

# pharmaceutical company saves \$2.4 million by reclassifying one SOW.

Re-evaluating SOW talent uncovered numerous contractor misclassifications

industry: life sciences/pharmaceutical



challenge

After a large, multinational pharmaceutical company engaged with Randstad Sourceright to implement a managed services program (MSP), it was discovered that numerous contractors under a large statement of work (SOW) should have been classified as temporary labor. Not only do such instances lead to unnecessary spend, but they also put the company at risk of misclassification and the potential penalties that can result.

[> read the full case study](#)



solution

To address this situation, Randstad Sourceright's MSP experts worked with the pharmaceutical company's internal team to dissolve the SOW and move those workers to its temporary labor program. Moreover, additional SOWs were uncovered, revealing more opportunities for cost and process efficiencies.



key results

Examining the company's SOW engagements led to significant cost savings: \$2.4 million in six months by reclassifying just one SOW. Additionally, the average markup for SOW talent was reduced from 168% to 48%. As the company continues to work with the MSP team to identify other instances, it benefits from additional savings while reducing its risk of non-compliance by ensuring all talent is properly classified.