

MSP Case Study

Turning the ordinary into the extraordinary.

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Complex Vendor Consolidation

Vendor consolidation (Information Solutions)

The client.

An \$86 billion provider of wireless communications services globally, the client serves more than 40 million customers in the United States through an extensive wireless network.

The challenge.

Consolidate a vast, complex portfolio of more than 400 staffing suppliers to support a client with an evolving infrastructure and regular acquisitions.

This information solutions company with two core business divisions was looking for a workforce management solution to help bring their divisions into alignment by consolidating its portfolio of more than 400 staffing partners. Goals also included:

- Reducing HR's administrative burden
- Lowering labor costs
- Minimizing co-employment risks
- Improving overall staffing quality
- Enhancing business productivity
- Streamlining requisition and approval processes
- Instituting compliance around process, pricing and pre-screening
- Improving contract usage (eliminate "rogue" spend)

This client was struggling to manage hundreds of contracts without any standardization, centralization, or consistent on-boarding and supplier compliance. The client also continuously strives to leverage a high volume of contract labor spend for cost savings. As the client evolved with a major acquisition, they also began seeking global solutions to support worldwide operations.

The Pontoon solution.

Pontoon acted as the incumbent Master Vendor for this client. When the procurement and HR team came to us to outline their core challenges, we recommended consolidating their vendors through a Managed Services Program (MSP).

When the client saw the potential value this type of streamlined account management could bring, they asked Pontoon to bring the staffing portfolio for all eight of their skill categories under the Pontoon umbrella including: administrative/clerical, sales and marketing, finance and accounting, IT and technical, engineering, light industrial, scientific, and legal.

A neutral vendor management system was also an attractive solution that allowed the Client to maintain an MSP program that is competitive yet attractive to the industry's top suppliers.

The MSP has also been able to contribute to overall business productivity through enabling conversation and collaboration across business units. We were able to do so through weekly meetings with a Director of Recruiting representing each business line. The MSP teams also traveled to high volume market locations to conduct client presentations and supplier forums to gain increased visibility.

The Payroll service offering is highly utilized by all business units and allows for a streamlined process for the onboarding of referred candidates at reduced pricing.

Under the MSP program we implemented the following best practices:

- Provided a standard requisition, fulfillment and maintenance process for every order
- Established a single point of contact for the program so hiring managers knew exactly who to go to for their needs
- Implemented consolidated electronic billing with capabilities to tailor invoicing to a weekly or monthly timeframe
- Provided online/Web-enabled timesheets and approval (customized time capture process using time clocks)
- Facilitated all order activity (fulfillment, screening, interviews, start dates, etc.)
- Submitted complete, consolidated performance reporting supplied to client each month

The MSP also acts as a trusted business partner by monitoring above rate care bill rates, driving ongoing rate card analysis, and highlighting contract labor policy discrepancies across business lines. We are currently partnering with client leadership on the development of a Length of Service policy to limit liability and further protect the client from litigation due to lengthy contract assignments.

The Results.

Overall program utilization increased from \$9 million to \$58 million in the first five years of the program, with a forecasted run rate of \$75+ million. This ROI metric shows we were able to improve contract utilization 8x the historical rate, a key objective of the client.

In addition, hiring manager satisfaction has increased from 84% to 94%.

Supplier's also shared their overall satisfaction in the program with a 85% rating.

Our client realized measurable improvements in contractual metrics including a reduction in negative turnover to 3 percent annually (goal was less than 15 percent), and improved quality of candidates as evidenced by close to 100 temp-to-hire conversions.

About Pontoon

Pontoon, with corporate headquarters in Jacksonville, Florida, United States, is the global leader in workforce solutions. Pontoon specializes in Contingent Workforce Solutions, Recruitment Process Outsourcing and Workforce Consulting. Operating with over 800 colleagues worldwide, Pontoon currently delivers talent management solutions in 74 countries for its 100-plus clients, a global client base that is broader and deeper than the industry has experienced to date. Pontoon is one of the largest worldwide MSPs, and has been selected to the HRO Today Baker's Dozen list for nine consecutive years.

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