

Is your contingent workforce management strategy prepared for a post-pandemic future?



Created in collaboration with:



Introduction



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When it comes to what's being called the 'Great Rehire', organisations face challenges unmatched since the 2008 global financial crisis. Post-pandemic, they will need to rebuild their workforce in a way that is scalable and that accounts for all categories of workers.

Added to this is the complexity of a more global workforce demanding changes in how and where they work and how they are engaged.

As they find and attract a post-pandemic workforce, organisations need to take advantage of acceleration in the market for talent that's being driven by automation and emerging technologies. If they want to capitalise on these emerging technologies and globalisation, **they need to act now.**

Given the rapid increase of contingent labour and its expansion to include gig workers, independent contractors, freelancers, and project-based workers, organisations need to quickly ramp up hiring across their entire workforce – not just their full-time employee base. However, **a robust hiring strategy must be put in place first to find and access this global workforce.**





The challenge:

**addressing changes in how
companies find and manage labour**

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The emergence of new talent acquisition channels has made it clear that organisations need to shift how and from where they find their talent.

These new channels include:

- direct sourcing
- private talent clouds
- freelance management systems
- redeployment programmes
- shift worker systems, and
- diverse talent pool providers.

Most organisations have had a contingent workforce programme in place for years with some combination of a managed service provider (MSP) to engage, manage and report on contractors and talent, and a vendor management system (VMS) to enable visibility and processes as a system of record.

Many times, the VMS may be provided by the MSP. First generation programs that operate under this arrangement typically realise some or all of the transactional benefits that they set out to deliver, such as:



- cost savings
- process efficiencies
- compliance and risk mitigation, and
- supplier rationalisation.

But these first-generation programs don't have the capabilities needed to engage talent from the new channels that companies want to work with.

Moving beyond first-generation programmes to address the future of work



Moving beyond first-generation programmes to address the future of work

HR and procurement leaders are looking beyond traditional arrangements for the additional capabilities they need to act as strategic advisors to their organisations.

The key lies in widening the scope of what should be managed within the contingent workforce programme.

Some organisations have started to do this, adding Statement of

Work/Services Procurement and Independent Contractor spend to their remit.

But today, approximately 80% of the non-employee spend in most organisations falls outside of the scope of most contingent workforce programmes, which are often narrowly focused on Staff Augmentation and traditional staffing suppliers.

In addition to this widening of scope, organisations must also provide the flexibility, engagement, cultural attributes, and access that future talent will demand – or risk losing out to the competition.





The opportunity:

more robust management of an
extended workforce

The opportunity: more robust management of an extended workforce

The imperative to rebuild the workforce quickly and smartly post-pandemic gives procurement leaders a unique opportunity to protect their seat at the table as they bring not just cost savings but also new sources of talent and enabling technologies into the business at a critical time.

For the future, location of work is no longer a key driver. What is key is **finding the best talent** to deliver expected results and on a global scale.

Organisations are moving beyond traditional staffing to a more robust engagement and management of their extended workforce.

As they do this, they need talent partners that have access to digital nomads and that utilise technologies like AI, natural language processing, machine learning, and automation to speed up time-to-engage – all while vetting and curating the most highly qualified talent in the market.



Extending the vision to include statement of work



Extending the vision to include statement of work

Organisations must manage their contingent labour spend thoughtfully, and nowhere is this more evident than in project-based/SOW spend.

In traditional, first-generation contingent workforce programs, it's very unusual for SOW spend to be included in the program charter. That is rapidly changing in the more strategic next-gen programme model.

Coupa highlights ([Making a Statement of Work: Why SOW Management Isn't Working](#)) the fact that SOW spend is typically three to five times larger than staff augmentation/temporary labor spend in many organisations but it isn't always being managed or tracked:

"This represents both a huge opportunity to better influence the buying behaviour and mitigate risks associated with outdated MSA, agreement language for IP, data security, and worker's system access, not to mention the risk of misclassification, over-payment, and non-compliance."



Guidant Global agrees ([Services Procurement: How to boost ROI from your hidden workforce](#)):

"Ultimately, the situation for many businesses today plays out as follows: multiple service providers provide business-critical services without the oversight or visibility of whether they produce a sufficient quality of service, are compliant or are cost-effective."



Guidant's five-step plan for gaining control begins with articulating just how critical these project-based services providers are to your business – and therefore how vital it is to optimise such spend.

Additionally, providing early decision support to land on the 'right resource' type and a competitively bid atmosphere results in greater talent and delivery and increased ROI for every project within the programme.

Merging tech with expertise to optimise SOW



Merging tech with expertise to optimise SOW

For many organisations, getting strategic about statement of work will start with bringing all activity into their VMS to gain full visibility and insight.

But better use of technology and data is only one half of the opportunity: pairing this with market-leading expertise and advice is the key to transformational change.



Engaging an MSP to manage SOW spend brings improvement in four key areas:

Sourcing

An MSP will help you scope the project, put together requests for proposals, review the responses, and select the right providers based on factors such as cost, quality, compliance, and track record.

Management

As well as ensuring that the technology is configured appropriately, an MSP can manage the entire end-to-end SOW process, including milestone monitoring, invoicing, and payment.

Strategy

An MSP's powerful reporting and insight-led advice empowers you to leverage purchasing at an organisational level – using global account management and spend profiles, for example.

Cost

Within its extensive network of suppliers, the MSP is likely to have more competitive options than your incumbents. This increased choice can deliver substantial cost savings.

**Supporting
equality, diversity
and inclusion
initiatives**



Supporting DEI initiatives

Equality, diversity and inclusion (ED&I) is at the top of most organisations' priority lists.

Many have partnered with minority-owned businesses for their contingent workforce programs to show their commitment to this priority, but if the talent coming through those providers isn't diverse, big benefits are being missed.

By 2025, experts predict that **75% of the workforce will be made up of millennials** – the most diverse group in US history. What's more, 57% of employees think their companies should be more diverse.

Organisations need partners that can access diverse talent, track and report on it, and deliver a consistent message to prospective talent about the importance of diversity in their brand and culture.

This is true not only for the diversity of the worker or the supplier, but also for ways of working (remote, on-site, hybrid) and engaging (project, deliverable-based, freelance, etc.).



INfluence Workforce Consortium

Guidant's INfluence Workforce Consortium is a resource for employers to put a commitment to diversity into action across contingent workforces through proactive strategic partnerships with experts in ED&I for contingent recruitment.

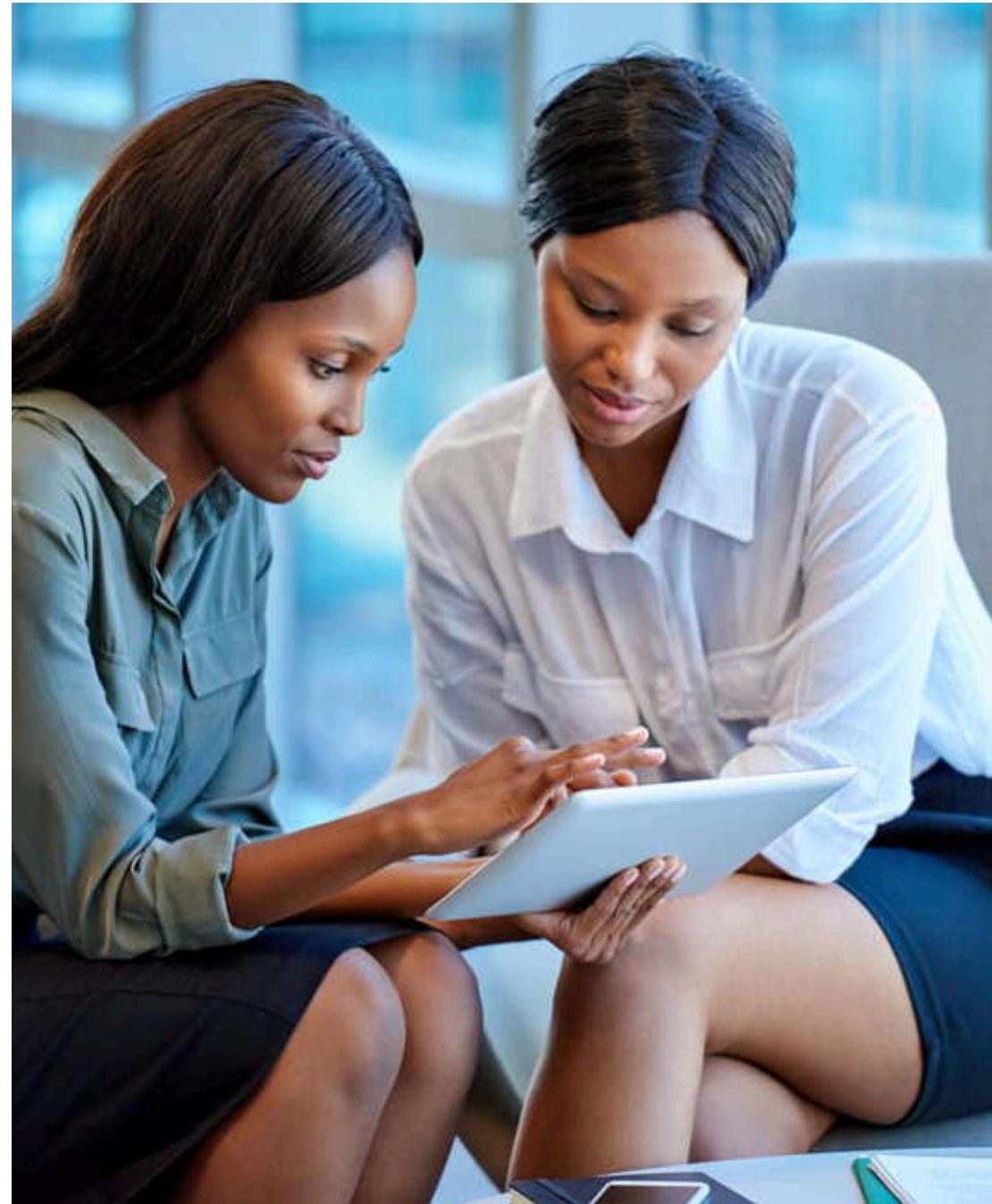
Guidant will work with members of the Consortium to drive further inclusion across non-employee workforces and expand members' reach to increase the volume of diverse talent across our client MSP programmes.



INfluence
SUPPLIER DIVERSITY PROGRAM
WORKFORCE CONSORTIUM

Additionally, if the organisation doesn't properly document the ED&I status of vendors and their talent, they can't track it against their overall goals.

Coupa's Business Spend Management platforms, which combine VMS with supplier and third-party risk platforms, can help companies document and develop ED&I vendors for all types of spend – including services.



A partnership for technology- managed workforce solutions



A partnership for technology-managed workforce solutions

The next-generation contingent workforce programme will bring visibility, control, and value. It will take advantage of new talent strategies that leverage globalisation as well as emerging technologies and analytics, and it will actively manage all spend categories.

These solutions will be more complex than those of the past where an MSP managed a pool of staffing suppliers who submitted candidates for open roles. Today, your partner should be able to manage all worker types and do so in an agile way.

Coupa, a global technology platform for business and workforce spend management, and Guidant Global, a workforce solutions provider, are working in partnership with global companies to understand the changes in today's uncertain world.

Our partnership brings together the best in forward-thinking MSP, RPO (Recruitment Process Outsourcing), and SOW provision, with future-ready contingent workforce technology.

We work together with global clients to deliver the technology, processes, strategic advice, and prescriptive insights that help them look across their entire extended workforce in a better way.

We do this through our seamless integrations with technology partners who deliver direct sourcing, private and diverse talent clouds, and other talent pipelines.

We support organisations to find the right solution for their needs, and we provide them with the ability to access, vet, and curate talent in ways that make sense.



Tomorrow's workforce will be the most diverse in history. They will demand flexibility in how they work, a level of engagement hitherto unseen, a culture that promotes inclusivity, and opportunities for advancement, training and education regardless of how they are engaged.

Savvy procurement leaders are embracing these challenges as a chance to transform the workforce and bring new talent strategies, and technology options, to the C-suite.

And when
our suppliers
are **happy**

Our customers are too

Centralised SOW in action at Heathrow Airport

The UK's major airport Heathrow was spending millions of pounds a year with Learning and Development (L&D) providers. Countless providers and no centralised process to manage them meant lost time and money in the form of contract and supplier management challenges.

Guidant and Coupa worked together with Heathrow to create an SOW/services procurement solution that allowed for sourcing, milestone tracking, on/offboarding, and RFX management in a single platform.

Heathrow completed this project during the pandemic, when they were experiencing many challenges, because they understood the importance of building a future-focused foundation right now.

Today, they are ahead of the curve with a more holistic way to manage the L&D of their contingent workforce. What's more, having started with just L&D spend, they've laid the foundations to better engage and manage all categories of services procurement in the future.

**Future-centric
technology
solutions**



Future-centric technology solutions

While the pandemic changed the way people work overnight, AI was advancing innovation in assessing and testing candidates long before Covid-19 arrived.

Specifically, the Coupa/Guidant Global partnership uses tools to help quickly engage, manage, and gather candidate applications through proactive pooling and referral databases, and to rapidly curate, interview and assess talent quality. This technology has optimised the 'req-to-check' process for our customers and improved:

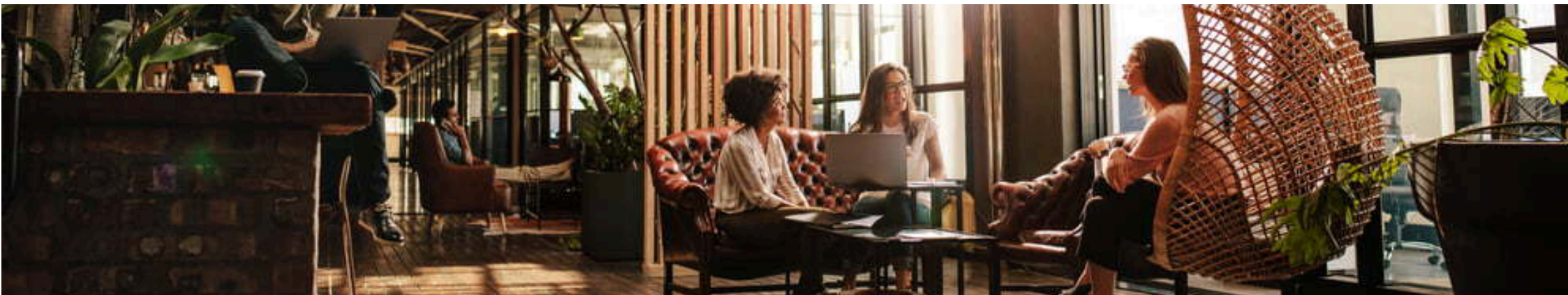
- time-to-fill
- submittal-to-hire ratios
- productivity, and
- user experience.

Collectively, we continue to invest in technology that accommodates contingent worker and customer demands.

This includes:

- the ability to work anytime, anywhere
- the ability to remove bias from the hiring process
- increased collaboration and flexibility
- diversity and inclusion, and
- the desire from talent to be more involved in developing their own career path.

Because of our global experience managing all types of labour, we've seen the challenges organisations of all sizes and industries face, and we are committed to meeting those complex business needs.



In conclusion:

procurement's time to step up



In conclusion: procurement's time to step up

An organisation's workforce is its biggest commodity and the ultimate source of its competitive advantage.

As organisations grappled with the pandemic, millions of their workers lost their jobs or were furloughed. Looking to the future, we predict significant changes in how and where people will work. Talent strategies must respond.

A McKinsey study found that 20 to 25 percent of the workforce ***“in advanced economies could work from home between three and five days a week. This represents four to five times more remote work than before the pandemic and could prompt a large change in the geography of work.”***

Access to talent who can perform a given role will expand. While many see this as a challenge, we see the opportunity to engage resources globally through multiple strategic channels.

Advances in technology allow us to do so seamlessly and at a pace that's faster than ever.

These changes in work, talent engagement, and management technology, coupled with the increase in organisations utilising (and workers demanding) contingent and flexible work, all position the market for innovation and growth.

This is an exciting time for procurement to lead their organisations towards a more scalable, strategic, agile way of accessing and managing talent.

We would love to help you develop a contingent workforce management strategy that is truly fit for its future purpose.

Visit coupa.com or guidantglobal.com for more information.



Thank you for reading

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