

#1

MSP series.



making a
business case for MSP.

In this time of global economic uncertainty, all types of employees have felt the pinch of a massive business downturn. Temps, freelancers, contractors, independents and statement of work (SOW) workers were impacted, as companies looked for ways to adjust their workforces to shifting demand, while saving as many jobs as possible.

[Staffing Industry Analysts](#) (SIA) reports that 64% of surveyed companies said they decreased the use of non-employed talent, and 24% reported a significant decrease. The average reduction in contingent workforce utilization was 11% during the early months of the global pandemic.

Yet, it is this same workforce that will be the first to return. Contingent talent are set to help power business and economic recovery as companies realize they need workforce agility as they face ongoing uncertainty.

Research from [Gartner](#) shows that 32% of employers are replacing full time talent with contingent workers to save costs. This trend is expected to expand over time, as companies seek to maintain greater flexibility in response to smaller budgets and limited resources.

managing a contingent workforce.

With a reliance on flexible talent comes the need to identify, engage, hire, manage and compensate those individuals, all while ensuring compliance with internal and external requirements. Managing multiple classes of workers effectively, however, requires considerable time and expertise.

According to [SIA](#), 76% of managers with contingent workforce related responsibilities spent at least half of their time on these activities in 2019. A full 45% spent all of their time managing their contingent workforce. Today, as the growth of flexible talent ramps back up, we can only expect that burden to return.

Companies are now faced with new decisions; they must determine how they will optimize contingent resources to drive value as they pivot to new ways of doing business. They must consider how to best incorporate independent contractors and other flexible talent, with a holistic approach that prioritizes agility and speed. They must also understand the technological competencies needed to effectively source, deploy and track contingent talent in their organizations.

To address these complexities, many talent leaders implement [managed services programs \(MSPs\)](#). The benefits are numerous, and adopters who initially sought to solve one particular problem often discover that their MSP also enhances practices elsewhere in the business. In the second installment in this series, we will take a closer look at the key benefits of an externally managed approach to flexible talent. But, first, let's define the need and build a business case that focuses on accelerating business recovery through MSP.



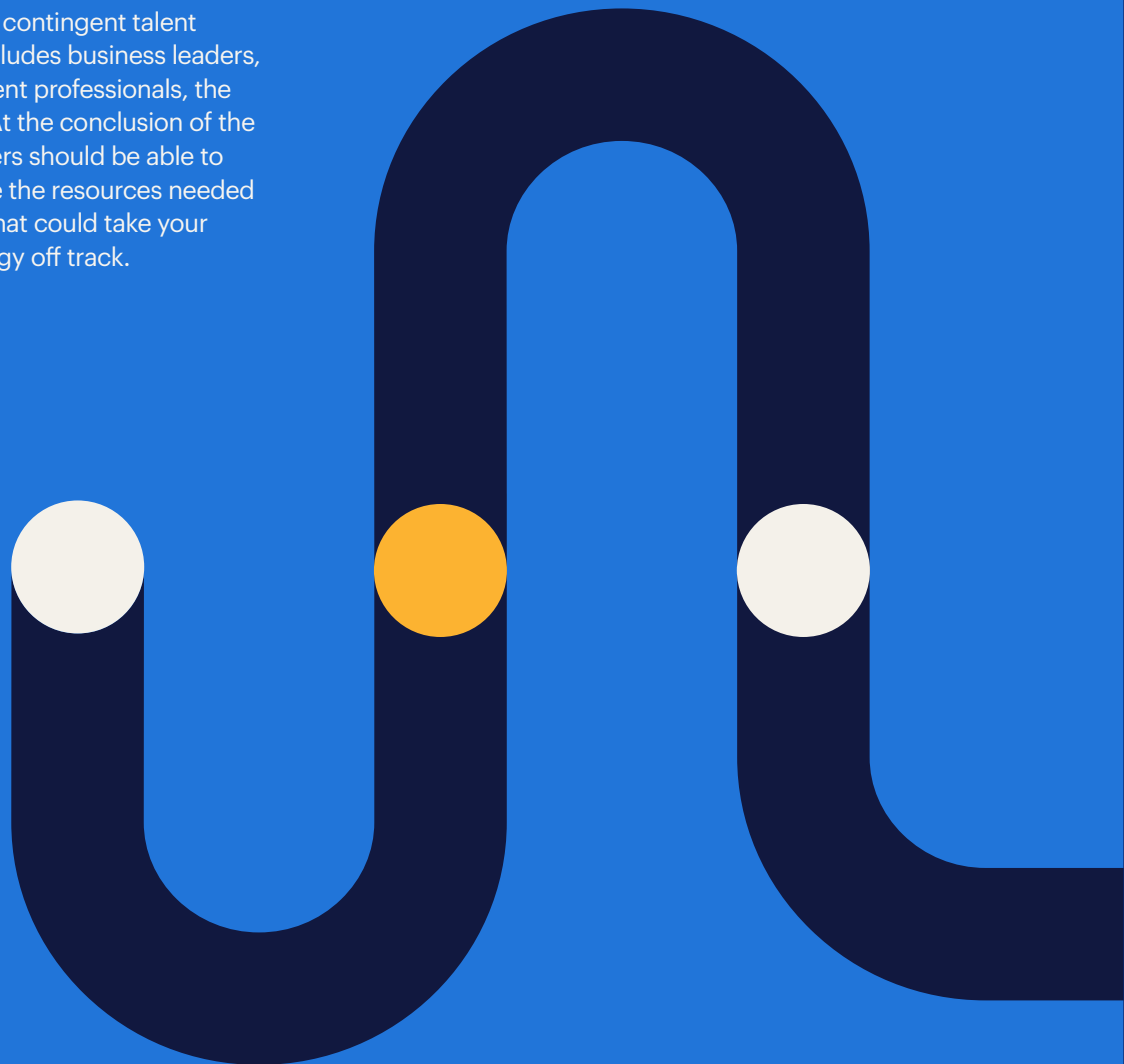
making the decision for an MSP.

The first step in determining whether you should consider an MSP staffing solution is to examine your current practices and desired future state — whether you are hiring for new growth or rebounding as demand returns. This can be done by:

- reviewing your current procurement process
- identifying areas of improvement
- determining scope of services
- conducting a business analysis

Each step requires the input of all critical stakeholders involved in the contingent talent acquisition process. This includes business leaders, hiring managers, procurement professionals, the compliance office and HR. At the conclusion of the exercise, internal stakeholders should be able to define their goals, recognize the resources needed and identify any obstacles that could take your contingent workforce strategy off track.

This exercise will help your organization to understand its current approach, develop clearly defined goals and set performance metrics for achieving them. Without this clarity, it will be difficult to develop a roadmap or determine what success looks like. These elements are critical to your next step: considering the options for managing your contingent workforce program.



3 ways to manage your contingent workforce.

There are three contingent workforce management options that you can consider: insourcing, employing a broker or implementing a comprehensive MSP.

[Determining which is right](#) for your organization depends on goals, volume of hiring, availability of resources and the extent of your in-house expertise.

1 insourcing: resource intensive

Relying on in-house staffing agencies is best when there is adequate volume and continuous demand for a limited number of job profiles. An insourced contingent workforce management model, however, requires significant resources and domain knowledge of the supplier landscape, best practices and technology.

2 employing a broker: a partial solution

Through the broker approach, hiring managers continue to use their own supplier networks, but contracting is administered by the broker. All talent contracts are placed with the broker, and they manage contract termination and invoicing, ensuring applicable laws are followed. This approach can be effective when a decentralized process is preferred, but because the broker plays a very limited role in managing the overall contingent workforce, the benefits are also limited.

3 comprehensive MSP: optimized value

Under a managed services program, your partner is responsible for the end-to-end solution, reducing the demands on internal team members and delivering innovation throughout the MSP journey. This is especially effective when the hiring process is complex, your program spans geographies, or the need for transparency and compliance is critical.

Working with hundreds of suppliers and supported by an extensive legal and compliance network, your MSP provider has the contingent talent and local market knowledge, [direct sourcing](#) capabilities, market intelligence and technology to make the entire acquisition process completely transparent. And it will be accountable for your program's results.

While each model has its benefits, it is important to consider not just current program goals, but also future needs. An insourced solution may be effective for the current volume of contingent hiring, but as demand rises and falls, you may require a level of scalability.

At the same time, if your goals are to improve spend visibility or process efficiency, you will need a holistic management approach. A broker service is unlikely to deliver such benefits. An internal program means constant investments in capabilities and tools. An [end-to-end MSP program](#) is effective for managing the entire contingent talent life cycle, but the company needs to be comfortable with an external approach.

making the case for end-to-end MSP.

Once the need for an MSP is clear, it's time to make the case for this contingent workforce management model. When advocating for an external solution, you'll need to gain executive buy-in. This can be done by [presenting the hard costs](#) of using an insourced solution, as well as the soft opportunity costs of keeping the function in-house.

It is also important to highlight the many [benefits of adopting an MSP](#) — from cost savings and faster time to fill, to direct sourcing capabilities and benefiting from a partner with the expertise to continually improve the company's talent strategy — especially during times of uncertainty.

Also crucial to ensuring executive support is engagement. Plan to continually communicate and seek feedback from sponsors so everyone is informed of successes, challenges and improvement plans.

You can set your MSP up for success by maintaining executive sponsorship for the long term; keep top decision-makers involved in the selection and implementation process. Ask them for their input at critical milestones, whether that means selecting the internal project team, being involved in the selection of a provider, approving the contract, supporting change management or signing off on technology investments.

Deciding whether an MSP is right for your organization requires an understanding of how you might improve your organization's contingent talent strategy right now, as business continues to evolve. It also takes a clear idea of where your company wants to go based on emerging trends and changing business models. The case for contingent labor is growing as a flexible solution for this time of unexpected challenges and opportunities. It will be important to have an experienced expert on your side.



want to [learn more?](#)

[Unlock the complete 5-part MSP staffing series](#) for insights on benefits, building a business case, change management, working with your provider and adding value to your program.

[explore the series](#)

about Randstad Sourceright.

Randstad Sourceright is a global talent solutions leader, driving the talent acquisition and human capital management strategies for the world's most successful employers. We empower these companies by leveraging a Human Forward strategy that balances the use of innovative technologies with expert insights, supporting both organizations and people in realizing their true potential.

As an operating company of Randstad N.V. – the world's leading global provider of HR services with revenue of €23.7 billion – Randstad Sourceright's subject matter experts and thought leaders around the world continuously build and evolve our solutions across recruitment process outsourcing (RPO), managed services programs (MSP) and total talent solutions. In 2019, Randstad helped more than 2 million candidates find a meaningful job with one of our 280,000 clients in 38 markets around the world and trained and reskilled more than 350,000 people.

Read more at randstadsourceright.com.