



Managed *Service Programmes*

An introduction to optimise your flexible workforce

An introduction to successful *Managed Service Programmes (MSP)*

Managed Service Programme (MSP) solutions can provide complete transparency and control over your contingent workforce and suppliers, encompassing all temporary staff, contractors and consultants, as well as resources engaged under a Statement of Work (SOW).

If you're unfamiliar with MSPs, this guide serves as an ideal introduction. Within it, you'll learn the fundamentals of what an MSP entails, how our core value framework addresses the most prevalent contingent workforce challenges, and how MSPs work in practice.

Let's harness the full potential of your contingent workforce, transforming challenges into opportunities for growth and innovation.



Contents

Contingent workforce adoption continues to grow	4
How To Build And Manage A Contingent Workforce	6
Decoding Workforce Challenges	8
The Core Value Framework	9
Data Driven Guidance	10
Visibility And Control	11
Common Challenges	13
Enhancing Clarity Through A Deeper Understanding Of Your Workforce	14
Process Optimisation Enabled By Technology	16
Common Challenges	18
Driving Efficiency, Reducing Costs And Fostering A More Productive Environment	19
Governance And Compliance	21
Common Challenges	23
Navigating The Legal Landscape Of Contingent Workers	24
Speed To Productivity	26
Cost Reductions And Savings	28
Common Challenges	30
Boosting Cost Control And Strategic Budget Management	31
Customer Experience (Cx)	33
Skills And Expertise	35
Hays' Six Stage Supplier Strategy And Enablement Framework	36
Common Challenges	38
Greater Reach Through A Wider Ecosystem	39



Contingent workforce adoption continues to grow

Historically, the use of contingent workers was largely reactive. Sourced as a temporary alternative to permanent employees, contingent workers were seen as a flexible resource, offering support during periods of high or sudden demand for businesses, as well as cover for sickness and absence.

In response to economic uncertainty and changing worker preferences, organisations are increasingly relying on temporary workers to enhance workforce flexibility and access specific skills.

Contingent workforce - Individuals engaged on a non-permanent basis to execute specific tasks or projects. This category includes freelancers, independent contractors, consultants, temporary workers, and gig workers. Typically, they are contracted for a defined duration or until the completion of a particular project.

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**.

A strategic edge – why top employers are turning to contingent talent

Recognising the strategic importance of contingent workers is essential for modern workforce planning. These individuals offer specialist skills and flexibility, allowing organisations to quickly adapt to market fluctuations and project requirements, in addition to:

- **Scalability** – Make swift workforce adjustments based on project demands, without committing to long-term employment contracts.
- **Expertise** – Contingent workers bring specialist skills that align with specific projects or tasks.
- **Efficiency** – Through focusing on specific deliverables, contingent workers can enhance productivity.
- **Access to talent** – Unlock the ability to tap into a broader talent network beyond full-time employees, regardless of geographical limitations.
- **Cost savings** – Only pay for the work performed, without additional costs including office space, or other fixed overhead expenses.
- **Diversity, Equity and Inclusion (DE&I)** – Drive DE&I initiatives by partnering with diverse suppliers in your workforce.

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

Embracing the evolution

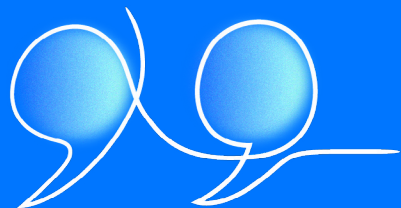
In their pursuit of scalable, flexible, and skilled contingent talent, organisations are investing in service providers to maximise their benefits and mitigate risk. These providers are also helping businesses implement contingent workforce strategies and manage end-to-end solutions.

MSPs focus on sourcing, 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.

How to build and manage a contingent workforce

According to SIA*

70%

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

44%

stated finding contingent talent with specific skills is difficult.

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

When should you consider a Managed Service Programme (MSP)?

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

Staffing Industry Analysts (SIA) define a Managed Service Programme as “a company that takes on primary responsibility for managing an organisation’s contingent workforce programme.”

Do you know who is in your organisation? Is your workforce effectively managed? Do you know your workforce spend? If not, an MSP could be for you.

We’ve partnered with a wide range of organisations across industries, so we understand the challenges you’re facing, including:

Inconsistency and compliance issues:

Inconsistent use and procurement of 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, or lack of compliance to, a structured Preferred Supplier List (PSL) can result in excessive payments to suppliers for worker provision. This issue is exacerbated by ad-hoc supplier appointments and preference-based hiring.

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 manage co-employment risks.

Inefficient processes, lack of visibility and control:

Unstructured supplier engagement can lead to invoice issues, missing purchase orders (POs), payment delays and increased finance workload. Manual processes and varied descriptors for contingent worker costs hinder accurate reporting.

Missing sourcing strategy:

Talent sources vary due to requirements, market conditions and scarcity. Without a well-defined sourcing strategy, organisations may face challenges such as restricted talent inflow, higher costs, non-compliance with agreements and hindered career progression.

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 use 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 Contractor Value Proposition (CVP) & branding:

The proposition and branding activities must be tailored to the contingent workforce target groups. If the messaging isn’t fit-for-purpose or non-existent, potential candidates might choose not to apply or sign up for work with the client.

If you encounter these common challenges, an MSP provider can deliver recommended solutions for your organisation, delivering value across essential 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.

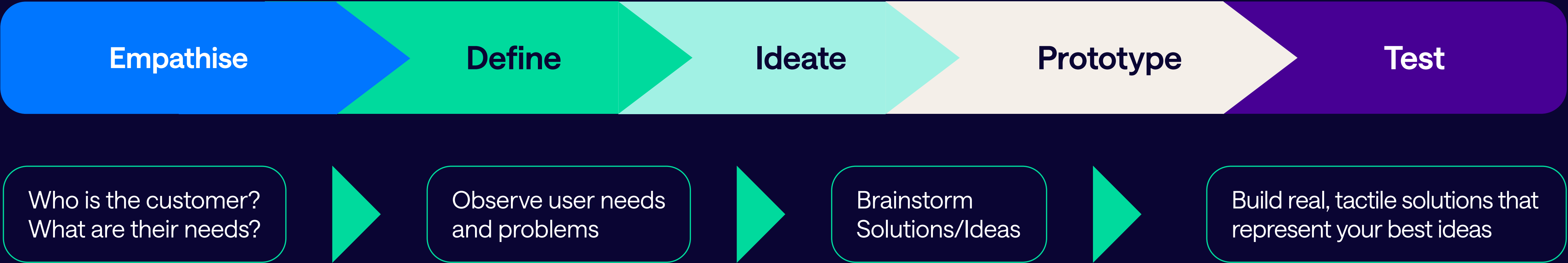
Each stakeholders' needs are quite distinct

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?



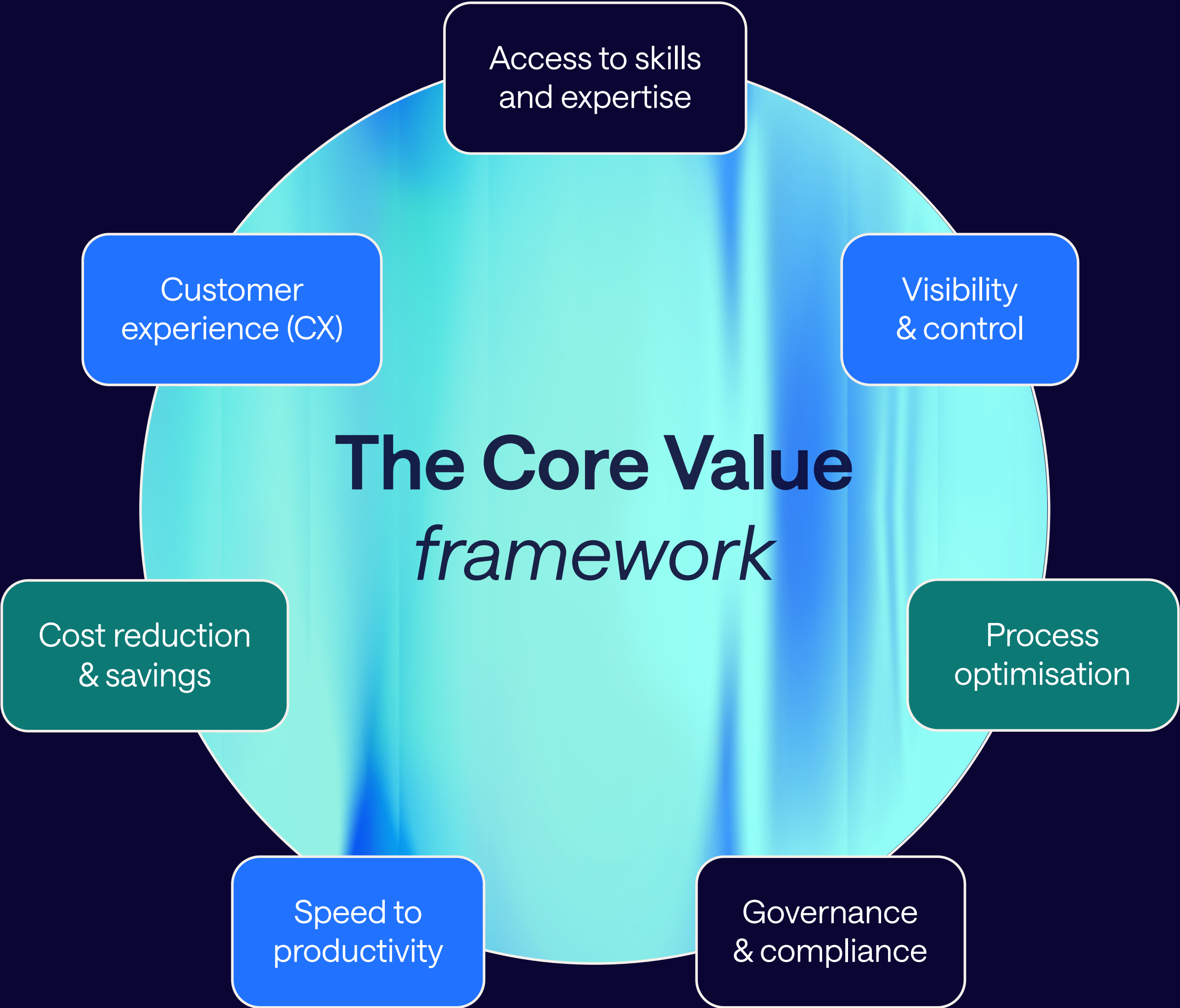
The core value framework

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)

Data-driven guidance

The importance of high-quality information

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

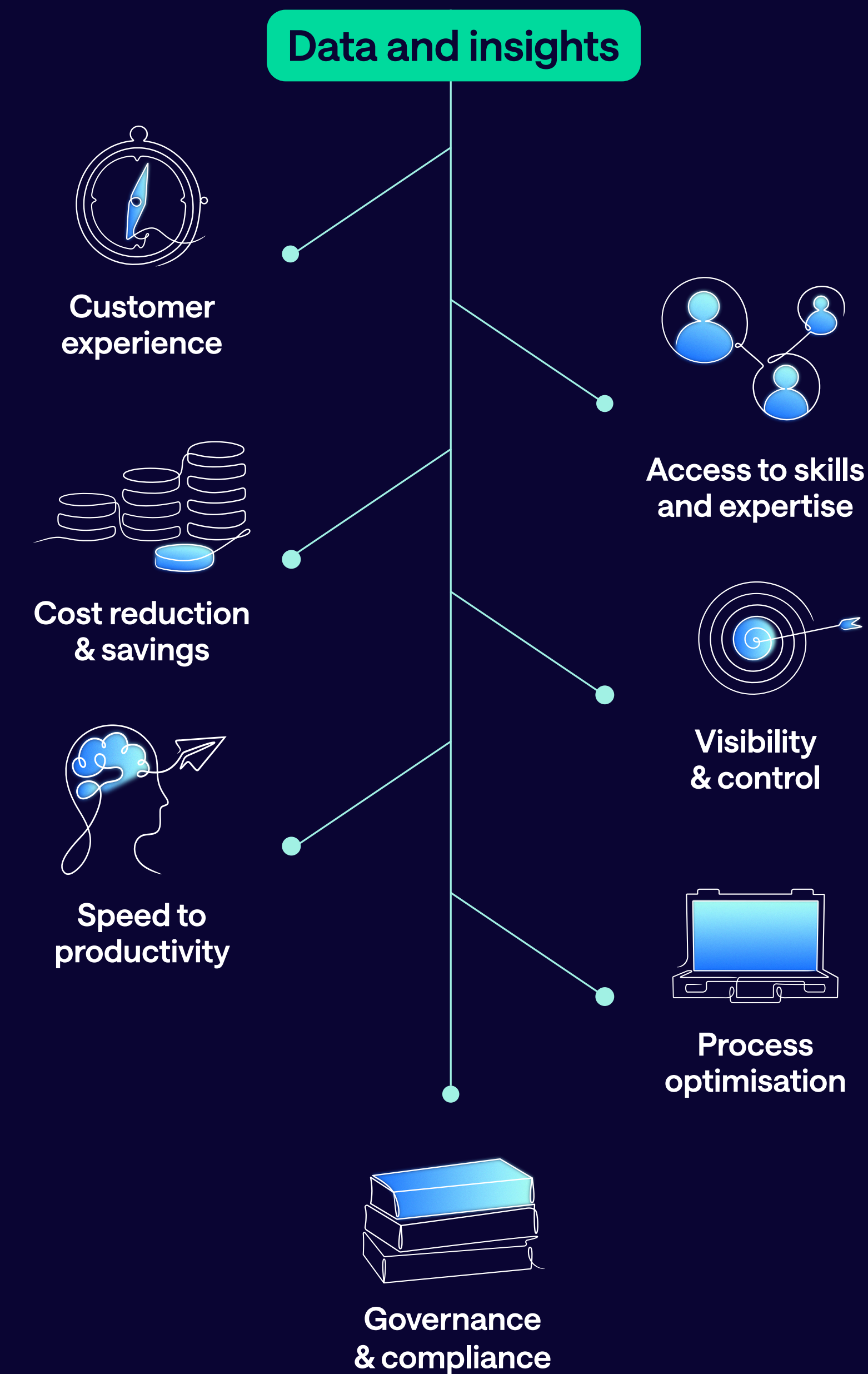
Fast forward to today and modern MSPs have transformed into strategic workforce management partners. Providing consultative, data-driven insights, MSPs analyse a wide range of metrics, including supplier performance, pay rates and market trends, to align closely with the business's goals. Technological 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

Effective management of contingent workforces depends on two key data-driven factors: internal workforce dynamics and external market conditions.

Internally, data on workforce optimisation, skills availability and performance guide the deployment of contingent workers. This information aids in evaluating the cost-benefit ratio of contingent versus permanent staff, refining hiring practices and allocating budgets effectively. Regular monitoring of internal trends helps mitigate risks by highlighting turnover patterns, compliance issues and worker satisfaction and productivity metrics.

Externally, keeping up to date with market changes is vital. Insights into industry trends, skill demand, and competitive worker rates empower organisations to maintain agility and responsiveness. This intelligence shapes sourcing strategies, such as pinpointing regions with skill deficits and specialist skills, while ensuring adherence to labour laws and regulations.

Leveraging global expertise, our MSP's strategically manage processes, providing insights into contingent worker engagement. Our proprietary dashboards offer precise data on spend, budgets, and performance. This data-driven strategy empowers clients to make informed decisions and shapes our guidance, ensuring optimal talent engagement.



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.



Global leading diagnostic systems manufacturer Industry: Life Sciences

Our client, a renowned manufacturer in diabetes diagnostic systems, faced a critical challenge after splitting from the larger Life Sciences group. The new company lacked access to essential systems, processes, and procedures. To build a robust Contingent Workforce Strategy, they needed to start from scratch.

The implementation approach began with a Phase 1 Deployment, where our client initiated an MSP rollout in the US and UK, targeting key head office and manufacturing locations, before expanding globally. The core activities involved meticulous data migration of both on-contract and maverick spend and workers. A robust MSP and a Vendor Management System (VMS) were implemented as part of the technology deployment. Additionally, we undertook a process redesign and policy definition, documenting and implementing contingent worker policies that align with the business goals. This comprehensive approach ensured they now had 100% accurate visibility and control

By developing policies based on our expertise, we ensured consistency and added value across their business. This further ensured accurate governance and risk management. Our holistic approach addressed not only contingent workforce management but also company culture and risk tolerance. The MSP became a catalyst for success, focusing on 300 contingent workers annually across life sciences, manufacturing, and corporate services. It expanded into other geographies, driving further cost savings and supplier optimisation, thereby creating a significant business impact

Key facts

- ▶ **100%**
compliance and capture
of workforce after discovery
and migration process
- ▶ **300**
contingent workers annually
- ▶ **<15 days**
time of offer



Common challenges

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

Operating without clear oversight of the workforce limits informed decision-making and efficient, compliant management of the workforce. By partnering with an MSP provider, you'll receive expert guidance and recommended solutions to effectively address these specific challenges.

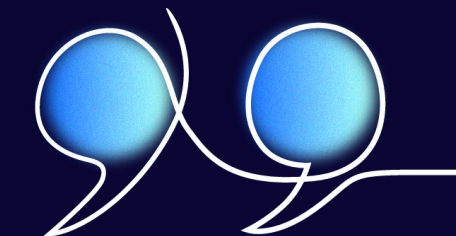
"We encounter challenges with inefficient, time-consuming, and costly processes when handling multiple timesheets and invoices from various suppliers. Insufficient visibility into approval and payment status and slow communication hinders our ability to ensure timely payments for workers and suppliers."



"There is a lack of control regarding worker compliance, including identity verification, references and insurance."

"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."

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



Enhancing clarity through a deeper understanding of your workforce

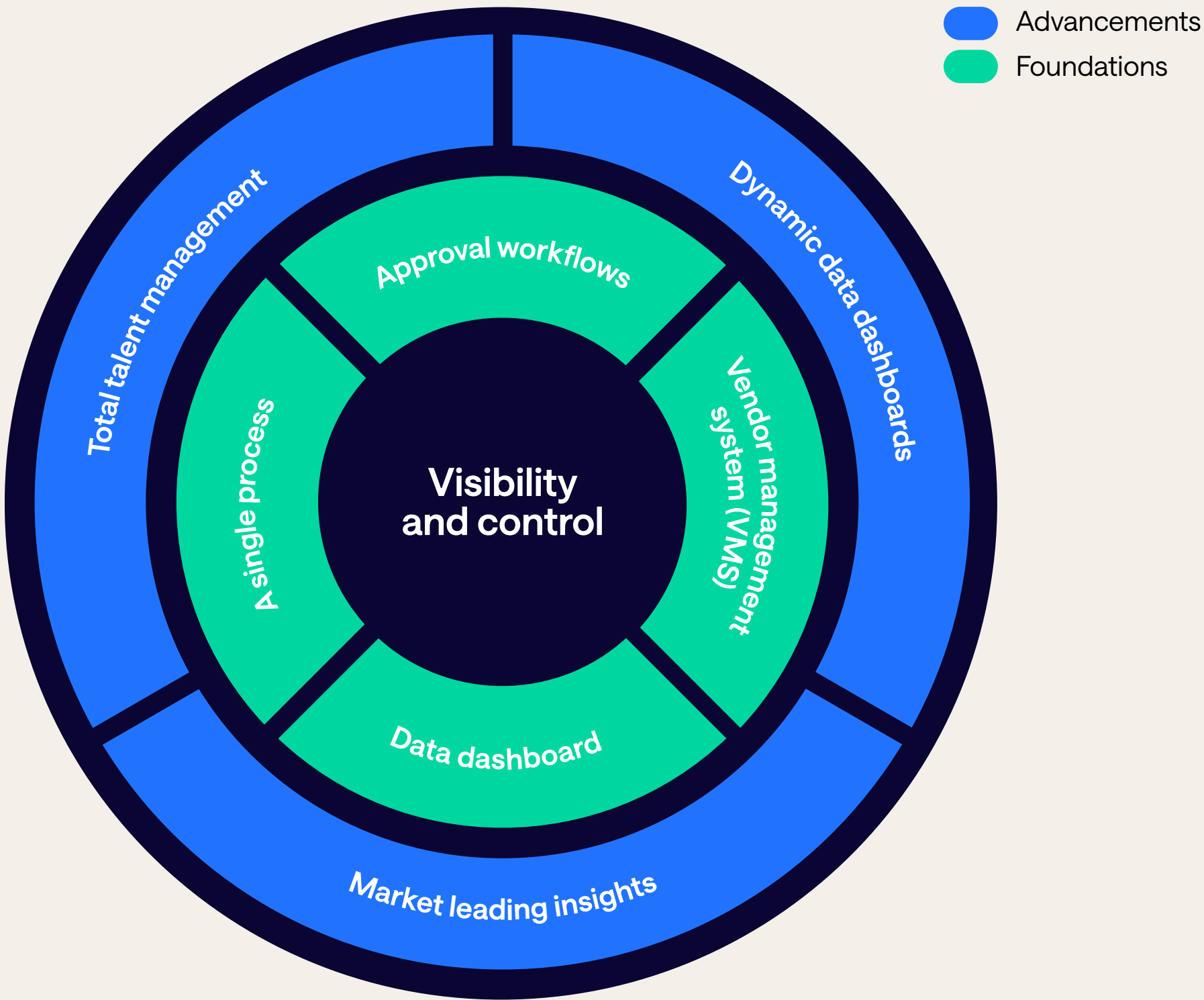
When managing costs and risks linked to your contingent workforce, maintaining full visibility and robust control is critical.

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.

Features of Visibility and Control



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 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

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.



Multinational luxury vehicle manufacturer Industry: Manufacturing

We have been delivering MSP solutions to enhance our client's temporary recruitment process, focusing on IT, Engineering, and Customer Service roles, aiming to streamline hiring and cut costs.

We introduced process enhancements and initiatives, such as deploying Hays 3 Story Software, Power BI, and SAP Fieldglass for efficient reporting and data management. Additionally, smoothly transitioning 330 workers to Hays payroll, provided insights and local expertise, onboarded a PSL emphasising skill capabilities and supplier reviews, and instituted regular 'Think Beyond' sessions for ongoing improvement.

The client's efficiency soared with new technology, enabling quick, informed decisions through real-time MI and PowerBI analytics. Cost savings were realised by shifting workers to Hays' payroll and renegotiating supplier mark-ups. Recruitment metrics improved, with the CV to interview ratio dropping to 2:1 reflecting high-quality candidate sourcing. Satisfaction levels rose significantly, with Pulse survey scores increasing from 4/10 to 7/10 by the fourth QBR, indicating strong alignment between sponsors and the hiring community.

Key facts

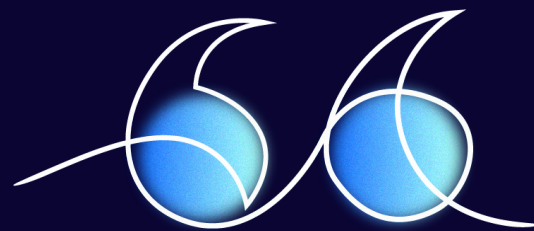
- ▶ **300**
workers on Hays payroll
- ▶ **54%**
increase in satisfaction
- ▶ **2X**
recruitment process is now
twice as effective at selecting
quality candidates for interview



Common challenges

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

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.



“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.”

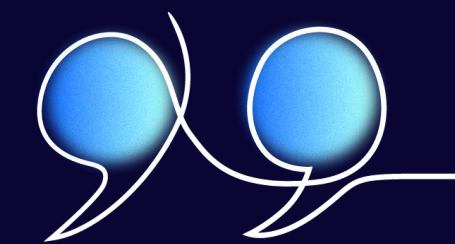
“Our financial management of contingent workers is at a crossroads. The absence of control and oversight on expenditures and invoices is a pressing issue.”

“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.”

“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.”

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

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



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.

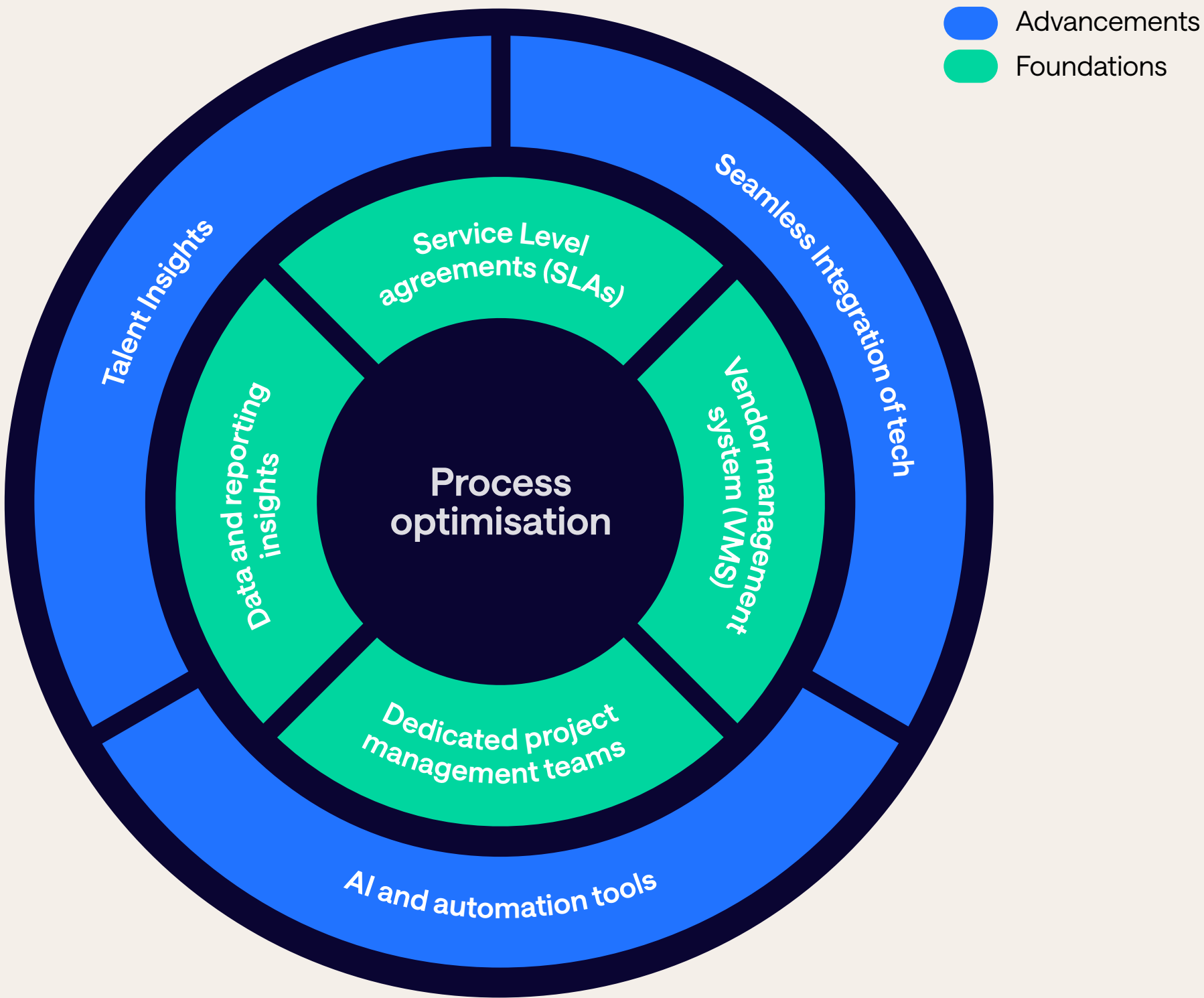
By implementing an MSP to focus on process optimisation, organisations can benefit from a more efficient approach to managing contingent workers, which not only mitigates risks but also releases time back to focus on other activities for the different stakeholders involved.

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.

Features of Process Optimisation



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

- Straightforward and timely sourcing and onboard process
- Streamlining administrative tasks
- Single point of contact
- One process and one technology

Procurement

- Automation and technology solutions that drive down cost and add value
- Digitisation of the procurement process
- Indirect cost savings through automation and process efficiency
- Supplier performance data

HR

- One way of working
- Single source of truth for all worker data
- Automated headcount approvals
- Access to workforce data and insights

Suppliers

- One process and single point of contact
- Provides invoice efficiencies
- Transparency at each stage of the contingent worker process

Finance

- Facilitates better budget management
- Enhanced PO creation and spend reporting
- Consolidated invoicing efficiencies

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.



Multinational FMCG company Industry: Manufacturing

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 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.

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
- ▶ **100%** visibility of contract workers
- ▶ **100%** compliance
- ▶ **250** job requirements filled 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:



Navigating the legal landscape of contingent workers

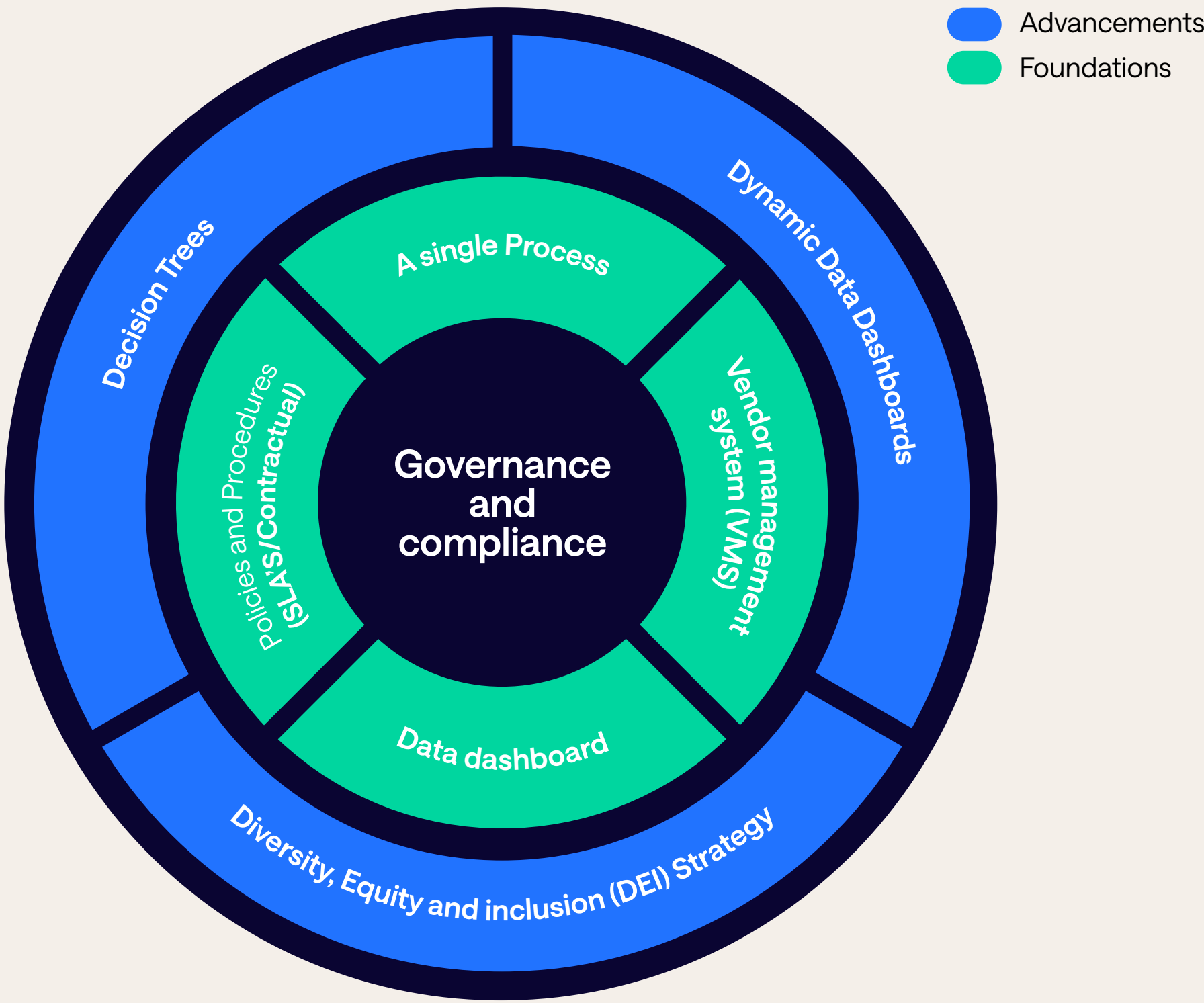
Across the globe, the grip of laws and regulations on the contingent workforce has been steadily tightening. Recent legal developments serve as a stark reminder: organisations must now reevaluate their approach to engaging contingent labour.

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.

Features of Governance and Compliance



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

Speed to productivity

Without an MSP in place, managing a contingent workforce can be time-consuming and inefficient. The absence of strategic workforce planning and talent pooling hampers the ability to quickly identify and acquire necessary skills, delaying productivity. This can lead to critical skill gaps, making it difficult to respond promptly to market demands and business needs. Ambiguity in worker assignments can further complicate matters, leading to confusion and misallocation of resources.

Additionally, without an MSP, companies may face coordination challenges, inadequate tracking, and compliance issues. These problems can significantly delay onboarding and task assignments, ultimately slowing down worker deployment.



Speed to productivity

An MSP improves productivity by focusing on key areas such as demand planning, speed to onboard, speed to shortlist, and speed to performance, ensuring a faster and more agile workforce.

Here’s how MSPs can enhance speed to productivity:

81%

of employees felt overwhelmed during the onboarding process*

Demand planning



✓ Analytics and forecasting metrics can precisely predict staffing requirements based on business needs. By analysing trends and predictive insights, organisations can better prepare for future workforce requirements.

Speed to shortlist



✓ Streamlined access to a managed network of suppliers, MSP providers can quickly source and compile a shortlist of suitable candidates. Using technology-enabled processes to expedite the vetting process, minimising the time from job requisition to candidate shortlisting.

Speed to onboard



✓ By proactively managing processes and adhering to strict Service Level Agreements (SLAs), an MSP provider expedites onboarding, ensuring efficient and smooth workforce integration. Companies quickly benefit from the MSP’s services, leading to faster realisation of value and improved overall satisfaction.

Speed to performance



✓ Identifying high performers, accurately matching talent to roles, and retaining alumni/redeployees, MSP providers can significantly accelerate organisational performance. This ensures that the right skills are deployed quickly, reducing onboarding time and increasing productivity from day one.

By taking on the challenging and time-consuming tasks, MSP’s enable organisations to better concentrate on their main business activities. Ensuring the right people are positioned in the right jobs at the right times.

* Source: Why Better Onboarding Is Key To Improved Productivity In 2023 (forbes.com)

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.



Market-leading banking and insurance firm Industry: Banking, Financial Services and Insurance (BFSI)

Our longstanding client in our outsourced solutions business recently embarked on an exciting journey to enhance and expand its MSP in Australia, with plans to implement the same in New Zealand. This initiative is the latest chapter in a decade-long partnership, covering both Recruitment Process Outsourcing (RPO) and MSP.

Facing the challenges of a complex and partly unregulated contingent workforce, our client sought a more integrated and efficient workforce management approach by integrating contingent workers managed under time-based Statements of Work.

The expansion included transitioning these workers into the MSP and enhancing our supply chain by adding 11 new suppliers, most of whom employed their own specialised permanent staff to meet our client's workforce needs. This allowed us to consolidate services, reduce reliance on external panels, and increase direct sourcing to 50%.

With all time and material engagements centralised under Hays, we gained 100% visibility of the external contingent workforce, reduced costs, mitigated non-compliance risks, and streamlined administrative processes through consolidated invoicing. Achieving senior leadership endorsement required close collaboration with the client's Procurement and Human Resources departments, highlighting the power of a strong and trusting partnership.

Key facts

- ▶ **100%**
visibility and reporting ability
- ▶ **496**
total contractors engaged,
with an average tenure
of 12 months
- ▶ **\$920,000 AUD**
cost savings within the first
four months of MSP expansion
with an anticipated annual
saving of 2.76M



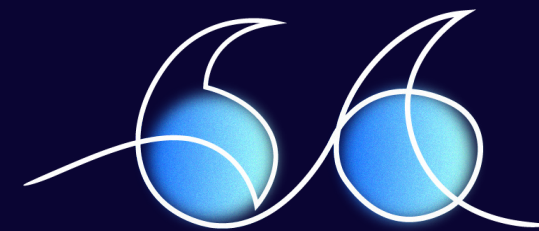
Common challenges

Cost reductions and savings

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:

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.

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



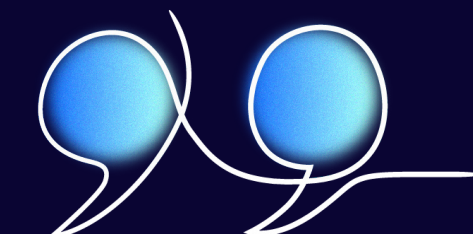
“Our ability to align worker costs effectively and maintain proper cost control is hindered by the lack of a rate card.”

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

“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.”

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



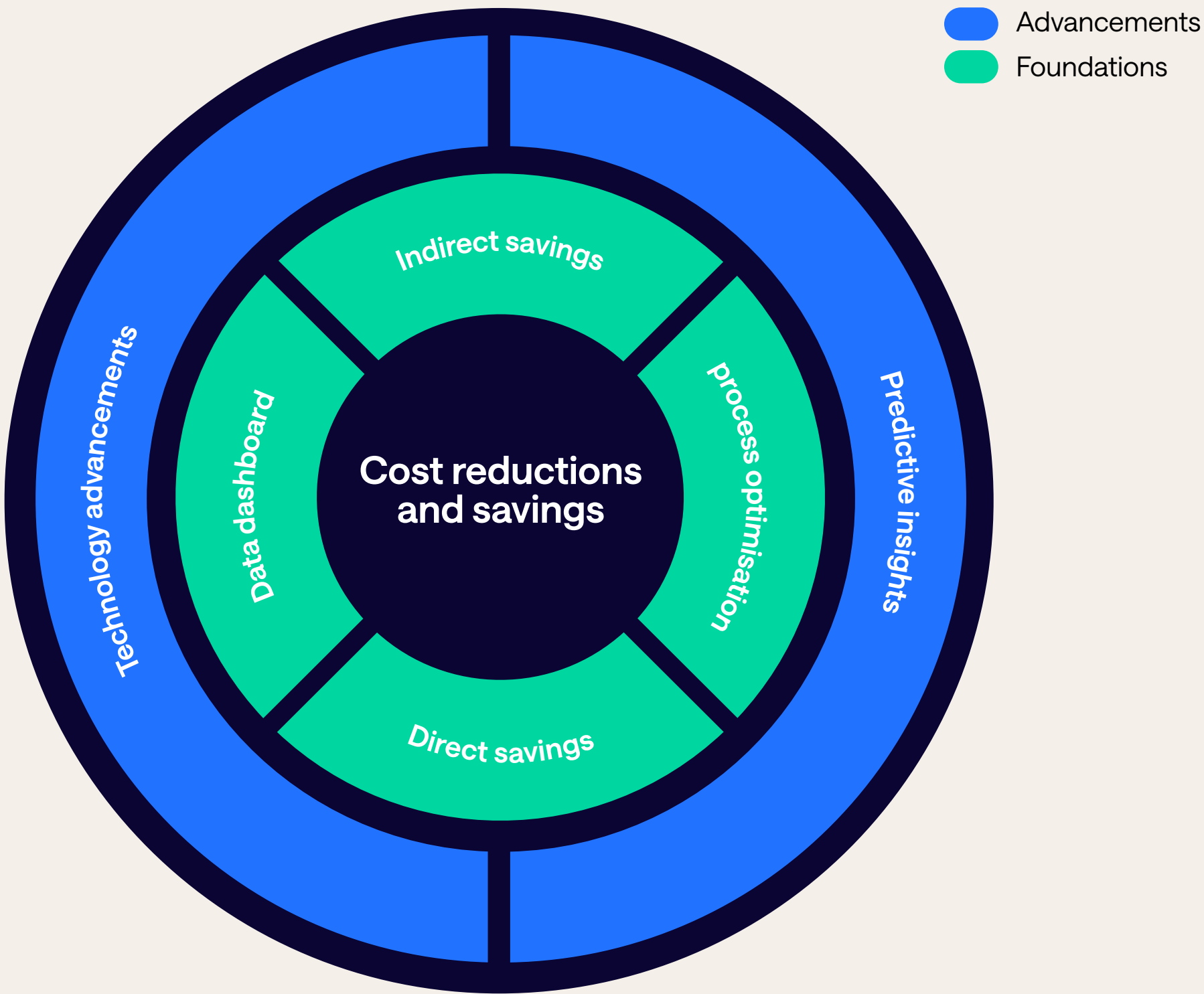
Boosting cost control and strategic budget management

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.

Features of Cost reductions and savings



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

Customer experience (CX)

When outsourcing CWM, there are numerous service providers to choose from. It's important to recognise that the benefits of outsourcing extend beyond cost savings and access to specialist skills. Building strong partnerships and fostering collaboration with all stakeholders is crucial to the programme's success.



Customer experience (CX)

It's not just about the services provided, it's about how they are provided.

A strong customer-experience, leading to effective collaboration, is essential for an MSP providers to help a business remedy its workforce challenges and achieve its objectives. Establishing a reliable partnership with your chosen provider is fundamental for ensuring a seamless and hassle-free transition to an outsourced programme.

Companies that choose to outsource their contingent workforce management reap the benefits of strategic workforce planning. This planning is not only aligned with business objectives but also flexible enough to adapt to market fluctuations. A thorough vetting process, coupled with dedication to excellence, guarantees the procurement of top-tier talent. An MSP provider also delivers critical data-driven insights, facilitating informed decision making and the efficient deployment of workers.

Transparency is paramount – open lines of communication and consistent performance reports foster trust and allow employers to monitor and measure success. Responsiveness guarantees quick adaptation to changing business needs, whilst strategic management reduces turnover, maintaining workforce stability.

An MSP significantly enhances the contingent worker experience by streamlining the hiring and onboarding processes, reducing administrative burdens, and enabling contingent workers to start their assignments quickly and efficiently. They provide a consistent point of contact with clear and regular communication, handle compliance with labour laws and regulations, and give workers peace of mind, allowing them to focus on their assignments.

This approach to managing contingent workers leads to a more positive work environment, increased job satisfaction, and, ultimately, higher retention rates.

CX for contingent workers

- Smooth transition from preboarding to onboarding and offboarding
- Continuous feedback for enhancing worker experience
- Robust protection of data
- Refined Contractor Value Propositions (CVP)
- Unambiguous communication and contracts
- Clearly defined scope of work
- Extension or redeployment opportunities

CX for managers

- Expert advice on strategic workforce planning
- Quality assurance of talent
- Data-led guidance from CWM specialists
- Open and honest communication
- Trustworthy performance reports
- Responsiveness

Access to skills and expertise

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 innovative sourcing strategy are non-negotiable—anything less would be a missed opportunity.





Multinational Investment Bank and Financial Services Company Industry: Banking, Financial Services and Insurance (BFSI)

For a decade, we've provided an evolving MSP service to our client in the Asia-Pacific region, collaborating on annual cost-saving initiatives like direct sourcing, vendor discounts, and lower-cost resource strategies. Our team monitors local markets, keeping stakeholders informed and ensuring effective hiring strategies. Through the VMS, we offer visibility of key metrics, track compliance, and manage risk.

Recently, our client faced a significant challenge with sourcing high-quality candidates during a period of high demand in India. With a focus on enhancing their talent acquisition process, the client sought solutions to optimise sourcing strategies while maintaining rigorous quality standards. We implemented a transformative approach to talent acquisition driven by data-driven strategies and underpinned by rigorous Service Level Agreements (SLA).

We categorised staffing agencies based on their ability to supply specific skills to establish a diverse strategic vendor network including specialised 'hire, train, deploy' vendors, ensuring a holistic approach to talent acquisition tailored to the unique needs of the client. We also worked with vendors to proactively submit candidates from their bench pool, leveraging untapped talent resources and reducing time-to-fill for critical roles. This strategy ensured a robust pipeline of qualified candidates to meet demand and significantly reduced post-offer dropouts in the highly competitive Indian market.

Key facts

- ▶ **c.1,400**
workers under management
across 5 countries in APAC
- ▶ **>60**
suppliers managed
- ▶ **USD 420k**
average annual cost savings



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:



“Geographical limitations hinder access to skilled workers, and our technology lacks tools to overcome this.”

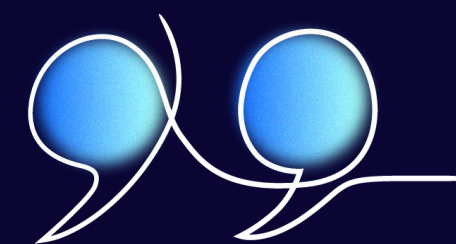
“Our supplier management lacks formalisation. Talent performance varies, and we lack confidence in securing the best rates from our suppliers.”

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

“We are concerned about the lack of diversity in our workforce.”

“Attracting and retaining skilled talent remains challenging due to doubts about our current EVP’s competitiveness.”

“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.”



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

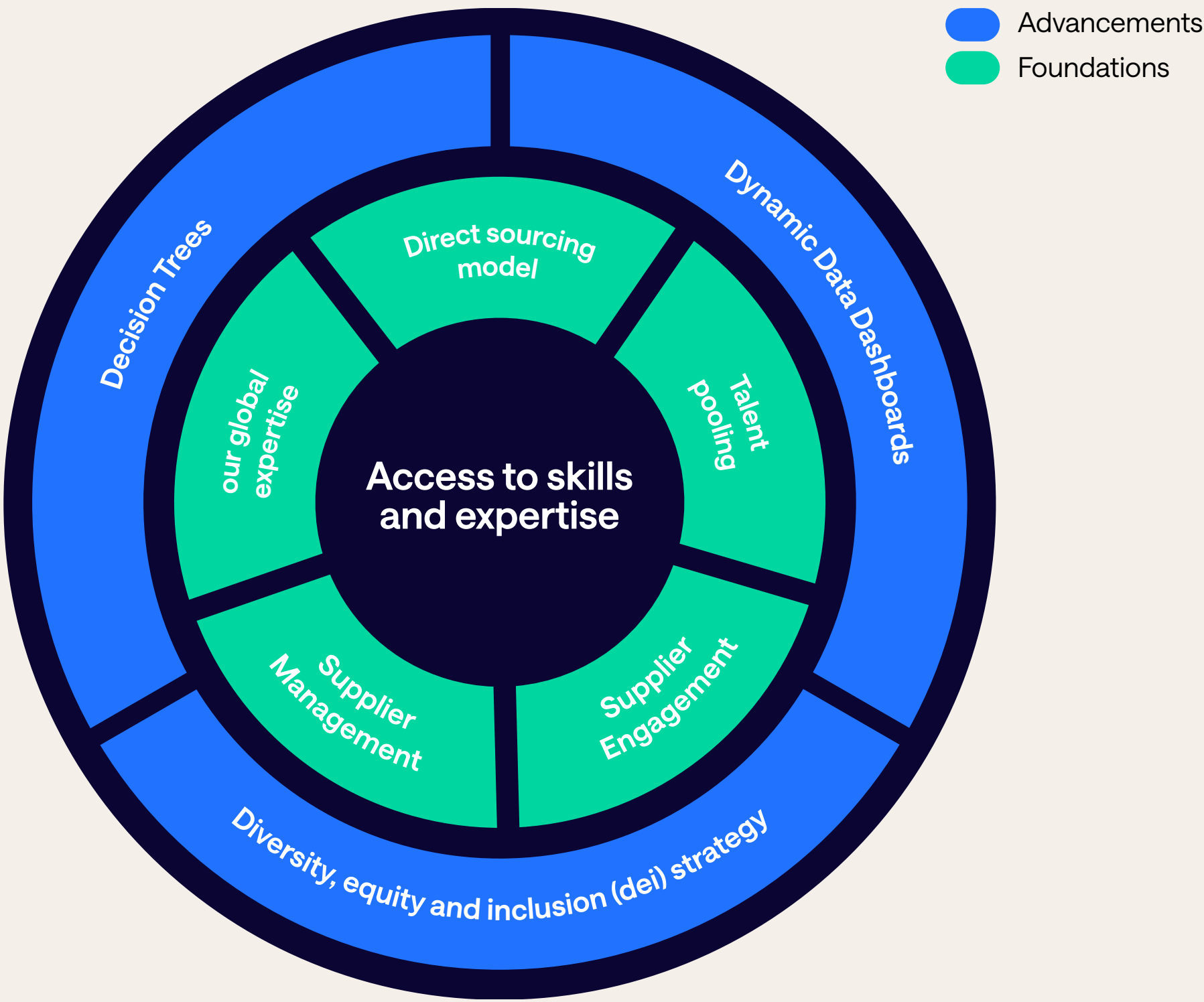
Traditionally, contingent workers navigated their career paths through networking, job boards, temporary staffing agencies and word of mouth. However, in recent times, the availability of contingent talent has undergone a significant transformation. Previously driven by employers, the market dynamics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

Features of Access to skills and expertise



*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.



Service procurement, Freelancer Management Systems (FMS) And Direct Sourcing

We enhance our MSPs by implementing Direct Sourcing, service providers and FMS platforms. 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 attraction strategies and creating tailored Contractor Value Propositions (CVP). Our focus is on crafting unique value propositions that resonate with workers, ensuring they feel valued and motivated. This involves understanding their needs and aligning our offerings to meet those needs effectively.

In addition, we concentrate on engaging service providers through various contract types, including Statement of Work (SOW) arrangements. Our expertise lies in managing and structuring SOW contracts to ensure clear deliverables, timelines, and expectations.

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 skills and expertise

At Hays, our extensive global and 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.

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

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.

