



# MAKING THE MOST OF A MANAGED SERVICES PROGRAM

## How You Manage Matters

When it comes to getting the most from your contingent workforce, expertise matters. Volt Consulting Group (Volt) provides Managed Services Programs (MSP) and solutions tailored to improve the quality of talent in your company, optimize your supplier network, and effectively manage your workforce investment.

Volt creates value beyond the bottom line by delivering qualified contingent employees through high-performing suppliers, reducing costs through best-practice rate utilization, and streamlining your workforce management processes. Using our industry-leading business analytics, Volt experts evaluate program metrics and provide business insights to help your Procurement and HR professionals manage this important investment.

### Program Highlights

Volt consistently provides value and expertise in all areas of contingent workforce management through:

- ▶ **Business Insights:** Smart decisions start with reliable information. Volt's data warehouse leverages more than three million candidate submittals across multiple industries and geographies to provide current, relevant information for rate benchmarking, spend analysis, key performance indicators, forecasting, and more.
- ▶ **Multiple Sourcing Models:** We work with you to select the best sourcing model to fit the business needs of your company, including designated preferred suppliers, competitive vendor neutral bidding, and where appropriate directly accessing talent communities through online channels.
- ▶ **Supplier Management:** Volt identifies and manages suppliers and supplier contracts to ensure compliance with rate cards, risk standards and service level agreements.
- ▶ **Consolidated Billing** (where local legislation allows): Processing all talent supplier invoices through the MSP provides clients with a single-source billing process that increases billing accuracy and improves visibility of contingent spend, all while reducing the workload for your internal teams.
- ▶ **Technology Independent:** We work with all major Vendor Management System technology partners to provide effective, efficient talent procurement with end-to-end visibility and accountability, as well as comprehensive tracking and processing of employee time and expenses.

With 130 MSPs managing contingent workers in 25 countries, Volt's local understanding of the global markets we serve enables us to assemble an effective workforce wherever and whenever our clients need it. We specialize in designing and deploying contingent workforce management solutions that have the flexibility to adapt as our client's business changes. This combination of local focus and global scalability is why 62% of our client MSPs have been in place for more than six years, a duration almost triple the industry average.

At Volt Consulting Group, partnership is more than a pledge—it's the key to your program's success. Learn how our expertise can help you make the most of your workforce.

### Contingent Workforce Procurement

- ▶ Temporary workers
- ▶ Statement of work
- ▶ Independent contractors
- ▶ Payroll services

### Multiple Delivery Models

- ▶ Vendor neutral
- ▶ Hybrid
- ▶ Master vendor

### Full Lifecycle Management

- ▶ Web-based requisitioning and candidate submittal
- ▶ Supplier qualification
- ▶ On-boarding/off-boarding
- ▶ Consolidated billing

### Consultative Solutions

- ▶ Cost savings
- ▶ Risk mitigation
- ▶ Onsite and off-site support options
- ▶ Supplier analysis and optimization
- ▶ Supplier contract review/enforcement
- ▶ VMS implementation/integration

### Business Analytics

- ▶ Rate benchmarking
- ▶ Spend analysis
- ▶ Market analysis
- ▶ Quality analysis
- ▶ Forecasting/predictive modeling
- ▶ Rate negotiation/management

### Diversity Solutions

- ▶ Diversity supplier network
- ▶ Flexible tiering solutions
- ▶ Diversity spend management

## Volt Consulting Group

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The increasing utilization of contingent labor as part of an overall workforce strategy – in most industries, more than 20 percent of all workers serve in a contingent or outsourced capacity – has many companies seeking efficient solutions for managing critical issues across their entire contingent workforce. Two primary methods for ensuring delivery of quality talent while improving visibility, efficiency, and control are Vendor Management System (VMS) technology and Managed Services Provider (MSP) programs. Staffing Industry Analysts' 2014 MSP and VMS Landscape Report shows that on a three-year moving average, VMS use among all contingent labor buyers is at 79 percent and MSP use is at 69 percent, record levels of use for each.

Both solutions offer opportunities to improve talent quality and supplier performance while reducing costs and mitigating risks, but organizations can maximize the value of their contingent workforce by combining the strengths of both solutions.

## VMS & MSP – The Basics

VMS technology is cloud-based software that automates the processing and tracking of contingent staffing transactions. Key features include candidate requisitioning, timekeeping, approvals, expense management, billing, and flexible reporting. The VMS offers secure access to hiring managers, suppliers, and for timekeeping processes, contingent employees. The application improves operational efficiency and accuracy by reducing the need for manual processing and provides flexible reporting on all aspects of the contingent program.

MSPs provide workforce management expertise for their clients' contingent labor programs by securing quality talent from a wide range of sources including staffing suppliers, outsourced service providers, independent contractors, and other talent pools. Depending on client requirements, the MSP may be directly responsible for vendor engagement and management, talent delivery, end-to-end requisition management, rate negotiation, supplier compliance, consolidated billing, employee timekeeping oversight, and any other facets of contingent workforce management. MSPs go beyond transaction management to provide strategic direction, including advising on best delivery models for achieving corporate goals, mitigating risk, improving employee quality, and maximizing contingent workforce spend.

Share of Buyers Using VMS and MSP (by workforce size)		
Employees	VMS	MSP
1K - 9.9K	56%	51%
10K - 19.9K	77%	77%
20K - 49.9K	72%	66%
50K - 99.9K	86%	71%
100K+	86%	86%

*Source: Staffing Industry Analysts' 2014 MSP and VMS Landscape Report*

## Limitations of a Stand-Alone VMS

The transactional power of the technology leads some organizations to consider a VMS alone as an alternative to an MSP program. While the VMS is a powerful tool, there are several factors that need to be considered before committing to a stand-alone VMS:

**Complexity** ▶ Getting the most from a VMS requires an in-depth understanding of both the complex features of the software and the intricacies of effective contingent workforce management. The value of the tool is significantly limited if it's not properly leveraged to improve overall contingent workforce management.

**Content Supervision** ▶ The software requires internal administrators to maintain and update the system, activate vendors, and monitor the quality of the data being input by suppliers, internal stakeholders, and employees.

**Requisition Management** ▶ The VMS only knows what its users tell it, and one user may think of a Web Developer as an IT employee while another lists them as a marketing specialist. Establishing and maintaining consistency is essential to getting critical requisitions to the right suppliers.

**Data Analysis** ▶ Extracting relevant information from a VMS isn't as simple as just producing a report. Analytics expertise is essential to getting the most value from the data. Also, remember that a VMS is a self-contained system that allows you to compare data from different periods but not against your industry or local markets.

**Workforce Expertise** ▶ Beyond the data, VMS managers need an in-depth understanding of employee classification requirements, insurance regulations, and program compliance – information that is not automatically managed by the VMS.

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## Increasing Value with an Experienced MSP

VMS technology delivers a tremendous amount of *what*, but it's the MSP that answers the more critical question: *why*? MSPs bring workforce management expertise to contingent labor programs, going beyond the transactional aspects of the VMS to deliver consultative insights that help clients ensure legal compliance, mitigate risk, and improve the quality of their workforce. Experienced MSPs improve contingent programs by managing every aspect of the program that will impact their client's bottom line, including:

**Talent Quality** ▶ Knowing which suppliers excel at different talent requirements enables MSPs to direct requisitions to the suppliers who will deliver the best talent for a given position. Every worker has an impact on your business – for better or for worse – so the cumulative value of consistently deploying exceptional talent has a long-term positive impact on business results.

**Cost Control** ▶ Because an MSP has broad visibility of talent availability and pay rates in each market they serve, they can better negotiate rates from staffing suppliers and SOW vendors while maintaining a high-caliber workforce. Moreover, MSP management of a VMS further reduces costs by enabling the client's internal resources to focus on the core business while the MSP manages the contingent program.

**Supplier Relationships** ▶ MSPs work with a roster of suppliers for each program they manage. These relationships give clients access to an array of proven suppliers who may not have been in their existing network, especially niche talent providers who specialize in key skill sets.

**Risk Mitigation** ▶ Non-compliance with co-employment regulations and worker classification can have significant legal and financial consequences. A VMS can track whether your suppliers have checked the appropriate boxes, but an MSP has direct engagement with suppliers and enforces compliance in order to protect the client.

**Actionable Insights** ▶ Making sound decisions about your contingent workforce requires reliable information (available through the VMS) and the expertise to analyze that data to identify the trends and opportunities that are relevant to your business (available from the MSP.) A powerful MSP, especially one with industry-leading analytics like Volt's, can monitor and measure performance at every stage of your program as well as compare performance to every other program the provider manages in that region or industry. This information is crucial for identifying inefficiencies and getting the most value from your suppliers and workforce.

**Supplier Performance Management** ▶ Not all suppliers deliver the same results. MSPs provide oversight of supplier contracts and continually monitor speed of delivery, talent quality, program compliance, adherence to service level agreements, and commitment to the client. This process ensures that requisitions are routed to the suppliers who will deliver for the client. In addition, the MSPs perform supplier mentoring (providing best practice guidance to improve delivery) and supplier optimization (making sure the client has the right number of suppliers to effectively staff their company.)

## Powerful Tool, Properly Leveraged

The role of an MSP has evolved in recent years from cost containment and supplier oversight to being a strategic partner for an organization's long-term workforce planning. Combining the transactional power of a VMS with the workforce management expertise of an MSP enables businesses to gain the essential business insights they need to accelerate growth and improve results.

To learn how Volt can ensure consistent delivery of quality talent while improving visibility, controlling risks, and achieving savings for your contingent labor program – no matter what VMS technology you use – email us at [info@voltconsultinggroup.com](mailto:info@voltconsultinggroup.com).

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## How you manage your SOW projects has a tremendous impact on your bottom line

Statement of Work (SOW) and outsourced services are emerging as essential business strategies for companies of every size. These engagements are typically deployed to augment the core skills of internal teams or to complete projects that require bandwidth beyond the capabilities of an in-house workforce.

Because SOW projects are measured and monitored through deliverables rather than time-and-expense, many companies approach SOW projects differently than traditional contingent workers. A 2014 survey of contingent workforce buyers by Staffing Industry Analysts reveals that only 54% of buyers report managing SOW as part of their contingent workforce program. Based on that sampling, nearly half of contingent buyers are missing key opportunities to further the value of their SOW projects. Many of these same buyers are currently working with an MSP provider to manage their contingent workforce, creating an opportunity to leverage their most powerful contingent workforce management tool to manage SOW projects and outsourced services.

### Building on an Established Framework

While contingent staffing and SOW engagements are different, the business concerns that apply to temporary workforces – i.e. quality, employee classification, security, spend visibility, and compliance to name a few – apply equally to employees working under an SOW and outsourced services arrangement. A robust MSP should have the capability to improve transparency, oversight, and tracking of these SOW projects at every stage of the engagement:

#### Bidding Process

Companies often select the vendor for an SOW project based on a previous engagement, a process that potentially limits the vendor pool and may even eliminate the most qualified vendor for a project. Even companies that insist on rigorous competition among their temporary staffing vendors will often enable managers to single-source the vendor for an SOW project, bypassing Procurement's ability to secure the best work for the best rate.

##### **Key questions to ask** ▶

Are your SOW projects being bid upon by the most qualified vendors? Are these projects subject to any bid review at all?

#### Vendor Performance

It's essential to consider all critical criteria when assessing your vendors: subject matter expertise, quality of work, consistency of delivery, compliance with your business rules, and more. The analytics provided by a comprehensive MSP enable you to consistently measure and compare the value each vendor brings to your business in each of these areas before the contract is executed. This not only ensures the contract is awarded to the best vendor, it also enables you to reward your top vendors with more projects – a win/win scenario for your vendors and your business.

##### **Key questions to ask** ▶

What process is your organization using to determine SOW vendor selection? Can you remove "impressions" and accurately compare outsourced service vendor performance?

#### Scope Management

While an SOW contract specifically defines the parameters and costs of a project, unexpected circumstances or post-contract changes can require amendments to the agreement. An MSP provides the rigorous tracking necessary to maintain visibility for internal stakeholders while increasing accountability for your chosen vendors.

##### **Key questions to ask** ▶

How does your company manage adjustments to an SOW project when circumstances require a change to the contract? Who has visibility of the changes when they are made?

#### Measuring Milestones

The status of one project often has a cascading impact on other projects and deadlines. Companies that manage concurrent projects should expect access to real-time data on project status in order to maximize efficiency and productivity. Establishing measurable milestones in each of your SOW contracts and monitoring these milestones enables stakeholders across the company to monitor progress.

##### **Key questions to ask** ▶

How is your company defining specific, measurable project milestones that allow real-time monitoring of project status?

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## Tracking and Reporting

Smart decisions start with relevant, reliable business intelligence. Tracking your SOW through an MSP delivers both immediate data about project status and long-term, strategic information about project performance. While a powerful vendor management system (VMS) is a great source for the raw data to determine *what* is happening with regard to your outsourced services, an MSP uses that data to identify *why* it's happening.

### Key questions to ask ►

Are your teams able to compile and report specific, quantifiable data in order to make a business case about SOW project success?

## Process Efficiency

Every company is continually pressed to weigh quality against cost, and improving the efficiency of your operations has a positive impact on both goals. From accelerated processes to dedicated oversight to consolidated invoicing, an MSP makes it easier for your team to focus on your core business because the MSP is managing the administration of all of your vendor relationships.

### Key questions to ask ►

Is there a single point of visibility for all SOW projects currently being performed and scheduled for deployment?

## Managing Change, Meeting Challenges

Anticipating and addressing potential challenges in the transition process from a legacy SOW management strategy is essential to the smooth integration of SOW and outsourced services into an MSP program. Working with an MSP partner that has experience converting these types of contracts will enable you to more easily manage these situations:

**Internal adoption** Individuals accustomed to the “old way of doing things” may be frustrated, but a comprehensive communication and training plan will enable you to set expectations, foresee problems, and demonstrate the value the MSP brings to these projects.

**Vendor resistance** Some vendors that have historically defined the rules of engagement will prefer to maintain the status quo. It's important to clearly communicate that managing the project with the MSP may have no impact on the number and value of their contracts. Moreover, vendors that demonstrate successful, efficient project completion may be more likely to earn additional opportunities.

**Global deployment** Just as the regulations that apply to traditional contingent staffing engagements vary from country to country, the rules for outsourced services projects differ as well. Having an MSP partner with experienced in regions where you want to include SOW in the MSP is critical for efficient incorporation of these projects into any global program.

## Uncover More Value from Your MSP

While the contracts and scopes of SOW projects and outsourced services may differ from those with traditional staffing suppliers, they can still be managed within a comprehensive MSP program. If your MSP program isn't managing SOW and outsourced services, your company could be missing out on opportunities to improve the cost, capabilities, and results of these projects.

## Getting the Most from Outsourced Services

Managing SOW projects and outsourced services through your MSP delivers end-to-end advantages to stakeholders across your company:

### Visibility and Transparency

Procurement can perform quantitative comparison of vendor performance on meaningful KPIs

Internal stakeholders can monitor project changes to control scope creep

Real-time access into project status and project spend

### Cost Management

Procurement leads contract creation and cost expectations

Improve pricing by engaging with multiple vendors and negotiating terms

Improve ability to limit project overruns

### Control

Increase governance of contract terms and execution

Ability to define and monitor specific project milestones and checkpoints

Confirm project parameters do not qualify as traditional staffing engagement

### Vendor Relationships

Develop and nurture partnerships with the most effective vendors

Ensure legal and regulatory compliance of employee classification and insurance

Mentor vendors to improve service level agreements and project results

To discover more ways that Volt can help you get better results from your SOW projects, visit us at [voltconsultinggroup.com](http://voltconsultinggroup.com)