well suited for entry-level positions at Deloitte.

Further, by employing these individuals, Deloitte provides disadvantaged individuals with the opportunities for professional growth and international exposure, advantages that might not be available at other employers.

"This (impact sourcing) primarily started as an approach to look for diverse, low cost talent. But we soon realized that these unemployed individuals, when trained through FASSET, are a great fit to our talent requirements for entry level roles."

– Sandile Gwala, Executive Director and Head of Managed Services in Africa, Deloitte

“Their performance is as good as others (traditional hires). But they come at a much lower cost (salaries) than qualified accountants, which makes it a very attractive sourcing model.”

– Sandile Gwala, Executive Director and Head of Managed Services in Africa, Deloitte

Impact Worker Performance: Meeting Expectations at Lower Costs

Over the last six to seven years, Deloitte has hired about 300 impact workers for its accounting business. Currently, impact workers comprise 10-12% of company’s workforce in South Africa.

The company does not measure impact worker performance separately from traditional workers. However, the company has experienced no challenges in bringing these workers up to speed in process training and delivery process. In fact, the majority of these workers have met all performance expectations, and several impact workers have stayed with the organization for several years, eventually taking on managerial roles.

As these impact workers are individuals currently pursuing professional accounting courses, their entry-level salaries are lower, although good living wages for impact workers, than the professional accountants, providing savings to the company. The differences in entry-level salaries are driven by differences in qualification between impact workers and professional accountants. These differences in salaries reduce as impact workers progress in their career. In addition, the FASSET training program reduces the process training requirement for the impact workers, effectively reducing their training period by up to one month, translating into additional cost savings for Deloitte.

The Outcome

This impact sourcing model has worked well for Deloitte over last six to seven years. Impact workers have shown a **high level of motivation, their performance has been on par with other workers, at considerable cost savings to Deloitte.** At the same time, it allows Deloitte to **contribute towards improving the lives of disadvantaged youth and broader community development by providing training and employment opportunities.**

Overall, the company has successfully leveraged impact sourcing to meet its entry-level talent requirements, with the added benefit of providing employment opportunities to otherwise hard-to-employ individuals. Deloitte plans to **continue its impact sourcing model with the potential to expand the mix of impact workers** in its overall workforce in the future. **The company is also considering hiring impact workers for deployment in its other offices across Africa.**

About Deloitte & Touche South Africa

Deloitte & Touche South Africa, one of Africa's leading professional services firms provides these services through approximately 3,900 people in 9 offices in South Africa and 12 cities in Southern Africa. Deloitte is the South African member firm of Deloitte Touche Tohmatsu Limited.

About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to conduct an in-depth assessment of how the growth of impact sourcing can be accelerated using a fact-based business case that substantiates benefits of the IS model. This assessment includes sizing the market, profiling the landscape, detailing the business case, and creating case studies to raise awareness of IS in the enterprise buyer and BPO communities. Establishing the business case for IS will contribute to the growth of the sector, which means that more high potential but disadvantaged youth will have the opportunity for employment, improving their lives and the lives of their families and communities.

About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses.

About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations and private equity firms, in six continents across all industry categories. For more information, please visit www.everestgrp.com and research.everestgrp.com.