

## **CASE STUDY:** **Contingent Workforce Optimization –** **A Global Medical Device** **Manufacturing Company**



### **The Challenge**

To identify and implement a managed service program (MSP) that will promote continued organizational growth and achieve hiring and workforce management demands in multiple locations across the country. The current contingent labor model in place consists of hundreds of contract employees in a variety of skill sets, being provided by a decentralized staffing supplier network and managed by the client's resources. There is limited consistency in recruitment process, labor and workforce management, reporting and analytics, and performance, creating additional challenges with strategically managing a growing spend category.

### **The Objectives**

- Establish a Program Steering Committee that consists of executive stakeholders, project leaders, and identified division representatives who are responsible for overall guidance and governance of the program
- Develop on-site contingent workforce program to be scaled throughout the enterprise that will provide quality, value, continuity and wage parity
- Introduce appropriate vendor management and workforce planning technology solutions for tracking, management reporting, service level metrics and analysis of contingent workforce throughout the enterprise
- Effectively manage headcount requirements to meet the production demand throughout the enterprise
- Improve recruitment efforts in order to ensure a steady supply of on-demand qualified talent
- Introduce workforce engagement practices to increase talent retention and improve product quality and delivery times
- Implement a consistent benefit platform that creates value and enhances the contractor experience throughout the enterprise
- Develop measurement tools to better manage workforce performance
- Implement consistent services and processes across multiple locations

### **The Action Plan**

- To gather contingent worker data and create “hard cost” analysis of savings recognized through rate alignment and economies created
- Work with Program Steering Committee on implementation and integration plan that will have limited effects on its existing core base of employees and production levels to be completed in 6-8 weeks.

- Program recruiting at new rate platform to begin at contract execution and to run in conjunction with on-site implementation
- Implement appropriate vendor management and workforce planning technology solutions for tracking, management reporting and analysis
- On-site program team integration and partnership alignments with internal business partners
- Develop job profiles, competency requirements and scorecards for all positions in scope, and conduct market analysis to determine appropriate pay scales for like skill sets to be implemented in all locations throughout the enterprise
- Customize and implement a universal screening, interviewing, training and onboarding process appropriate for each position profile and location
- Work with Program Steering Committee to establish historical benchmarks and create Service Level Agreements in the areas of Fulfillment, Time to Fill and Attrition targeting increased vendor performance
- Identify and implement a primary and secondary supplier network
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## The Results

- By outsourcing the daily management of its contingent workforce to Advantage xPO, the client was able to focus on its core business and grow revenue and profits
- Based on 95% utilization of total current contractor population there was an immediate cost reduction of approximately \$10,500 in combined weekly contractor spend through rate alignment, and a targeted program savings of a minimum of \$500,000 over 3 year contract term
- Process improvement and consistency with recruiting, screening, onboarding and engagement of contractors, resulting in higher levels of retention
- Administrative burden relief and decreased risks associated with compliance and co-employment
- Improvement in data integrity through integration of centralized requisition platform, time-keeping and workforce management systems, total workforce reporting, and single source invoicing process
- Improvement in total job fulfillment, time to fill and contractor retention, resulting in a decrease in vacancy and opportunity cost throughout the enterprise
- Wage parity and consistency for like skill sets by location throughout the organization