

Case study: Evolving to an MSP

The Client:

A \$73 billion financial services company with 6,100 locations across the U.S. and more than 250,000 employees.

The Challenge:

Across every department in this expanding, multi-billion dollar financial services company, managers are under pressure to reduce costs while maintaining productivity and growth. To help alleviate the costs associated with recruiting, hiring and managing the firm's talent pool, the HR and finance teams at this organization turned to Adecco to develop and implement a managed service program (MSP) strategy.

With contingent labor now approaching 20 percent of the workforce in high-growth industries such as pharmaceuticals and technology...more and more Fortune 200 companies are moving toward a MSP-model to manage their on-demand workforce.

--*Workforce Management Magazine*

Strategy/Solution:

After conducting thorough due diligence with the company's hiring managers, finance and HR teams, Adecco developed a five-point MSP strategy to meet the firm's supplier management, risk mitigation and budget management needs.

1. Streamline the Requisition Process: Establish a single point of contact for all hiring managers and fulfill all placements by pre-approved suppliers.
2. Improve Supplier Management: Review existing supplier base and narrow down to the top 25, then establish contracts with each to ensure the network meets our pricing, liability, insurance and diversity requirements.
3. Performance Management: Conduct Business Review meetings where performance metrics are reported, discussed and feedback is addressed.
4. Risk Mitigation: Monitor all contracts in the MSP network on a regular basis to ensure compliance for service, insurance and indemnity requirements. Track and reduce exposure to co-employment issues.
5. Billing & Reporting: Provide a single EDI invoice which includes billings for all approved suppliers eliminating paper invoices and a weekly headcount usage report that provides a holistic view into workforce utilization across the MSP network of service providers.

Results/ROI:

- Via the centralized requisition process, approved suppliers filled nearly 7,000 new requisitions during a 12-month period
- Eliminated any “rogue” (non-contracted) suppliers, transitioning more than 700 assignments to the approved MSP network
- Gained 100% acceptance from suppliers on the MSP model from the network of 25 suppliers in providing standardized and improved performance management
- Reduced the administrative burden of multiple invoices to hiring managers through our single EDI invoice with a billings summary from all approved suppliers saving hiring managers time, enabling them to focus on their businesses
- Our pay rate management program resulted in cost savings of \$1.7 million, 170% of our \$1 million goal by analyzing and streamlining utilization methodologies around staffing categorization and standardizing pay rates

Pay rate management program cost savings

