

Case study: Program efficiencies = cost savings

The Client:

A \$16 billion financial services company with global consumer, corporate, investment banking and insurance operations. Adecco services the client at 150 sites nationwide, chiefly in the administrative and professional areas. Total investment in the contingent labor program with Adecco was approximately \$54 million on an annual basis.

The Challenge:

Undergoing company-wide restructuring for an extended period of time due to uncertain market conditions, this global financial services company requested cost-cutting measures be implemented across divisions in all areas of procurement including staffing.

The client approached Adecco to provide professional workforce solutions while delivering cost savings, overall program enhancement and transparent client reporting.

Strategy/Solution:

Adecco initially performed an audit of its services to determine where the client could realize program efficiencies. After Adecco identified possible cost savings, enhancements were made in the following areas:

1. Account/project management - Added centralized order management and project management resources in several businesses.
2. Enhanced communication - Initiated daily and weekly contact with hiring managers to ensure success with current hires and assist with future needs.
3. Expense management - Established demand management monitoring, instituted caps on overtime spend to limit additional expenses, and reduced spend on training by rehiring experienced associates.
4. Increased reporting - Improved reporting capabilities on turnover, billing rates and program overhead.
5. Workforce development - Facilitated the hiring of 234 associates as full-time employees, reduced the turnover rate from 14.5% to 10.8% year-over-year and introduced a national rate card.

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Results/ROI:

In year one, the client realized \$2.3 million in cost savings, or 7.6% of total spend, by implementing the efficiencies recommended by Adecco. Over a two-year period, Adecco delivered on 7,762 orders with a position fill rate of 94.1% by the second year. Improvements included transitioning two divisions to a national rate card, to standardize and implement pay rate reductions, and also increasing full-time employment of temporary associates.

Emphasis on enhancing demand management resulted in additional savings due to:

- Rehiring of experienced associates to eliminate additional training
- Filling certain positions with a lesser skill rate (e.g., Administrative Level 3 vs. Level 5)
- Eliminating overtime
- Completing assignments ahead of schedule whenever possible

During year two, savings increased to \$5 million, or 9.3% of total spend, as a result of the demand management changes and the introduction of national account management.

