According to Careerbuilder’s national survey, employers recently indicated that contingent hiring is expected to increase 10 percent over last year. With 31 percent of employers planning to hire contingent workers by the end of the year, many organizations are making the strategic decision to outsource the management of their contingent workforce program. The benefits can be endless. If you are unsure of what your company needs, don’t worry, many organizations are unsure about their options within the staffing landscape.

Every organization is different. Companies using contingent workforce programs have different needs and program drivers – requiring different sourcing models. To identify the best contingent workforce model for your organization and to help build the business case for implementing a program, we will explore the following key areas:
Choosing your contingent workforce model & building the business case

OVERVIEW OF CONTINGENT WORKFORCE MODELS

**MASTER SUPPLIER**

A model in which the master supplier takes overall responsibility for providing a client with temporary and contract staffing services. All contingent labor orders will go first to the master supplier to either be filled by the master supplier or distributed to a secondary tier of sub-vendors. The master supplier must be a strong staffing partner familiar with industry best practices in order to meet client requirements.

**DID YOU KNOW?**

Master suppliers usually provide high-volume, non-technical sourcing, while giving you visibility into your contract workforce.

**MANAGED SERVICE PROVIDER (MSP)**

A customized model, sometimes called a hybrid MSP model, is developed around each client’s requirements. In this model, the MSP may act as the master supplier for a certain skill set, but may distribute requirements for other skill sets across a number of different staffing vendors. This model manages an organization’s contingent workforce program, including supply base management, technology and reporting.

**DID YOU KNOW?**

This model enables the client to configure suppliers and business rules within each labor category to meet their custom needs. In this model, the MSP’s staffing division may participate as a supplier.

**VENDOR-NEUTRAL MSP**

A model in which a managed service provider does not directly fill the staffing requirements. Vendor-neutral MSP programs manage all sourcing, including order distribution and final selection based on client-defined policies that mandate all vendors be given an equal opportunity to fill each position and order.

**DID YOU KNOW?**

Vendor-neutral models usually manage large global staffing programs that cross many labor categories in multiple client locations.
### Contingent Workforce Models Checklist

<table>
<thead>
<tr>
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<th>Master Supplier</th>
<th>Managed Service Provider (MSP)</th>
<th>Vendor-Neutral MSP</th>
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<tbody>
<tr>
<td>VMS Technology</td>
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<tr>
<td>Sole Source Staffing Supplier</td>
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<td>Supplier Reporting</td>
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<td>Management Supplier</td>
<td>Single Supplier</td>
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<tr>
<td>Management Locations</td>
<td>Single/Regional/National</td>
<td>National/International</td>
<td>Global/Large Engagement</td>
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</table>

*VMS technology may or may not be used in a master supplier model.

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### Did You Know?

A vendor management system (VMS) is a technology that helps companies automate the contingent employee workflow and is often used with MSP models. According to Staffing Industry Analysts, VMS technology is an Internet-enabled contingent labor sourcing and billing application that enables a company to procure and manage contingent workers and suppliers. Typical features of a VMS include order distribution, consolidated billing and reporting capabilities that deliver actionable data.
WHAT IS AN MSP?
According to Staffing Industry Analysts, a managed service provider (MSP) is a company that takes on primary responsibility for managing an organization’s contingent workforce program. An MSP may or may not be independent of a staffing supplier.

PROGRAM MANAGEMENT
Experts in contingent workforce solutions serve as a single point of contact for you, your contingent workforce and suppliers.

SUPPLIER MANAGEMENT
Management of multiple vendors, ensuring all vendors are vetted and pre-qualified to participate according to the vendor criteria established by your company.

BILLING & INVOICING
Streamlined billing and invoicing process, usually through an automated system.

REPORTING & ANALYTICS
Technology is configured to track and report performance. The result is visibility into your program, transparency into cost-saving opportunities, efficiency improvements and compliance performance customized to your company.

TIMEKEEPING SOLUTIONS
Cost-effective solutions to track employees’ time, control labor costs and increase payroll accuracy.
WHERE ARE YOU NOW?

If you are currently managing multiple staffing vendors, you may be part of a large internal team, working manually to manage your staffing program. Companies that do not have the right staffing and program experience may overtax available resources and experience a longer time to find quality employees. Having a partner with the expertise and capabilities to manage all levels of your company’s contingent workforce frees resources that could be used on other critical initiatives and tasks. It can also provide savings on costs you may not have even realized you were accruing. An MSP program is much more than managing a contingent workforce — it’s providing a more efficient and streamlined process to improve visibility, mitigate contingent labor risks, control costs and measure results.
Are you considering some form of MSP/VMS solution?  
☐ YES ☐ NO

Do you have adequate visibility into your contingent labor spend today?  
☐ YES ☐ NO

Are you confident that all of your contingent workers are compliant with your corporate policies (e.g., tenure, co-employment, etc.)?  
☐ YES ☐ NO

Are you confident that your suppliers are compliant with terms, conditions, pricing, etc.?  
☐ YES ☐ NO

Are you confident that your existing supply base is optimized to provide the best possible value to your organization?  
☐ YES ☐ NO

Do you think you always receive the best qualified candidates from your suppliers?  
☐ YES ☐ NO

What issues are important to you with regard to your contingent workforce program?  
☐ Consistency in quality and service  
☐ Visibility into staffing expenditure to provide cost management  
☐ Compliance with all regulations to reduce risk  
☐ Control of your workforce program  
☐ Optimization of your staffing process

These questions are a great starting point as we move into the next section. If you answered mostly no and checked one box or even all five, chances are you may be ready for a contingent workforce solution. Let's learn more about determining the right model for you.
DETERMINING THE RIGHT MODEL FOR YOU

Whether you are trying to restructure your staffing model or you have a business pain point you need to address, determining the right contingent workforce model is the next step. To determine the right model, you must decide what burning platforms or pain points are driving you towards an MSP.

THE BURNING PLATFORMS:

**VISIBILITY**
When you have multiple suppliers, locations and contingent workers, managing your program can be difficult. Workers may be at different locations and support different job categories, making it even more challenging. Technology adds visibility into your organization, which allows you to better manage your spend and find opportunities for program improvement. The MSP will manage the technology, giving you visibility into the following areas:

- Compliance and risk management
- Performance management
- Workforce quality
- Cost and value management

**SUPPLIER MANAGEMENT**
Whether your solution is a master supplier, a managed service provider or vendor-neutral model, program management is key to ensure success with your contingent workforce. An MSP provider can offer visibility into the entire staffing process across your entire contingent workforce – from distribution and submittal of requisitions to a contract employee’s start, performance and end date.

**COMPLIANCE AND RISK MITIGATION**
Inconsistent policies and procedures can expose a company to financial and legal liabilities. When running a contingent workforce program, you should have visibility into your supplier base and the quality of candidates provided. By knowing that the workforce on your premises have been screened properly through reference and background checks, as well as skill and employment verification, your company can mitigate risk, enforce compliance and create consistent operations. In addition, companies can also take advantage of an MSP provider’s knowledge and expertise related to labor laws.

**COST AND VALUE MANAGEMENT**
When your workforce operations are decentralized within a company or procurement spend categories and are not captured by human resource teams – your workforce can become invisible to the enterprise at large. An MSP solution provides more proficient management of bill rates, resulting in significant cost savings. A VMS technology, managed by an MSP provider, enables companies to automate workflow, creating efficiency and hard cost savings through consolidated invoices, billing consistency and visibility into contingent labor spend.

**WORKFORCE QUALITY**
The quality of your contingent workforce can impact your bottom line. An MSP manages the performance of your supplier community and ensures the quality of employees placed.

Each organization must assess its own business priorities when choosing the appropriate MSP model; regardless of the factors, there are always key burning platforms that motivate overall change throughout an organization.
GETTING THE RIGHT PEOPLE ON BOARD

The next step to building your business case is having the right people involved.

• Build the business case at an executive level
  - Tie the benefits of an MSP program to your company’s goals to establish leadership buy-in

• Focus on the organization
  - In order to create a successful MSP that works for your organization, decide what burning platforms or pain points are driving your organization as a whole towards an MSP

• Identify key stakeholders
  - Each stakeholder may have a different burning platform/pain point, so it’s your job to understand the value for each group
  - Consider all stakeholders – including human resources (HR), talent acquisition, procurement, operations, legal, compliance, finance and IT

While getting the right people involved is a crucial step in the right direction, understanding your company’s level of readiness to change is also critical. As you start to consider an alternative staffing solution, an MSP provider can help you create your business case and prepare your company for a successful transition.
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