

# A Global MSP Brings Efficiency and Savings

*Global*



## Business Issue

To achieve greater visibility into its workforce, maximise efficiencies and realise significant cost reductions, one of the world's largest telecommunications companies sought to consolidate its global contingent workforce management efforts.

With a total contingent headcount of 4,700 across 400 locations in nine countries, the process of streamlining multiple managed service provider (MSP) programmes would be complex under any circumstances. However, this particular implementation also posed a number of technical and practical challenges.

For example, the company had seven separate instances of its vendor management system (VMS) across multiple locations and no efficient mechanism to understand if workers were being classified appropriately or rates were competitive. The previous programme also included approximately 250 suppliers, and the company required that all original suppliers be included in the rollout. Finally, decentralised efforts resulted in a significant amount of rogue spending by local hiring managers, particularly through statement of work (SOW) arrangements that would have been better suited to being included in the MSP. In addition, the company continues to expand via acquisitions, requiring continuous deployment on a global scale.

To successfully carry out such a significant undertaking, the company needed an MSP partner with a global presence, a firsthand understanding of the company's corporate culture, extensive technical experience and the experience to navigate local market conditions and stakeholder management needs. With years of experience as a partner to the client, providing solutions ranging from the company's US MSP and recruitment process outsourcing to executive coaching and strategic consulting, TAPFIN was uniquely suited to carry out the global MSP effort.

## Solution

To meet the client's far-reaching needs, the TAPFIN team designed a holistic Global Workforce Solutions programme. This allows the team and the client to leverage the capacities and competencies of a large group of global specialists across the ManpowerGroup brands. A global programme team of 31 specialists provides on-site support within the US, EMEA and India. Team composition includes operational support for time and material and SOW engagements, strategic initiatives and business intelligence.

The team developed a comprehensive solution focused first on supplier optimisation. To drive quality standards, the TAPFIN team has introduced best practices, including scorecards and rules of engagement. The team has also worked with the client on a supplier rationalisation initiative to reduce the total volume of suppliers and cultivate a higher quality vendor pool. As a first step, the team identified low-engagement suppliers (i.e., those who have provided no submittals or have responded to a very low number of requisitions). In addition to creating a more manageable list of suppliers, reducing the total number presents opportunities for cost savings, increased efficiencies and higher quality.

The next core area to address was technology alignment. The integration effort covered alignment of vendor management and enterprise platforms as well as sourcing and approval systems. For example, the team drew on its deep expertise of existing VMS platforms to merge seven instances of the client's VMS technology into a single instance. The integration effort also aligned four separate enterprise platforms into one foundational feed, which improved invoice accuracy and standardisation efforts. Improvements to the authorisations that feed into the approval system ensured greater control over financial approvals related to sourcing. Lastly, the team created custom interfaces to the client's contract sourcing module to support SOW efficiencies.

The programme also features a range of cost-saving initiatives designed to lower the overall expenditure without sacrificing quality or productivity. The team works to systematically identify areas of potential savings and to proactively implement solutions on an ongoing basis. These measures are organised into three categories: soft savings, which include reductions in economic costs related to modifying the maximum rates offered in requisitions and overtime/double-time factor savings that are calculated via a reduced markup for overtime and double-time; hard savings, including reductions in the overall MSP implementation cost, programme-wide rate reductions and VMS rebates based on volume and economies of scale (hard cost savings are also achieved by opening up certain service activities, such as payroll, to a competitive bidding process); and cost avoidance, including efficiencies in accounts receivable systems and transference of screening costs to suppliers (e.g., for background checks or testing for illicit substances).

To address the issue of out-of-programme, or rogue, spend and unauthorised SOW engagements, programme development also involved the development of a formal process for SOWs, as well as training for relevant lines of business.

The last core area is strategic consulting. The TAPFIN team provides ongoing insight into industry, market and competitive opportunities as well as considerations related to recruiting and sourcing innovations. The team also engages in specialty initiatives such as a world-class fellowship programme designed to build the pipeline of talent by exposing emerging advertising and marketing talent to all of the company's internal and external creative resources in a compressed time frame.

## Results

TAPFIN has delivered the following results:

- Total cost savings of USD62 million, including USD33 million in soft savings, USD25 million in hard savings and USD4 million in cost avoidance.
- A 32 percent reduction in the total supplier pool (from 250 to 170).
- A request-to-job posting time of less than two hours.
- Time-to-shortlist occurs in less than two days, while time-to-fill averages 10-25 days (depending on the position and skills required).
- A retention rate for technical skills of more than 90 percent.

