

A GUIDE TO MASTERING

# MANAGED SERVICE PROGRAMMES

OPTIMISE YOUR FLEXIBLE  
WORKFORCE



# CONTENTS

<b>CONTINGENT WORKFORCE ADOPTION CONTINUES TO GROW</b>	<b>3</b>
<b>MANAGING THE GROWING CONTINGENT WORKFORCE</b>	<b>5</b>
<b>DECODING WORKFORCE CHALLENGES</b>	<b>7</b>
<b>THE CORE VALUE FRAMEWORK</b>	<b>8</b>
<b>PROCESS OPTIMISATION ENABLED BY TECHNOLOGY</b>	<b>9</b>
Common challenges	11
Driving efficiency, reducing costs and fostering a more productive environment	12
<b>VISIBILITY AND CONTROL</b>	<b>14</b>
Common challenges	16
Enhancing clarity through a deeper understanding of your workforce	17
<b>GOVERNANCE AND COMPLIANCE</b>	<b>19</b>
Common challenges	21
Navigating the legal landscape of contingent workers	22
<b>ACCESS TO TALENT</b>	<b>24</b>
Hays' six stage supplier strategy and enablement framework	25
Common challenges	27
Greater reach through a wider ecosystem	28
<b>COST REDUCTIONS AND SAVINGS</b>	<b>31</b>
Common challenges	33
Boosting cost control and strategic budget management	34
<b>Data and insights</b>	<b>36</b>
Common challenges	38
The importance of high-quality information	39



# CONTINGENT WORKFORCE ADOPTION CONTINUES TO GROW

## TAKE A TRANSFORMATIVE APPROACH TO YOUR TALENT STRATEGY

Over the past decade, when talent was scarce, contingent workers were typically sourced as a temporary alternative to permanent employees. Contingent workers were also seen as a flexible resource, offering support during times of high or sudden demand for businesses, as well as cover for sickness and absence.

However, the number of contingent workers\* rapidly increased during the pandemic, owing to the shift to remote working and a widespread halt in permanent hiring. Faced with ongoing economic instability and evolving worker preferences, these numbers have continued to climb year after year.

\*\* Source: Contingent Workforce Management Market Statistics | 2031 (alliedmarketresearch.com)

The global non-permanent workforce industry generated **\$171.5 billion in 2021** and is estimated to reach **\$465.2 billion by the end of 2031\*\***.

Everest Group recently reported that for **62% of organisations**, contingent workers form more than **40% of their total workforce**.

Organisations continue to place high importance on using contingent workers, which could include independent contractors, consultants, freelancers, temporary workers, or other outsourced workers such as gig workers, as part of their wider resourcing/talent strategies and as an integral part of their total workforce.

These workers can be contracted via suppliers, other talent pools such as staffing agencies, freelance marketplaces, or directly sourced by the organisation.

## KEY DRIVING FACTORS:

Both internal and external factors not only shape the organisational structure and workforce strategies, but also have a significant impact on the engagement of contingent workers.

Organisations are internally influenced by:

- ▶ Talent supply and demand mismatches
- ▶ Increased resignations
- ▶ Increasing labour costs

The changing world of work and the following external influences continue to increase the numbers of contingent workers for all organisations:

- ▶ Artificial intelligence/Automation
- ▶ Economic uncertainty
- ▶ Digital transformational
- ▶ Multi-generational workforces
- ▶ Changing worker preferences
- ▶ Skills shortages

## EMBRACING THE EVOLUTION

In their pursuit of scalable, flexible, and skilled contingent talent, organisations are investing in service providers to maximise their benefits and mitigate risk. These providers are also helping businesses implement contingent workforce strategies and manage end-to-end solutions alongside their in-house model or outsourced Managed Service Programme.

MSPs focus on recruiting, and engaging contingent workers, in a cost effective and compliant way whilst managing some of the downsides.

Staffing Industry Analysts (SIA) define a Managed Service Programme as:

*“A company that takes on primary responsibility for managing an organisation’s contingent workforce program.”*



**HOW TO CREATE A  
COMPETITIVE ADVANTAGE  
WITH CONTINGENT WORKERS**



**CLICK HERE FOR MORE!**

\* The contingent workforce refers to individuals hired for non-permanent, project-based work. This category includes temporary workers, freelancers, contractors, and other flexible workers not employed permanently.

# MANAGING THE GROWING CONTINGENT WORKFORCE

According to SIA\*

# 70%

of executives are 'somewhat' or 'strongly' challenged when integrating contingent staff into their workforce, whilst...

# 44%

stated that finding contingent talent with specific skills is difficult.

## THESE ARE THE INTERNAL SIGNALS THAT IT'S TIME FOR CHANGE:

As the deployment of contingent workers continues to surge, many organisations are realising that they are not set-up to manage the associated risks in an efficient or effective way.

If your organisation is upscaling the use of contingent workers or finding it challenging to navigate the complexities of managing a contingent workforce, it's worth exploring what an MSP can offer.

Whether you're completely new to MSP, considering an MSP, or seeking to enhance the effectiveness of your early generation MSP, some of your contingent workforce challenges may resemble the following:

### INCONSISTENCY AND COMPLIANCE ISSUES:

Inconsistency in the approach to procuring and deploying contingent workers, both nationally and internationally, can lead to employment risks, particularly with Independent Contractors. Treating temporary workers like permanent employees can create co-employment risks, exposing companies to tax, intellectual property, and legal issues.

**UNCONTROLLED COSTS:** The absence of a structured Preferred Supplier List (PSL) in a fragmented supply chain can result in excessive payments to suppliers for worker provision. This issue is exacerbated by ad-hoc supplier appointments and preference-based hiring.

\*Source 65% of companies say they plan to increase use of contingent workers ([staffingindustry.com](http://staffingindustry.com))

### NON-COMPLIANCE OF GLOBAL AND LOCAL LAWS:

International programmes need to align with local legislation and cultural nuances. Without effective solutions, organisations may struggle to remain compliant or prevent co-employment risks.

### INEFFICIENT PROCESSES, LACK OF VISIBILITY AND CONTROL:

Unstructured supplier engagements can lead to invoice issues, missing POs (Purchase Orders), payment delays and increased finance workload. Manual processes and varied ways of coding costs for contingent workers hinder accurate reporting.

**MISSING SOURCING STRATEGY:** Talent sources vary due to requirements, market conditions, and scarcity. Without a well-defined sourcing strategy aligned with permanent recruitment and development efforts, organisations may face challenges such as restricted talent inflow, higher costs, non-compliance with agreements, and hindered career progression.

**LACK OF INNOVATION WITHIN THE MSP:** Early solutions often lack an innovation roadmap, risking becoming merely administrative. While innovation involves technology, it shouldn't be the sole focus. A comprehensive view on talent-related aspects is crucial for a robust innovation roadmap.

**ABSENCE OF A CONSIDERED AND DYNAMIC TECHNOLOGY STRATEGY:** Without a clear technology strategy and understanding of requirements, the risk of choosing the wrong technology increases. A solid understanding of the existing technology landscape (including future initiatives and ambitions) is crucial.

**TALENT PROCUREMENT CHALLENGES:** Companies face challenges in identifying suitable talent for specific roles, particularly those requiring niche skills. The rapid pace of business necessitates quick role fulfilment but hiring non-permanent talent can be complex due to intricate labour laws, especially for international candidates.

**LIMITED DATA AND INSIGHTS:** Owing to the usage of multiple suppliers, companies often have no clear data and insights on the overall state of the non-permanent workforce. Dealing with multiple processes and systems with no common reporting system and manual data collection is not only time-consuming but leads to mistakes and overspend.

**GENERIC EMPLOYER VALUE PROPOSITION (EVP) & BRANDING:** The EVP and branding activities of the client need to be tailored to the contingent workforce target groups. If the messaging isn't fit-for-purpose or is non-existent, potential candidates might choose not to apply or sign up for work with the client.

If you find these common challenges familiar, engaging with an MSP can offer tailored solutions for your organisation, delivering value across these critical areas.



# DECODING WORKFORCE CHALLENGES

## A STRATEGIC APPROACH TO CONTINGENT WORKFORCE MANAGEMENT

At Hays, we recognise that effective management of a contingent workforce is a collaborative endeavour. Our approach to designing, implementing and operating Managed Service Programmes (MSP) which achieve high adoption rates is built on a foundation of engaging key stakeholders who are integral to their success into the design of the services. By adopting a design thinking led approach to solving the myriad of issues that are exposed by high adoption of a contingent workforce, we ensure the ultimate solution addresses the most critical challenges and secures sustainable benefit to all.



## EACH STAKEHOLDERS' NEEDS ARE QUITE DISTINCT

Hiring managers are at the forefront of identifying talent needs and ensuring that contingent workers align with the company's objectives. Procurement teams help to streamline the process of sourcing and engaging these workers. HR departments ensure compliance with labour laws and regulations, whilst finance teams oversee budgeting and cost management. Suppliers, on the other hand,

provide the valuable resource - the contingent workers. We understand that each one plays a pivotal role in the successful management of a contingent workforce.

By designing our services around these key stakeholders, Hays ensures a holistic approach to contingent workforce management. This approach not only optimises processes but also fosters a collaborative environment where every stakeholder has a role to play in achieving the successful implementation and adoption of an MSP programme.

## WHAT IS DESIGN THINKING?



# THE CORE VALUE FRAMEWORK

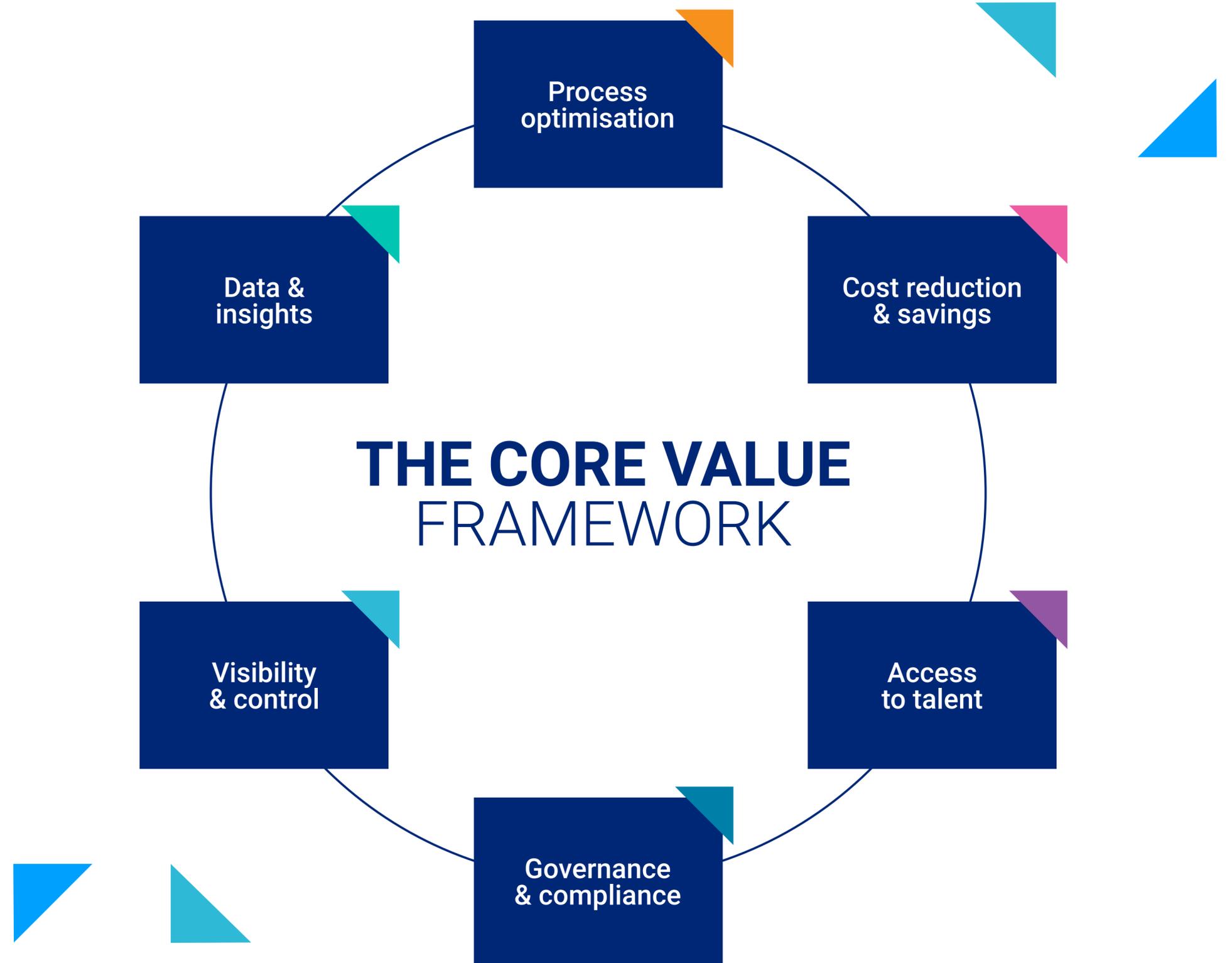
## TRANSFORMING CONTINGENT WORKFORCE MANAGEMENT (CWM) FROM A COMPLEX TASK INTO AN OPPORTUNITY FOR VALUE CREATION

The Core Value Framework is integral to our MSP. As businesses strive to enhance strategic value for internal stakeholders\*, this framework is customised to address specific concerns and priorities, going beyond mere expectations to create additional value for all stakeholders involved in CWM.

By focusing on six core value areas that cover the most critical aspects of contingent workforce management, MSPs deliver comprehensive solutions that not only enhance efficiency but also address the multifaceted challenges of managing a diverse and dynamic workforce. These challenges include finding and retaining the best talent, ensuring compliance and governance, reducing costs and risks, improving quality and performance, and fostering innovation and collaboration.

The Core Value Framework is more than just a part of our Hays MSP—it's the **driving force** behind it.

\*Source MSP Global Landscape Summary 2023 (staffingindustry.com)



# PROCESS OPTIMISATION ENABLED BY TECHNOLOGY

In the early 2000s, the first generation of MSP programmes were based around a simple procure-to-pay process, very often linked to a buy-side application like Ariba. Early-stage adoption was linked to creating a more seamless experience between technologies to reduce manual hand-offs and to deliver a streamlined user experience.

Fast forward to 2024 and the technology landscape has become ever more sophisticated, yet the essence of delivering process optimisation through technology is still a core benefit of outsourced solutions.





## CASE STUDY: GLOBAL MANUFACTURING COMPANY

From unregulated growth to establishing robust processes.

Prior to the implementation of the MSP with Hays, our client was experiencing a period of rapid growth in their non-permanent workforce, driven by a range of technology investments across the group and projects in order to enhance efficiency in their production facilities. With little to no controls in place, it was difficult to establish the size and location of the non-permanent workforce. Regulatory compliance was weak and the organisation was exposed to multiple co-employment risks.

With an implementation timeframe of 16 weeks, and supported by the procurement and HR leadership teams, our client's tailored contingent worker programme was launched in the Netherlands as a streamlined, technology enabled process alongside our VMS partner.

We reduced time-to-hire and lessened the burden our client's hiring managers. We also improved vendor engagement with consolidated invoicing and a single system of recording for all time and expense submittals and approvals. Capturing all activities in one process and technology, we have given our client full visibility and centralised control of the recruitment activities. This visibility allows our client to manage the supply chain and control budgets, equipping them with the ability to analyse costs in order to identify and prevent unregulated spend.

### KEY FACTS

- ▶ Reduced number of invoices per year from **1,600 to 48**
- ▶ **100%** invoice accuracy
- ▶ **7%** savings in new external hires using rate cards





## COMMON CHALLENGES

Regardless of maturity or programme adoption, the issues caused by lack of process optimisation often look and sound similar:

▶ *“Our CWM processes are hindered by a lack of ownership and accountability in our workforce, leading to inefficiencies.”*

▶ *“We’re overwhelmed by multiple timesheets and invoices from various suppliers, it’s causing administrative strain.”*

▶ *“Our financial management of contingent workers is at a crossroads. The absence of control and oversight on expenditures and invoices is a pressing issue.”*

▶ *“We’re caught in a storm of uncertainty during the onboarding and offboarding processes, especially when it comes to IT, building access, and security. It feels like we’re walking a tightrope without a safety net.”*

▶ *“The lack of data tracking for contractual type, employment type, and tax status is a significant issue in our workforce management. This isn’t just a problem—it’s a significant barrier that’s impacting our operational transparency.”*

▶ *“In our operations, we’re grappling with unchecked vetting processes, such as NDAs, Right to Work (R2W), work permits and insurances. This issue is clouding our capacity for consistent risk management and compliance assurance.”*



If your organisation is experiencing fragmented processes for contingent workers, insufficient data monitoring, or limited control, it may be time to reconsider your process management and optimisation.



## DRIVING EFFICIENCY, REDUCING COSTS AND FOSTERING A MORE PRODUCTIVE ENVIRONMENT

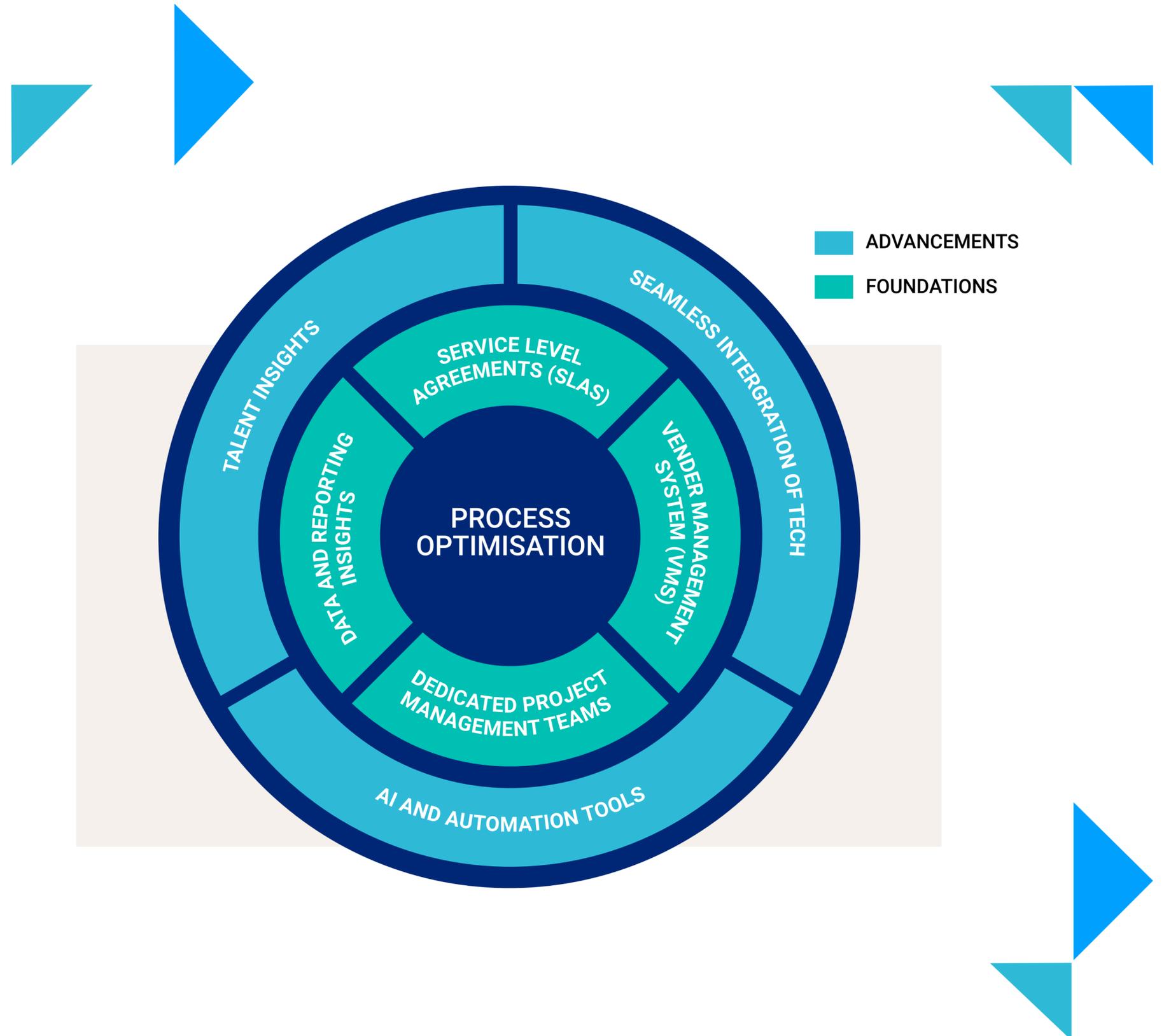
The increased use of contingent labour can create challenges within even the most advanced organisations. Central to these challenges is often a lack of process optimisation, which can manifest as operational inefficiencies. These inefficiencies might appear as delays in onboarding, difficulties in tracking performance, and hurdles in coordinating across various departments or locations.

By implementing an MSP to focus on process optimisation, organisations can benefit from a more efficient approach to managing contingent workers, which not only mitigates risks but also releases time back to focus on other activities for the different stakeholders involved.

For those optimising processes linked to contingent workers for the first time, we recommend a focus on creating strong foundations and ways of working that minimise the risks; implementing a VMS, creating consistent reporting on defined metrics and working towards key service levels around core processes. In tandem, these efforts will deliver sustainable impact for any organisation.

More mature organisations will need a sophisticated focus on integration between technology platforms, building AI and automation tools into ways of working and even leveraging external data to access next level efficiency gains.

Best-in-class MSP providers will retain teams specialising in these topics which can drive sustainable progress by delivering both foundational and advanced approaches over time.





## KEY STAKEHOLDER BENEFITS OF PROCESS OPTIMISATION

When building your case for change, the benefits delivered by process optimisation will form a major reason for implementing an MSP. Whilst the specific benefits will vary based on the context within your own organisation you will typically experience a range of benefits, as outlined below:



HIRING MANAGER	PROCUREMENT	HR	SUPPLIERS	FINANCE
<ul style="list-style-type: none"><li>▶ Straightforward and timely recruitment and onboard process</li><li>▶ Streamlining administrative tasks</li><li>▶ Single point of contact</li><li>▶ One process and one technology</li></ul>	<ul style="list-style-type: none"><li>▶ Automation and technology solutions that drive down cost and add value</li><li>▶ Digitisation of the procurement process</li><li>▶ Indirect cost savings through automation and process efficiency</li><li>▶ Supplier performance data</li></ul>	<ul style="list-style-type: none"><li>▶ One way of working</li><li>▶ Single source of truth for all worker data</li><li>▶ Automated headcount approvals</li><li>▶ Access to workforce data and insights</li></ul>	<ul style="list-style-type: none"><li>▶ One process and single point of contact</li><li>▶ Provides invoice efficiencies</li><li>▶ Transparency at each stage of the contingent worker process</li></ul>	<ul style="list-style-type: none"><li>▶ Facilitates better budget management</li><li>▶ Enhanced PO creation and spend reporting</li><li>▶ Consolidated invoicing efficiencies</li></ul>

# VISIBILITY AND CONTROL

You can't manage what you can't measure – nowhere is that concept more relevant than in the management of quality, cost or risks linked to the use of contingent labour.

Whether you're looking for a sustainable approach to reduce costs, cut onboarding time for new resources, or minimise or reduce risks linked to your use of a large contingent workforce, it is critical that you design processes in a way that delivers immediate visibility on key metrics that help you deliver on these goals. Knowing how to manage what is important and building that into your design is key.





## CASE STUDY: GLOBAL TELECOMMUNICATIONS COMPANY

Prior to engaging with Hays, our client had failed to rollout an MSP solution across their EMEA markets twice and only had a functioning MSP in the UK&I. Local country markets were inconsistent in the way they approached purchasing contingent labour, some with PSLs for specific labour categories and others who were using a blend of temporary workers, contractors and service providers on an ad-hoc basis to fulfil their needs. Compliance to local legislation was mixed, with significant overspend in many areas due to uncontrolled charge rates with the suppliers. Invoicing processes were manual and based on paper-based timesheets and invoices, with limited PO controls in place.

A VMS had been rolled out a few years prior. However, user adoption was low or non-existent, with no consistent and efficient process followed for capturing the engagement of temporary workers, independent contractors and SOW. Our specialist team of VMS experts worked closely with the business and the local country teams to manage and administer the onboarding of their suppliers and the contingent workforce, driving VMS and process adoption across their business in a way that enables visibility and control of all key risk areas.

Improving system adoption, evolution of process and application of a PowerBI dashboard has given the client access to metrics around resource acquisition, budget and rate card, supplier performance and user satisfaction that was previously not available. Our client now has 100% visibility across their contingent workforce.

### KEY FACTS

- ▶ Successful stakeholder adoption of VMS
- ▶ **100%** Control and visibility under Hays MSP
- ▶ Access to reporting metrics around key areas





# COMMON CHALLENGES

When engaging a diverse mix of contingent workers, companies often encounter challenges concerning visibility and control:

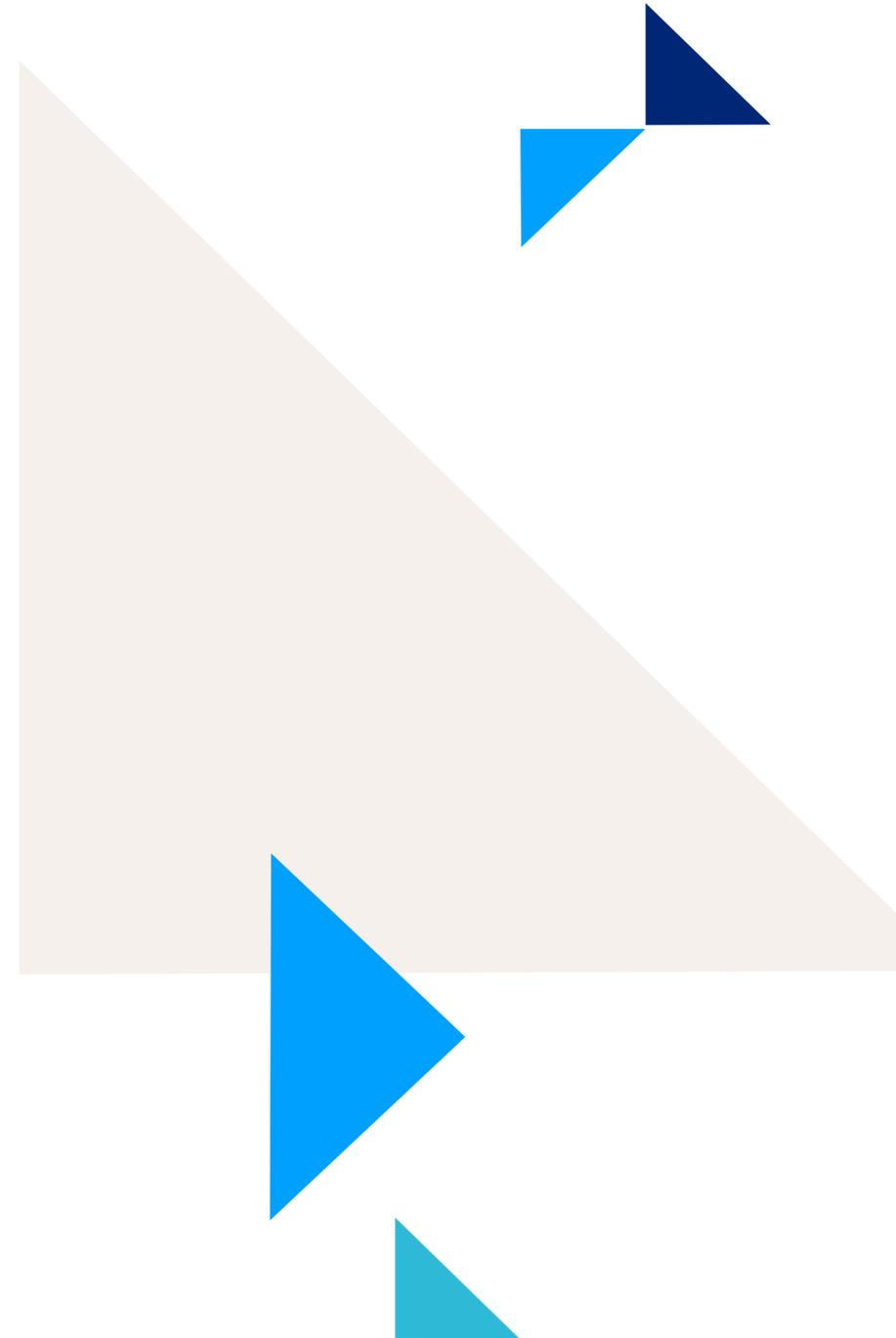
▶ *“There is a lack of control regarding worker compliance, including identity verification, references and insurance.”*

▶ *“As an organisation, we struggle with unregulated and escalating costs associated with our contingent workforce. The absence of visibility and control exacerbates this issue.”*

▶ *“We encounter challenges with inefficient, time-consuming, and costly processes when handling multiple timesheets and invoices from various suppliers. Insufficient visibility into approval and payment status and slow communication hinders our ability to ensure timely payments for workers and suppliers.”*

▶ *“Currently, we lack essential data tracking the contractual type of our contingent workers. This absence of clear visibility, resource allocation inefficiencies, security concerns, and compromised decision-making, collectively impacts our operational effectiveness and reliability.”*

Operating without clear oversight of the workforce limits informed decision-making and efficient, compliant management of the workforce. Partnering with an MSP provider offers tailored solutions to address these specific challenges.





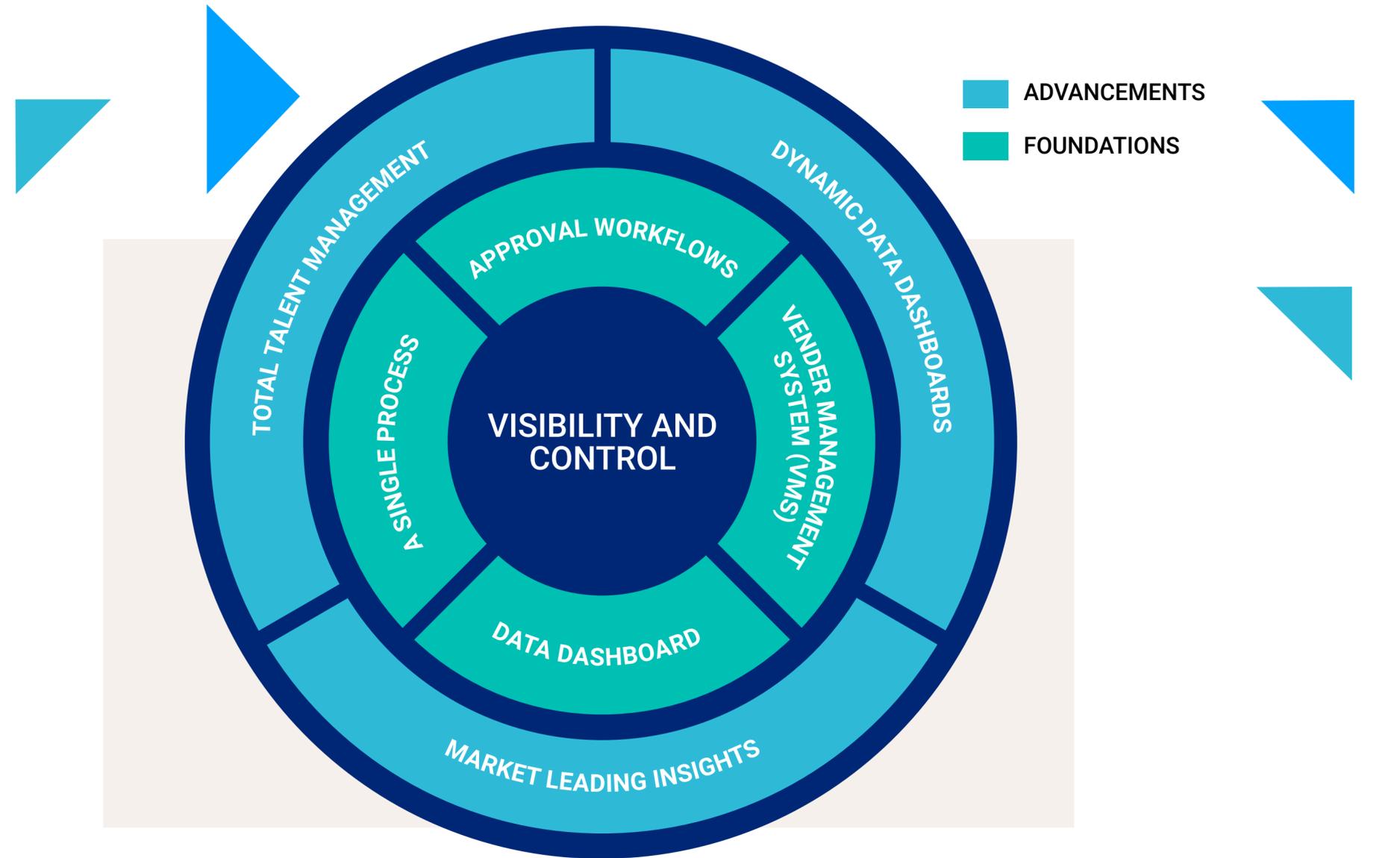
## ENHANCING CLARITY THROUGH A DEEPER UNDERSTANDING OF YOUR WORKFORCE

When managing costs and risks linked to your contingent workforce, maintaining full visibility and robust control is critical.

When you have a clear understanding of your contingent workforce and all of the linked business processes, policies and guidelines, your organisation can then start to proactively identify potential risks. The risks encompass compliance risks (such as misclassification), performance risks (related to underperforming workers), financial risks (uncontrolled costs), and legal risks (including contract disputes). With the right controls in place and ongoing governance and oversight, you are in a much stronger position to safeguard your organisation's exposure to risks of all types.

For many organisations that are just starting out on this journey, understanding the full extent of the contingent workforce within their organisation provides a useful lens on a number of topics including where non-employees are working, what systems and buildings they have access to, and what they are costing monthly.

Once the non-permanent workforce is visible, organisations can start to address other questions linked to the performance of the workforce, and the role of contingent labour in meeting their overall objectives.



### Visibility into the contingent workforce also plays a crucial role in workforce planning.

Reviewing your contingent workforce can identify areas or skills that should be onboarded as part of your permanent workforce, or projects/skills that might be better approached as outsourced projects with outsource providers on a deliverable's basis.



## KEY STAKEHOLDER BENEFITS OF VISIBILITY AND CONTROL

Our focus is on creating transparency of data that enhances your business decisions by connecting all parts of your contingent workforce ecosystem.

When establishing your business case for MSP, it's crucial to highlight that having good visibility and control offers clear benefits to stakeholders in different areas of your organisation. These advantages include better cost management, more effective workforce planning, effective data governance, and adherence to legal requirements.



### PROCUREMENT

- ▶ Visibility of 'buying' and spend
- ▶ Policy and process compliance
- ▶ Supplier spend data

### HR

- ▶ Talent to be engaged in a compliant way, whilst enabling the business
- ▶ Approval and oversight of headcount

### SUPPLIERS

- ▶ Transparency of contingent recruitment activity, including status updates
- ▶ Visibility of up-to-date worker time-sheeting activity

### FINANCE

- ▶ Actual spend (timesheet) data to support accurate invoicing and payment processes
- ▶ Improved and simplified Procure-to-Pay processes
- ▶ Forecast spend data
- ▶ Estimated and actual spend calculations and approvals

# GOVERNANCE AND COMPLIANCE

The depth, complexity and frequency of change linked to legislation surrounding non-permanent workers demands a robust approach to compliance to avoid both reputational and financial risks through fines for non-compliance. Understanding the rules and regulations and building these into robust business processes which are then reviewed each time the legislation changes must form the core of any contingent workforce programme.





## CASE STUDY: MULTINATIONAL FMCG COMPANY

Prior to implementation of a Hays MSP, our client was facing several risks associated with engaging a contingent workforce: financial risks, tax risks, employment risks, reputational risks and more due to a lack of appropriate controls in the preceding years.

Our client recognised Hays' deep local expertise in all risk areas. Following our appointment as the MSP provider, we co-created a new end-to-end contingent worker process that was fully compliant with local legislations and regulations.

We implemented a single screening and onboarding process for contractors to ensure compliance with local, regional and global legislation, including a country-specific onboarding checklist compliant with the DBA Act.

Our solution ensures reduced risk and compliance with local legislative requirements, including validation, tracking and storage of compliance documentation. As a result of our MSP program, the process is 100% compliant and 100% of the contractors are visible, meaning risks and costs can be managed and reported to the client.

### KEY FACTS

- ▶ Working for **4** subsidiary companies with different HR and Procurement Departments
- ▶ **350** external workers
- ▶ **250** job requirements filled per year
- ▶ **600** extensions processed per year





# COMMON CHALLENGES

As businesses increasingly rely on contingent workers, they are faced with ever-changing legal, financial, and operational intricacies. Ensuring compliance with labour laws, tax regulations, and contractual obligations is paramount to help mitigate legal risks, maintain financial stability, safeguard workers and uphold organisational integrity.

Without a firm grasp of the governance and compliance aspects of CWM, challenges may arise around the following areas:

- ▶ *Disjointed background screening*
- ▶ *Deemed employment*
- ▶ *Worker categorisation issues*
- ▶ *Insurance risks*
- ▶ *Onboarding failures*
- ▶ *Data privacy breaches*
- ▶ *Diversity, Equity and Inclusion (DEI)*
- ▶ *Limited data tracking or reporting*
- ▶ *Cross border complexity*
- ▶ *Adherence to HR/Finance/Procurement policies*
- ▶ *Non-standard contractual agreements*
- ▶ *Tax compliance*



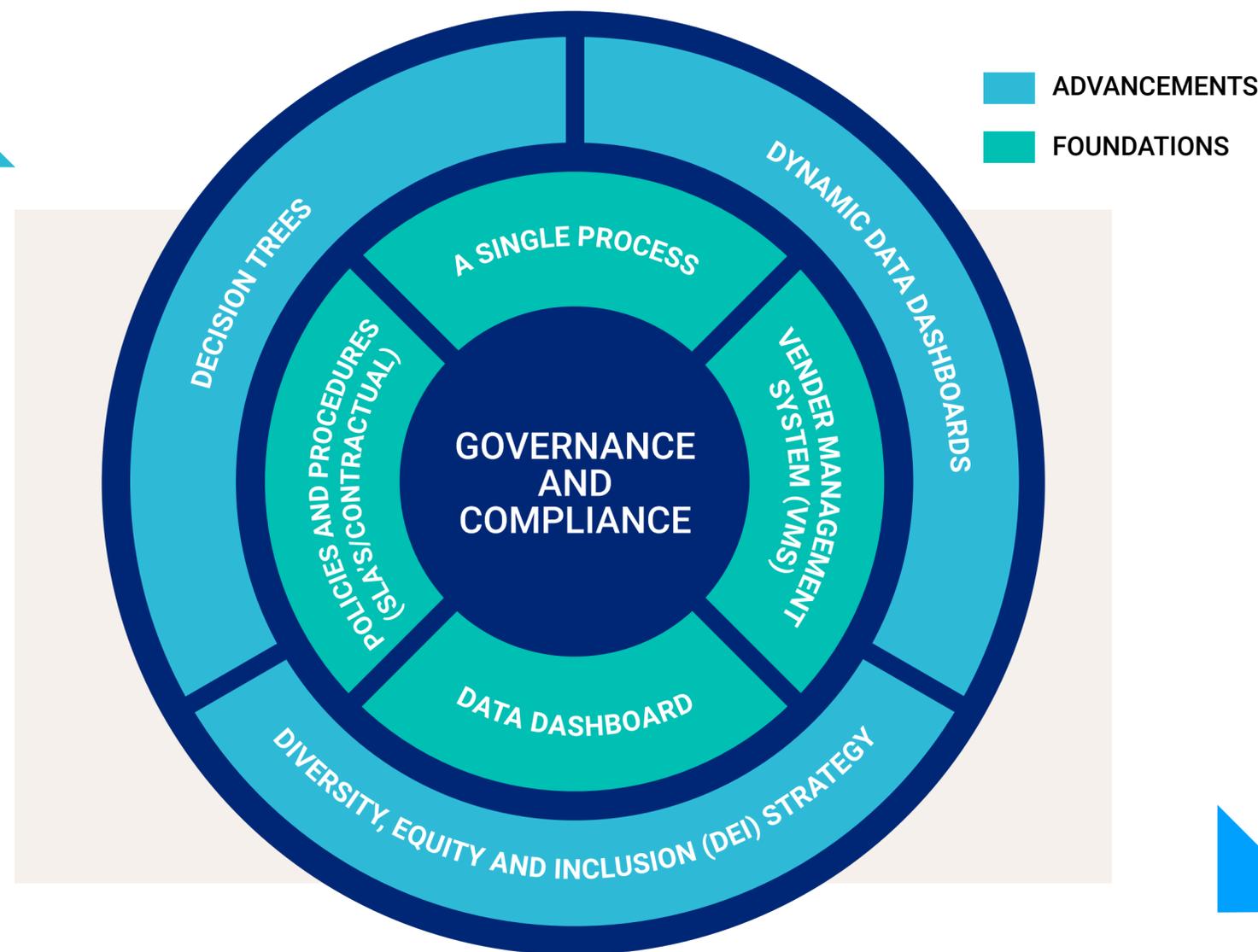
## NAVIGATING THE LEGAL LANDSCAPE OF CONTINGENT WORKERS

Across the globe, the grip of laws and regulations on the contingent workforce has been steadily tightening. Recent legal developments serve as a stark reminder: organisations must now reevaluate their approach to engaging contingent labour.

Contingent workers are distinct from permanent employees, they serve on a temporary or contract basis, performing specific tasks or projects. As such, they fall under different legal categories, and there are specific global and local laws governing their engagement. One of these laws is correctly categorising workers to comply with tax laws, workers' rights and fair treatment. Misclassification remains a persistent challenge, and can lead to severe consequences, including legal penalties, back pay and fines.

A secure and compliant contingent workforce requires thorough background checks, identity verification, appropriate insurance coverage, and robust data protection protocols. These measures ensure safety, authenticity, and legal compliance.

**MSPs streamline these processes while maintaining consistency, transparency, and strict adherence to legal requirements.** Part of monitoring governance and compliance is through implementing standardised Service Level Agreements (SLAs) with suppliers and establishing clear contracts which govern compliance requirements.



In addition to these operational responsibilities, MSP providers take on the responsibility of staying informed about evolving legal regulations. Their local expertise ensures compliance with regional laws and industry standards.

By leveraging technology to monitor compliance and centralise worker data, MSPs offer a comprehensive turnkey solution. This approach not only saves time but also guarantees a fully compliant workforce.



## KEY STAKEHOLDER BENEFITS OF GOVERNANCE AND COMPLIANCE

Ensuring robust governance and compliance not only mitigates risks but also enhances transparency, builds trust, improves operational efficiency, and contributes to long-term sustainability. Stakeholders benefit from a well-structured approach that prioritises ethical conduct and responsible management.



HIRING MANAGER	PROCUREMENT	HR	SUPPLIERS	TALENT
<ul style="list-style-type: none"> <li>▶ Accurate compliance checks to be managed efficiently, enabling their contingent workers to be onboarded quickly</li> <li>▶ KPIs and SLAs driving quality, speed and cost</li> </ul>	<ul style="list-style-type: none"> <li>▶ Standardised, supplier contracts and management</li> <li>▶ Tailored contractual terms that mitigate risk and govern performance</li> <li>▶ KPIs and SLAs driving performance</li> </ul>	<ul style="list-style-type: none"> <li>▶ Worker employment risk mitigation</li> <li>▶ Single source of truth for all worker data</li> <li>▶ Controlled IT and facilities access</li> <li>▶ Performance feedback data</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transparent, auditable communications</li> <li>▶ Trackable on/offboarding processes</li> <li>▶ Streamlined worker onboarding</li> </ul>	<ul style="list-style-type: none"> <li>▶ Streamlined, efficient and fast onboarding process</li> <li>▶ Visibility of the progress of their compliance checks, and onboarding process</li> </ul>

# ACCESS TO TALENT

As the volume of available talent sourcing platforms and channels expands, identifying and engaging with contingent workers becomes a difficult balancing act. Furthermore, the art of supplier management adds an additional layer of complexity.

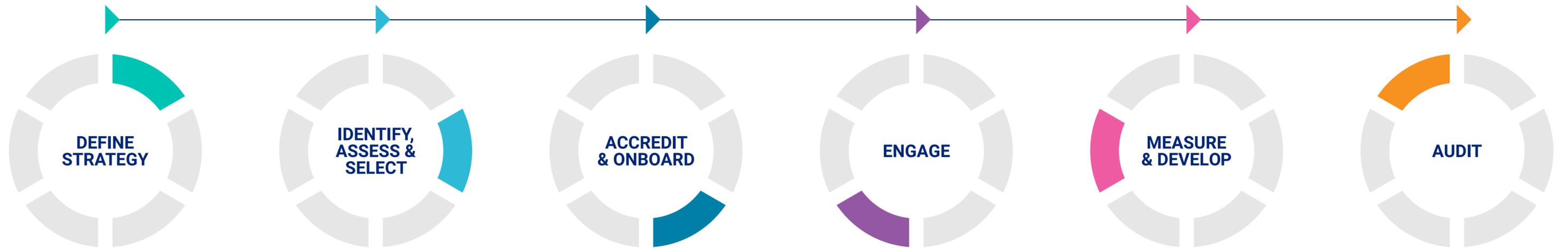
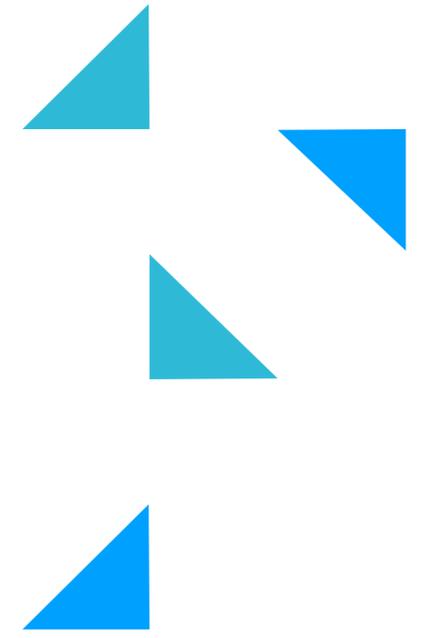
To truly unlock contingent talent, having a strong supplier management process and a tailored sourcing strategy are non-negotiable—anything less would be a missed opportunity.





## HAYS' SIX STAGE SUPPLIER STRATEGY AND ENABLEMENT FRAMEWORK

When collaborating with suppliers, it's essential to create and sustain a network of motivated and engaged suppliers to ensure you have access to the best talent, at the best price.



To create a tailored Workforce Supplier Partner strategy for each client.

To identify, assess and select a portfolio of high performing Workforce Supplier Partners.

To accredit and onboard our Workforce Supplier Partners in a high quality, consistent and efficient manner.

To enable our Workforce Supplier Partners to perform at their best by engaging with them in clear, open and equitable relationships.

To reward, refine and remedy our Workforce Supplier Partners to enhanced levels of performance.

To ensure compliance and legislative requirements are met through a robust program of checks and audits.



## CASE STUDY: LEADING TELECOMMUNICATIONS COMPANY

Before our MSP went live, our client faced challenges in attracting the contingent talent they required across Europe. Despite some countries having established Preferred Supplier Lists (PSLs), there was no consistent approach to local supplier engagement or performance monitoring. Disengaged suppliers were failing to deliver the best talent, placing our client at a disadvantage compared to their competitors.

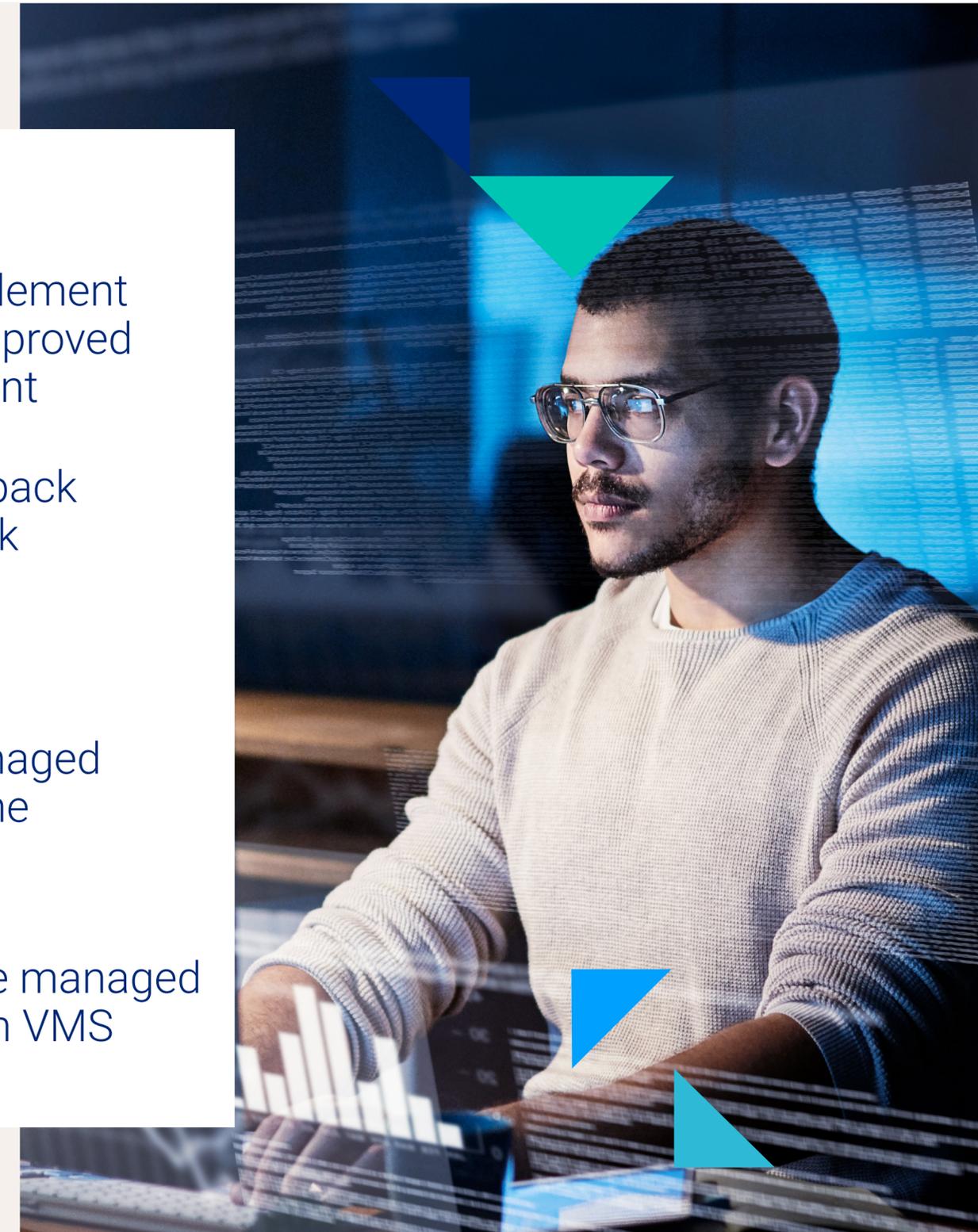
To address this, we implemented the VMS and our supplier enablement framework across the program. This strategic move allowed us to collect and analyse detailed supplier performance data. These insights revealed why our client struggled to access the necessary talent and, more importantly, how supplier enablement could enhance performance and meet the customer's contingent workforce needs effectively.

Leveraging the supplier performance data derived from the VMS, we conducted review meetings with key suppliers across the region. During these discussions, we shared valuable data with the suppliers, emphasising its significance in enabling them to elevate their service quality for the customer. The collaborative partnership we established was well-received by the suppliers.

Subsequently, our MSP account team relayed the feedback obtained from suppliers to our client. As a result, several positive changes were implemented, including improved pay rates and an enhanced candidate/supplier experience through timely and high-quality feedback. Our client became a more attractive workplace, ensuring a win-win situation for all stakeholders involved.

### KEY FACTS

- ▶ Supplier enablement framework improved access to talent
- ▶ Supplier feedback improved work conditions
- ▶ **42** suppliers managed in Europe alone
- ▶ **100%** of workers are managed via the chosen VMS





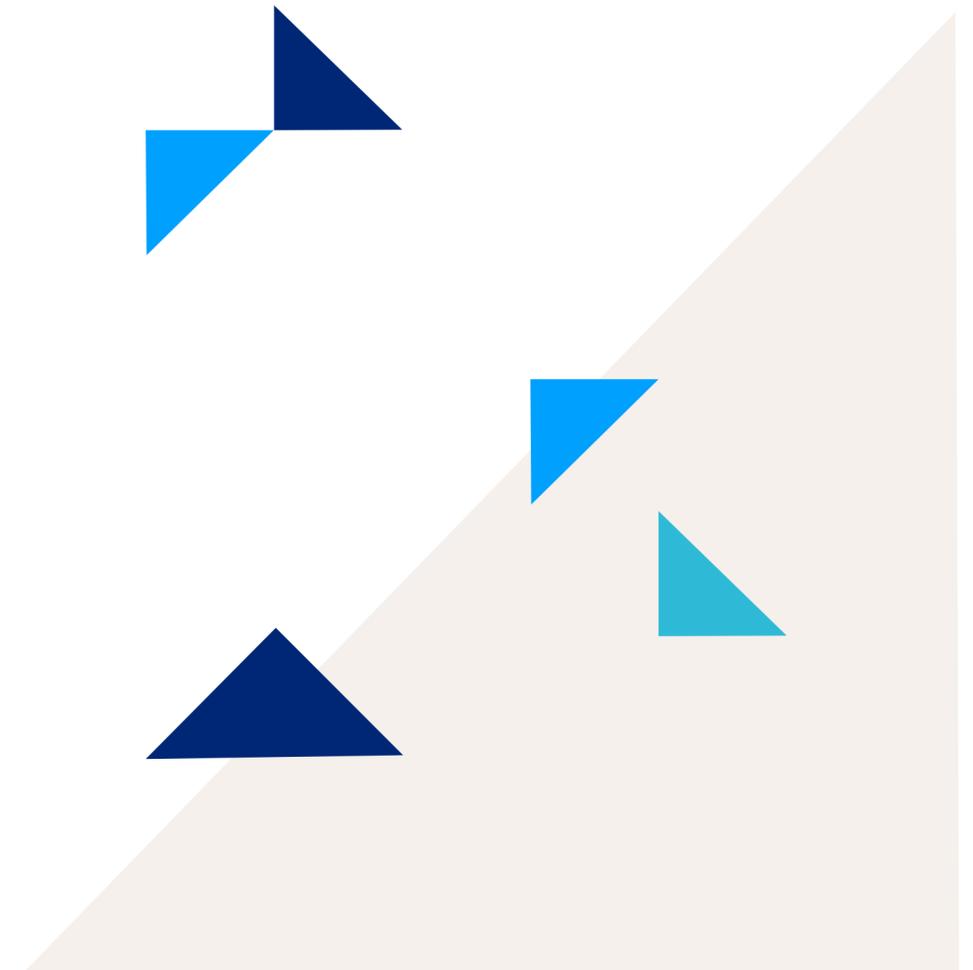
# COMMON CHALLENGES

If your company is facing challenges in attracting the right skilled workers from your Preferred Supplier List (PSL), struggling to retain talent, or lacking in robust supplier management, the business impact can be costly.

These challenges can look and sound like the following:

- ▶ *“We are concerned about the lack of diversity in our workforce.”*
- ▶ *“Geographical limitations hinder access to skilled workers, and our technology lacks tools to overcome this.”*
- ▶ *“Attracting and retaining skilled talent remains challenging due to doubts about our current EVP’s competitiveness.”*

- ▶ *“Our supplier management lacks formalisation. Talent performance varies, and we lack confidence in securing the best rates from our suppliers.”*
- ▶ *“Our organisation aims to enhance workforce capability through innovative talent strategies. We currently rely on Preferred Supplier Lists (PSL) and existing tech setups. We’re unsure where to start or how to implement these changes.”*
- ▶ *“When skill sourcing delays occur, it significantly impacts our business, leading to decreased productivity, missed project deadlines, and increased costs.”*



If you are looking to explore new ways to access top talent, consider delving into the world of MSP. From supplier enablement to crafting a compelling Employee Value Proposition (EVP) and even implementing market leading technology with ongoing support. MSPs enhance the way you connect with contingent talent.



## GREATER REACH THROUGH A WIDER ECOSYSTEM

Traditionally, contingent workers navigated their career paths through networking, job boards, temporary staffing agencies and word of mouth. However, in recent times, the availability of contingent talent has undergone a significant transformation. Previously driven by employers, the market dynamics have now tilted in favour of candidates.

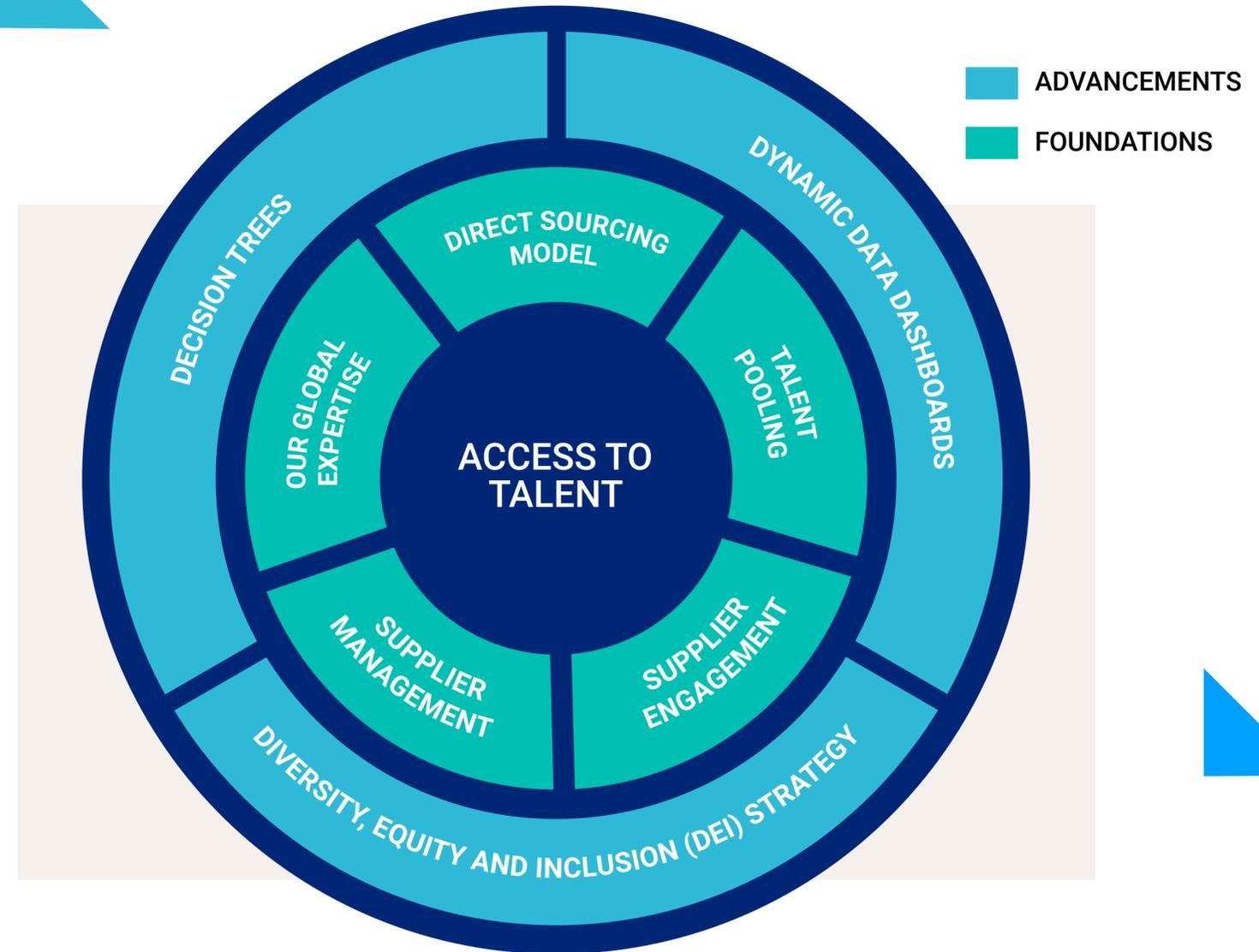
The prevailing scarcity of skilled professionals has forced organisations to consider exploring uncharted talent networks. Employers are starting to recognise that exceptional candidates may not always emerge from the traditional sources, with many needing to innovate their strategy for procuring contingent talent:

A recent survey indicated that **65% of organisations plan to increase their reliance on contingent workers within the next two years\***.

Undoubtedly, this growing trend will intensify the competition for talent, placing pressure on employers to innovate their talent sourcing strategies, enhance their employee value proposition, optimise supplier management and foster the right technology.

By partnering with an MSP provider, companies unlock access to diverse talent pools, including specialist expertise and niche skillsets that might otherwise prove elusive. Moreover, MSP providers offer invaluable assistance in attracting top talent by enhancing the EVP. They guide companies in understanding worker preferences, benchmarking pay, implementing Diversity, Equity, and Inclusion (DE&I) policies, and demonstrating commitment to Environmental, Social, and Governance (ESG) practices.

\*65% of companies say they plan to increase use of contingent workers (staffingindustry.com)





### BUILDING A MULTI-CHANNEL TALENT ECOSYSTEM

Organisations have typically relied on suppliers to meet their talent needs. We expand our MSP solutions by creating talent ecosystems to help organisations engage contingent workers regardless of source.

We build talent ecosystems across multiple channels: Suppliers, Payrolling, Direct Sourcing and Freelancer Management Systems; to meet the varied talent needs of the organisations we partner with.



### FREELANCER MANAGEMENT SYSTEM (FMS) AND DIRECT SOURCING

We enhance our MSPs by implementing Direct Sourcing and FMS platforms, leveraging Hays social network and candidate database combined with our experience and local knowledge to find, and engage the best talent for organisations. Through the implementation of these channels, we support cost reduction initiatives and futureproof organisations through the creation of talent pools.

A Direct Sourcing strategy combines the strength of your brand with new technologies and a marketing strategy built on engagement to build and nurture a network of skills and talent aligned to your current and future demand.

We specialise in developing cobranded attraction strategies, and creating tailored Contractor Value Propositions (CVP). Additionally, we concentrate on engaging contingent talent through various contract types, including Statement of Work (SOW) arrangements.

As competition for talent continues to increase, it's more critical than ever for organisations to broaden, evolve, and innovate the ways in which they identify and engage with contingent talent.



## KEY STAKEHOLDER BENEFITS OF ACCESS TO TALENT

At Hays, our extensive global network and deep-rooted local knowledge enable us to tap into a diverse range of talent. This unique positioning allows us to identify and engage with the best talent.

Focusing on access to talent and deploying an omnichannel strategy, we can source top-tier talent from across the globe. This strategy unifies talent acquisition into a single, cohesive approach that taps into the best talent available. We are not confined by location or geographic boundaries, and our unique strategy finds niche talent in a competitive market.

*Omnichannel approach - The process of bringing together all the available channels under one umbrella strategy, ensuring you engage each at the right time.*



HIRING MANAGER	PROCUREMENT	HR	SUPPLIERS
<ul style="list-style-type: none"> <li>▶ Efficient recruitment of quality talent</li> <li>▶ Talent to fulfil a variety of requirements, including access to highly skilled workers</li> <li>▶ Suppliers ensure timely delivery of suitable talent at the appropriate location and cost</li> <li>▶ Supplier to have an in-depth understanding of the business requirements</li> <li>▶ Access to a supply chain that evolves to meet changes in business/ project needs</li> <li>▶ Streamlined management of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Access to a wide talent pool enables better selection, reducing the rush of hiring unsuitable candidates</li> <li>▶ Quick and easy access to skilled professionals can speed up operations and increase productivity</li> <li>▶ Access to diverse talent pool allows for greater flexibility in staffing and resource allocation</li> <li>▶ Right talent procurement saves cost by lessening training needs and reducing performance risks</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ability to fill workforce skills gaps with contingent workers</li> <li>▶ Integration of CWM into total talent strategy</li> </ul>	<ul style="list-style-type: none"> <li>▶ Access to diverse opportunities</li> <li>▶ Transparency and fair treatment</li> <li>▶ Paid accurately and on time</li> <li>▶ Receive regular and transparent feedback</li> <li>▶ Fair and competitive bid process</li> </ul>

# COST REDUCTIONS AND SAVINGS

We've come a long way since the early days of MSPs, when rate cards were typically used to create high level budget provisions linked to assignments. A sophisticated MSP programme will now include a number of cost reduction initiatives focusing on both hard and soft savings for the organisation. Savings can be delivered from multiple initiatives in parallel based on well configured rate cards linked to market pay data, supplier rate negotiations, payment terms and accessing skills in different locations or even countries.





## CASE STUDY: MULTINATIONAL INSURANCE COMPANY

Our client, prior to appointing Hays as their first-generation MSP provider, faced challenges in accurately tracking their Time and Materials (T&M)/Statement of Work (SOW) spend. This lack of precision resulted in frustration and an inability to generate meaningful cost savings reports related to a significant portion of their non-permanent workforce.

Consequently, they encountered reporting gaps when communicating with senior finance and business leaders. Furthermore, the absence of concrete cost savings data hindered their efforts to enforce business compliance with procurement policies.

At the launch stage of our MSP service in 2019, we engaged in workshops with the customer, leveraging our experience and expertise in best practices for cost savings frameworks within the T&M workforce. Together, we identified and agreed upon new cost-saving strategies that had previously been unattainable due to the lack of reliable spending data. During the implementation of our 3SS solution, we configured the tool to capture not only time and expense data but also all relevant data points necessary for calculating the newly established cost-saving metrics.

Initially, we produced cost savings reports on a quarterly basis using Excel and PowerPoint. Over time, this process evolved into client-specific Power BI dashboards. These dashboards empower our client to filter cost savings data by department, source type (such as unregulated spend versus competitive tenders), and even hiring manager. The insights derived from this data are invaluable to our client's Procurement team, facilitating productive discussions with senior internal stakeholders (including department heads). Additionally, these reports reinforce the positive impact of adhering to procurement policies as the most effective means of cost control.

Furthermore, our cost savings reporting serves as a primary business rationale for our client choosing Hays as their MSP provider. Clearly stating the value, we have added through accurate reporting of the direct savings and cost avoidance we have delivered via successful negotiation with suppliers (e.g. daily rate challenge, and negotiation of non-billable onboarding days).

We delivered an impressive 3.1 million EUR in cost savings for 2022, representing around 18% of their annual total spend.

### KEY FACTS

- ▶ Tailored MSP adoption workshops
- ▶ Transformed quarterly basic reports into dynamic data dashboards
- ▶ **3.1 million EUR** in cost savings for 2022





# COMMON CHALLENGES

Managing a contingent workforce effectively can be costly, and expenses can spiral out of control without diligent cost-saving and cost-control measures. These challenges can present in the following ways:

▶ *“Our ability to align worker costs effectively and maintain proper cost control is hindered by the lack of a rate card.”*

▶ *“Our lack of supplier performance management impacts our ability to fully optimise the use of our suppliers.”*

▶ *“We face significant costs and operational inefficiencies due to managing countless invoices from our suppliers.”*

▶ *“We currently have elevated and inconsistent supplier commercials. Our aim is to standardise supplier communications, reduce ambiguity, and enhance transparency.”*

▶ *“When skill sourcing delays occur, it significantly impacts our business, leading to decreased productivity, missed project deadlines, and increased costs.”*

▶ *“Our organisation lacks a comprehensive understanding of the overall cost associated with our contingent workforce.”*

If you recognise some or all of these challenges within your contingent workforce, an MSP solution can identify cost saving areas as well as facilitate better budget allocation.



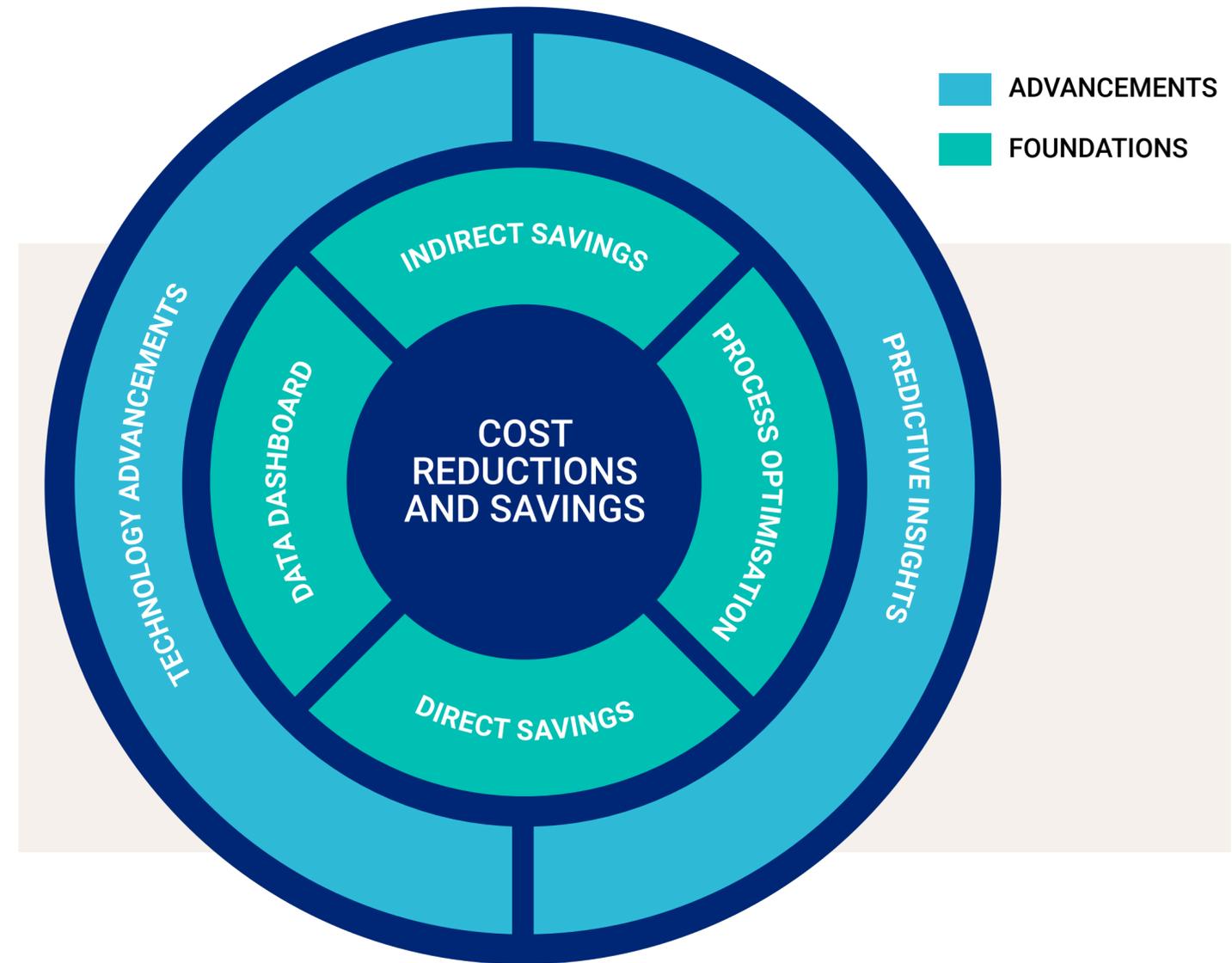


## BOOSTING COST CONTROL AND STRATEGIC BUDGET MANAGEMENT

The costs associated with contingent workers are often overlooked or inadequately managed, leading to poor utilisation of budgets within the organisation. These costs are usually allocated at an individual budget or cost centre level, which can obscure the overall financial impact. Without a comprehensive tracking system, organisations may inadvertently exceed their budgetary limits.

While contingent labour provides flexibility and bridges skills gaps, it is essential for organisations to closely manage the impact on their budgets. In doing so, they can strike a balance between leveraging the benefits of contingent labour and controlling associated costs.

MSPs gather and analyse extensive data concerning contingent workers, suppliers and their performance. This data-driven approach enables companies to pinpoint cost-saving opportunities. By negotiating rates, vigilantly tracking supplier performance and ensuring adherence to regulatory standards, MSPs can enhance an organisation's financial resources, allowing budgets to be reallocated into other value-add activities.



**The centralisation of spend across multiple vendors results in more favourable pricing and often reduced mark-ups.** Furthermore, through the advanced capabilities of a VMS, MSPs diligently track expenses, minimising unauthorised or off-contract spending. This vigilance extends to staying informed about market trends, wage rates and industry benchmarks, facilitating smarter decision-making.



## KEY STAKEHOLDER BENEFITS OF COST REDUCTIONS AND SAVINGS

Our MSP solutions are proven to reduce costs and deliver sustainable savings for organisations, with initiatives tailored to all stages of maturity in contingent workforce adoption.

Collaborating closely with our clients, we employ a blend of operational and contractual strategies to optimise cost efficiency and savings. This dual approach ensures a comprehensive solution that addresses the unique needs of each client, while delivering tangible financial benefits:



HIRING MANAGER	PROCUREMENT	HR	SUPPLIERS	FINANCE
<ul style="list-style-type: none"> <li>▶ Access to the right talent, at the right price</li> <li>▶ Adherence to contingent worker/project budgets</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cost savings and controlled rates</li> <li>▶ Value for money</li> <li>▶ Benchmarked rates for skill sets/experiences</li> <li>▶ Identification and reduction of uncontrolled spend</li> <li>▶ Competitive supplier bids</li> <li>▶ Market Insights on the right buying channel</li> </ul>	<ul style="list-style-type: none"> <li>▶ Pay parity across the complete workforce</li> <li>▶ Market insights to engage the right type of workers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Rate transparency</li> <li>▶ Competitive bid to increase savings opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▶ PO/budget control and management</li> <li>▶ Effective in-time invoicing and payment</li> </ul>

# DATA AND INSIGHTS

Many early generation MSPs focused primarily on operational tasks such as vendor management, contract negotiation and invoice processing. Data collection was basic, often around metrics such as headcount and costs, which limited the ability to provide strategic insights.

Fast forward to today and modern MSPs have transformed into strategic workforce management partners. Providing consultative, data-driven insights, MSPs analyse a wide range of metrics including supplier performance, pay rates and market trends to align closely with the business' goals. Technology developments including VMS, dynamic data dashboards and integrated Artificial Intelligence have also made it easier to access predictive data and insights. Together, these advancements facilitate a proactive approach to modern contingent workforce strategies.





## CASE STUDY: GLOBAL MANUFACTURING COMPANY

Due to the nature of the industry in which they operate, absenteeism and accidents are important considerations for our client when it comes to their temporary workforce. Without accurate data on these critical HR topics the organisation would face serious challenges in their discussions both internally with business unit leaders, and externally during their regular dialogue with trade union leaders.

Using our technical expertise and local industry knowledge, we have configured bespoke dashboards that deliver the customer visibility and insights across the most critical HR topics, enabling them to make better, data-driven decisions regarding their temporary workforce.

We have also created specific dashboards for each manufacturing plant location, sent monthly to the customer's National Head of HR, providing them with crucial data points that they would otherwise not have access to.

In addition, we configured SISENSE dashboards (a BI tool driven by Pixid data) for the national account managers at each supplier delivering into the programme. These dashboard detail key performance metrics and benchmarks for each of their local branches, enabling the supplier sales leads to identify areas for continuous improvement and to help drive better performance from their regional businesses.

Further to this we also provide more macro-level market insights to the client, drawing on both Hays and external data sources. These are well received by the client who is consequently better informed regarding both local and national temporary labour trends.

### KEY FACTS

- ▶ **16** manufacturing sites
- ▶ **3 monthly** dashboards shared with each supplier to drive performance
- ▶ **16 monthly** dashboards shared with each manufacturing site to drive their workforce management strategy





# COMMON CHALLENGES

Insufficient access to data and insights regarding the contingent workforce can pose significant challenges for decision-making, strategic planning, and may even have financial repercussions:

▶ *“Our manual data collection process for the contingent workforce is time-consuming and frequently inaccurate.”*

▶ *“How can we efficiently manage our contingent workforce when critical data—such as worker profiles, assignments, performance metrics, and compliance records—is scattered across multiple systems?”*

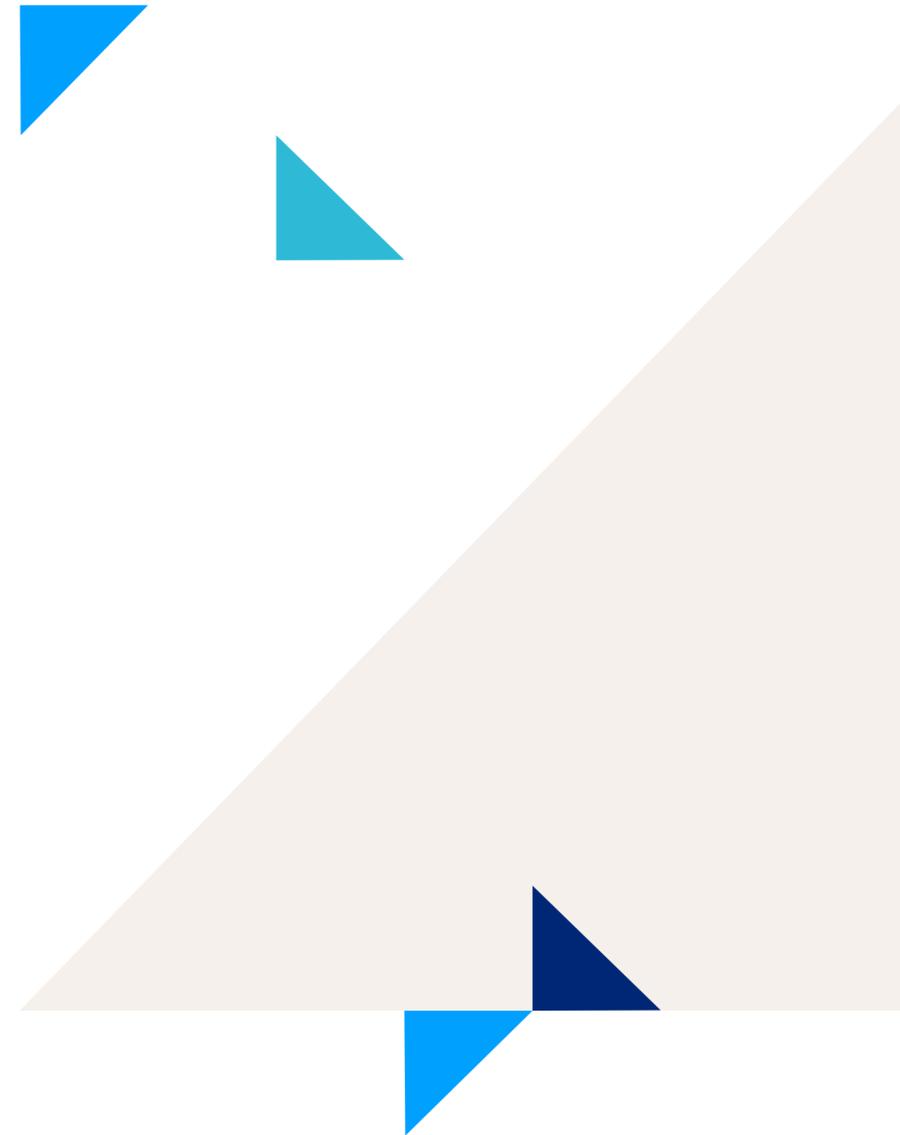
▶ *“We face data gaps in tracking contingent worker compliance, risking legal and regulatory violations.”*

▶ *“We currently encounter challenges in accurately tracking our total expenditure due to process limitations and data handling procedures.”*

▶ *“We lack predictive analytics to anticipate contingent workforce needs. Our approach is currently reactive rather than proactive.”*

▶ *“Our company has invested in new technologies, we’re uncertain about how to use it effectively for data collection and analysis.”*

Addressing data and insight challenges will enhance the way you are utilising contingent workers, enable better prediction of future workforce needs and identify key market trends. An MSP can support this initiative through providing a deeper understanding of both internal and external dynamics.





## THE IMPORTANCE OF HIGH-QUALITY INFORMATION

Companies operating without an MSP often find themselves dealing with a multitude of processes and systems. This complexity can lead to a significant gap in the data and insights necessary for effective management of contingent workers. The absence of a unified system can result in fragmented information gathering, making it challenging to make informed decisions and implement efficient strategies for contingent workforce management.

In the context of contingent workers, data and insights can be divided into two distinct aspects: internal workforce dynamics and external market conditions.

**Internally, understanding workforce optimisation, insights into skills availability and overall performance allows a business to strategically deploy contingent workers.** For example, HR and Finance teams can utilise internal data to assess the cost-effectiveness of using contingent workers versus permanent staff, thereby determining best hiring practices and ensuring appropriate budget allocation according to need. Monitoring internal trends further aids in risk mitigation—for example, identifying turnover patterns, compliance gaps, worker satisfaction and productivity metrics.

**Externally, staying abreast of market changes is crucial, especially in a volatile market where conditions can change rapidly.** Insights into industry trends, demand for specific skills and competitive worker rates empower organisations to remain agile and responsive. Additionally, this knowledge

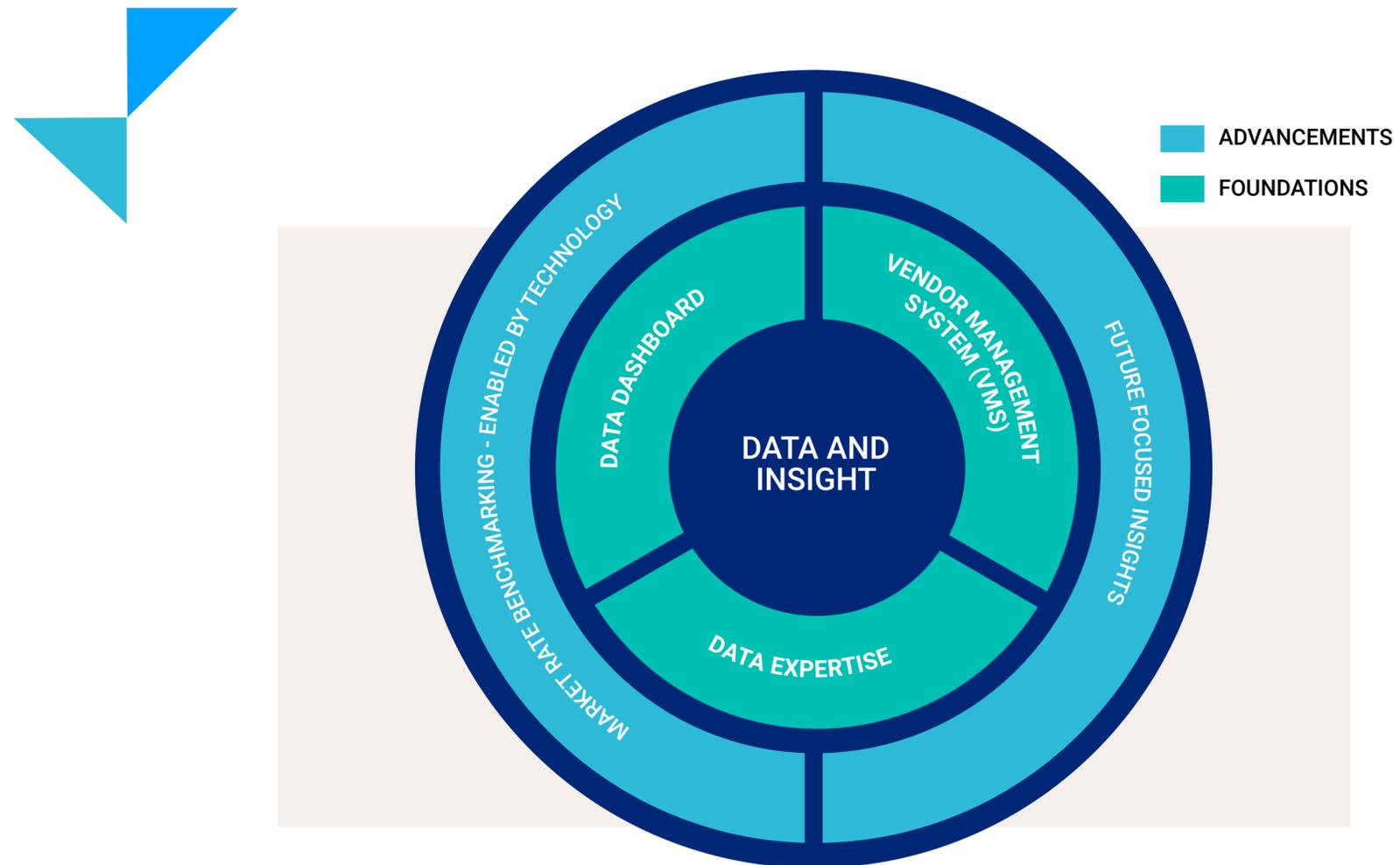
informs talent acquisition strategies, such as identifying regions with skills shortages and locating specialist skills – proactively addressing these gaps whilst aligning with market realities. External insights ensure compliance with labour laws and regulations, critical for maintaining positive business reputation.

MSP providers specialise in data-driven insights for managing contingent workforces. They analyse spending, supplier performance, and talent channels, identifying trends and areas for improvement. By centralising data,

offering real-time visibility into costs and performance metrics, and comparing workforce metrics against industry benchmarks, MSPs empower employers to make informed decisions. Additionally, they assess existing technology stacks to ensure full utilisation of available tools, driving strategic workforce decisions and business success.

### DID YOU KNOW?

Data and insights are the gateway to **Total Talent Management**, allowing organisations to view their workforce holistically, regardless of permanence. This integrated approach enhances overall performance.





## KEY STAKEHOLDER BENEFITS OF DATA AND INSIGHTS

Our MSP solutions leverage data to measure, adapt, and enhance service delivery. Drawing from our global expertise, we strategically manage processes and derive insights to determine how our clients engage contingent workers.

Through programming proprietary data dashboards, we provide accurate information on spend, budgets, performance, and activity. This data-driven approach empowers our clients to make informed decisions about talent engagement.



HIRING MANAGER	PROCUREMENT	HR	FINANCE
<ul style="list-style-type: none"> <li>▶ Advice and guidance on how and where to find talent</li> <li>▶ Optimise budgets and control costs</li> <li>▶ Data insights to support decisions and control internal finance conversations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Data on cost savings and controlled rates</li> <li>▶ Benchmarked rates for skill sets/experiences</li> <li>▶ Comparisons and evidence to support the organisations buying decisions</li> <li>▶ Supplier performance data to help make more informed supply chain decisions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Information on talent availability, location, and cost</li> <li>▶ Workforce DE&amp;I data</li> </ul>	<ul style="list-style-type: none"> <li>▶ Accurate PO and invoicing data</li> <li>▶ Spend reporting by budget or cost centre to manage costs</li> </ul>

# LET'S TRANSFORM YOUR USE OF CONTINGENT WORKERS, TOGETHER

If your workforce strategy and hiring needs are becoming increasingly complex, or if your internal hiring team is struggling to keep pace with ever-changing best practices and the latest technology, it may be time to consult an external workforce solutions provider.

Internal programmes commonly fail not due to a lack of expertise, but due to a lack of capacity to manage the internal changes required when implementing new technologies or processes.

Ready to take the next step? [Click here](#) to request a consultation with one of our workforce solution experts today.



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