

Having Your Cake and Eating It Too: Rethinking Workforce Management in the Age of Contingent Talent

The New Workforce Reality

Today's organizations face a critical challenge: They must remain agile enough to pivot quickly in an increasingly dynamic marketplace, while still maintaining stability and sustainable growth. Increasing pace of change can be seen in the tenure of Dow Jones Industrial Average (DJIA) members; for most of the 20th century tenure held consistent at ~60 years, however that has dropped to ~25 years so far in the 2020's. Success in the modern business environment demands greater flexibility and agility from operations and cost structure. Historically, companies had to choose: flexibility at the expense continuity, or structure at the expense of agility.

Many have found the answer in the form of a **contingent workforce**—freelancers, contractors, agency staff, and gig workers—who are redefining the rules of work.

Why Contingent Talent Matters

- **Agility and flexibility to match labor needs to business needs**
Scale your workforce up or down with ease, adapting to seasonal spikes, market swings, or new growth opportunities.
- **Specialized Skills, Anytime**
Access niche expertise without long-term commitments, accelerating project delivery and innovation cycles.
- **Cost Efficiency**
Shift from fixed overheads to a variable model that aligns labor costs with revenue, creating financial resilience.

However, the utilization of contingent workers has come with a degree of compromise. Critically, a lack of visibility to effectively manage that workforce, its productivity and relationships. These data blindspots can hide inefficiencies in outsourced labor models, such as unleveraged capacity, wasted spend on work misaligned with business priorities and inaccurate 3rd party billing for time not

The Business Reality: The Numbers Speak

- **42% of total workforce spend** now goes to external workers — nearly rivaling the cost of full-time employees.
- **55% of executives** admit they could not run their business as usual without contingent talent.

Source: Oxford Economics

worked. How enterprise leaders resolve these challenges is changing with the evolution of Workforce Intelligence as a core platform for optimizing the modern labor model. The category leader in this space is SLKone's partner Sapience Workforce Intelligence. The Sapience platform shines a light onto the performance and output of contingent workforce relationships. When managed strategically, contingent talent enables organizations to "have their cake and eat it too": achieving efficiency *and* innovation, agility *and* resilience.

The Contingent Workforce Challenge: Risks Without Governance

While contingent labor brings flexibility, it also introduces complexity:

- Hidden spend scattered across business units, often invisible to leadership.
- Lack of data and metrics to truly manage spend and productivity.
- Inability to strategically and objectively manage contingent worker vendor relationships.

Without governance supported by relevant insights, these risks undermine the very benefits companies seek.

The Contingent Workforce Challenge: Costs Without Accountability

Most labor-based services rely on supplier self-reporting and manager approval to validate time – a process riddled with risk. In many organizations, the process looks like this:

- A contractor enters their hours into a Vendor Management System (VMS)
- A manager approves the time based on a general sense of the work done
- The invoice is paid, often without deeper scrutiny

This approach assumes trust but lacks objective verification. The tools and processes involved are designed for tracking and automation – not authentication.

The core challenge is that supplier self-reporting, combined with manager approval, does not guarantee that billed hours equate to hours actually worked or value delivered.

Ignoring this gap exposes companies to financial risk through overpayment for unworked or under-delivered time, contract overruns, and diminished supplier accountability. It also hampers the ability to shift procurement models toward outcome or deliverable-based agreements, which represent a growing best practice for managing contingent labor.

How the Sapience Workforce Intelligence Platform Works

SapienceIQ is a privacy first, enterprise-grade platform that passively collects activity data from endpoints such as laptops, virtual machines, and desktops used by third-party labor. The Sapience data collector, IQ Link, captures signals from active application usage, such as mouse and keyboard interactions, as well as the time spent in work-relevant tools. Combining this data builds a comprehensive picture of how work is being performed across vendors, locations, business units, etc.

The platform can also integrate seamlessly with existing VMS and project management systems, to enhance current workflows and create data correlations. SapienceIQ enables organizations to validate reported time, improve supplier accountability, identify high-performing vendors, and uncover hidden productivity losses. As a result, companies are able to realize measurable cost savings—often exceeding 30%—within months of deployment.

The Opportunity: Total Talent Management

Forward-thinking organizations are reframing contingent workforce management as a **strategic differentiator**. By adopting a holistic approach with insights enabled by workforce intelligence, they achieve breakthrough outcomes in vital operational categories:

1. Unified Visibility

Technology platforms centralize contingent workforce data, turning a blind spot into a source of insight.

2. Maximized ROI of Contingent Labor

Correlate supplier-reported hours with actual labor activity to enable identification of anomalies and potential overbilling, while supporting continuous supplier performance improvement.

3. Supplier Ecosystem Strategy

Strategic partnerships, blended with digital marketplaces, create a resilient and diversified sourcing model.

The Payoff: Have Your Cake and Eat It Too

Companies that embrace contingent workforce management as a priority achieve more than cost savings:

- **Faster innovation** through global skills on demand.
- **Sustainable growth** by balancing fixed and variable costs.

- **Resilient and Robust** vendor relationships by evolving beyond transactional interactions

Conclusion

Contingent talent is no longer a tactical lever — it is a strategic asset. The organizations that thrive in the future will be those that **seamlessly integrate contingent and full-time workforces into one strategy.**

With the right governance, technology (Sapience Workforce Intelligence), and process driven approach, businesses can rise to the challenges of workforce management. They can have the flexibility of contingent labor *and* the stability of core employees.

If your organization is looking to adopt a contingent workforce model, or better manage your existing contingent workforce and are interested in learning how SLKone, powered by Sapience, can help, please reach out to Andrew Klemm Aklemm@slkone.com and / or Drew Wedemeyer, at Drew.Wedemeyer@sapienceanalytics.com.

About SLKone

SLKone is more than a consulting firm—we're your partner in translating complex business challenges into tangible results. Our hands-on approach means we work side-by-side with your team, delivering actionable solutions that directly impact your bottom line. At SLKone, we don't just provide solutions—we build the bridge between your challenges and measurable outcomes. Using data-driven insights and deep industry expertise, we create tailored strategies that span across industries and deliver lasting results.

For more information visit <https://slkone.com/>

About Sapience Analytics

Sapience delivers workforce intelligence that helps enterprises optimize organization effectiveness, enhance productivity, and improve operational performance. With our privacy-first platform, Sapience helps organizations make smarter decisions about workforce allocation, performance management, and cost optimization. Sapience clients include leading global banks, insurance and financial services institutions, technology services integrators, digital products and solutions companies, healthcare providers and worldwide energy services companies, among others.

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