# Welcome to Staffing Industry Analysts' 2012 Industry Thought Leadership Series

SIA
Industry Thought Leadership Series

Today Suppliers Of Staffing Services Share Their Expertise

Staffing Industry Analysts Industry Thought Leadership Series provides the perspective of the suppliers of staffing services. The views expressed in this webinar are those of the sponsor and not necessarily that of Staffing Industry Analysts.

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North America

# Around the World, Global Program Management

**Moderator:**
**Subadhra Sriram, Editorial Director, Staffing Industry Analysts**

**Guest Speakers:**
**Dana Shaw, Vice President**
**TAPFIN's Global MSP Center of Excellence**

**Raleen Gagnon, Director of Market Intelligence and Strategy**
**TAPFIN's Global MSP Center of Excellence**

**April 4, 2012**
**10 am PT/ 1 pm ET**

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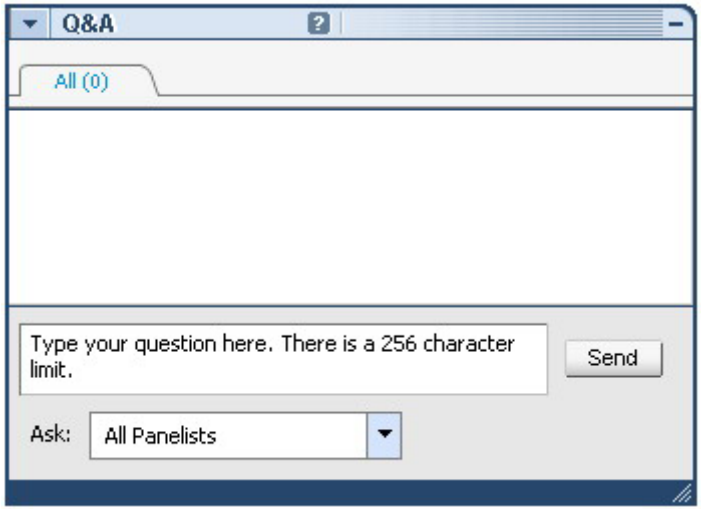
Q&A icon



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# *Save the date for 2012 in San Diego*

## San Diego Hilton Bayfront San Diego, CA

2012 CW RISK FORUM

September 18-19, 2012

2012 CWS SUMMIT SAN DIEGO

September 20-21, 2012

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# SAVE THE DATE!

2012 CWS SUMMIT LONDON

15-16 May 2012

Lancaster Hotel, London

**www.cwssummitwe.eu**

LONDON 2012

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# Our Speakers Today

**Dana Shaw**
**Vice President**
**Global MSP Center of Excellence at Tapfin**

**Raleen Gagnon**
**Director of Market Intelligence and Strategy**
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This report is intended to provide an overview of general business information relative to global employment conditions and considerations. It should not be interpreted as legal advice. Please consult with a lawyer to ensure that you are in compliance with all applicable laws.

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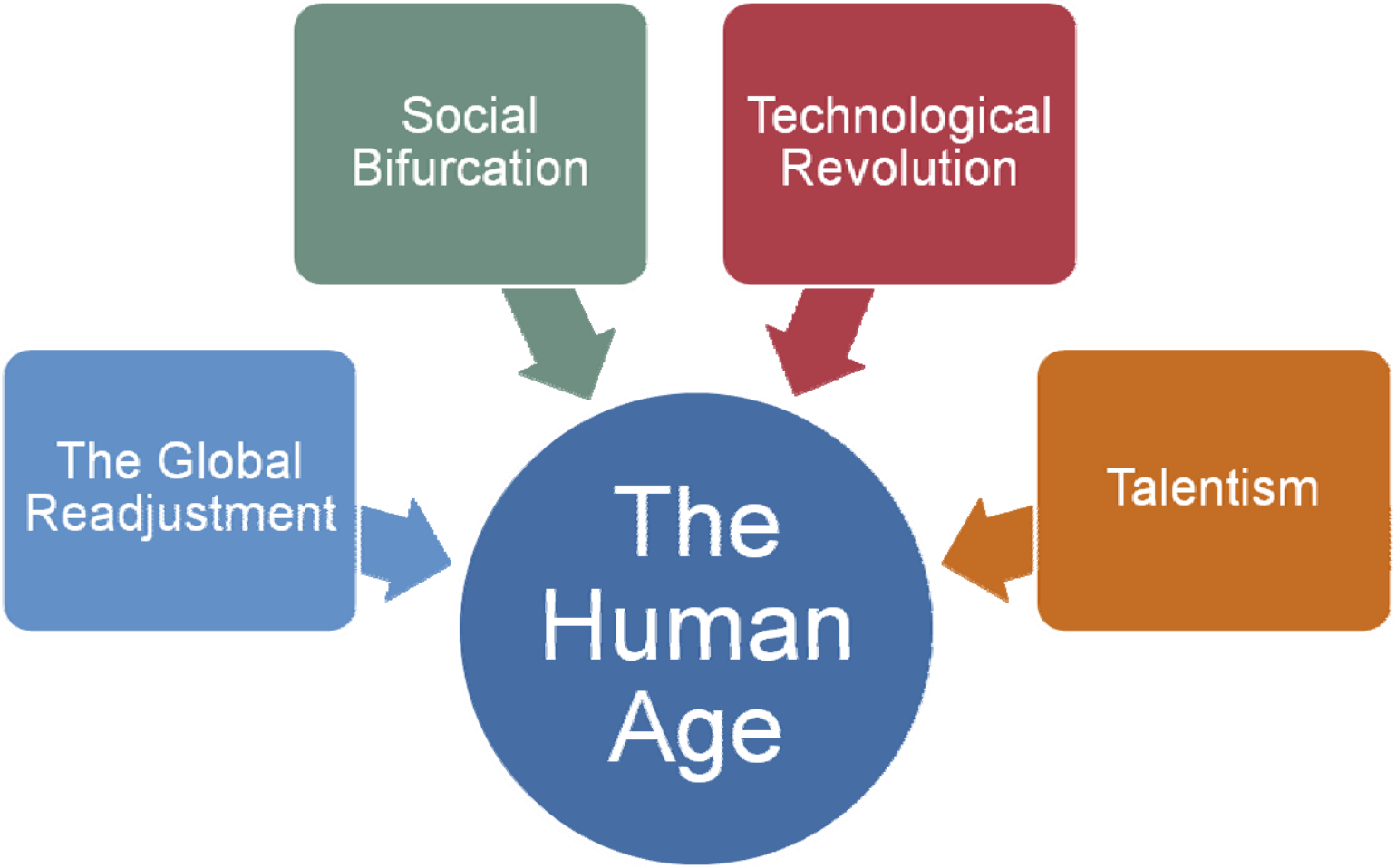
# Agenda

- Overview of Global Trends
- Global Program Considerations
- Recommendations and Best Practices
- Q&A

# Overview of Global Trends

# Macro-Economic Forces Changing the World

Our research, conversations with key business & government leadership, and leading economists point to four key economic forces that will shape the world ahead…



# A “Mix” of Varied Labor Sources…

Full-Time Employees

Benefits
- Knowledge retention
- Continuity
- Loyalty
- Fixed costs

Drawbacks
- Difficult to address peaks and valleys
- Difficult to address new skill needs
- Greater long-term investment

Contract Resources

Benefits
- Quick to start
- Targeted duration
- Acquire unique skills
- Enables scalability

Drawbacks
- Limited tenure
- Knowledge leaves with contractor
- Supply/Demand swings

Project / Outsourced Resources

Benefits
- Hire the experts
- Faster time to market
- Less Project Mgmt required

Drawbacks
- Requires tight requirements definition
- Dependency on third-parties
- Can be “blank check”

# And It's Not Just About Cost…

| | Business Need | Skill Sets | Duration & Timing | Cost/Other |
|---|---|---|---|---|
| Full-Time Employees | • Default hire type<br>• Critical business function<br>• Core competency<br>• Key alignment with business goals/objectives | • Common skill sets<br>• Freely available in market<br>• Professional development opportunities exist | • Extended tenure (i.e., not short term assignment)<br>• Sufficient lead time to recruit for resource | • Consider cost of hire vs. cost of contingent labor<br>• Group does not experience significantly high turn-over |
| Contract Resources | • Non-core business functions<br>• Supplements business objectives<br>• Use in high turn-over groups and skills categories | • Unique skill sets<br>• Scarce availability or difficult to recruit skills in market | • Shorter duration (i.e., less than 18 months)<br>• Longer duration may still qualify depending on business objective<br>• Limited lead time for recruitment | • Consider cost of hire vs. total cost of ownership (TCO)<br>• Use when existing full time resources have expertise and bandwidth to directly manage activities |
| Project Based Resources (SOW) | • Critical AND time dependent activity | • Market expertise required | • Definable duration<br>• Short to medium duration activities<br>• Time critical activities | • Best value vs. lowest cost<br>• Consider opportunity cost or other gained efficiencies |
| Outsourced Resources (SLA) | • Non-core business activities<br>• Core activities where business has been unable to support | • Activities where efficiencies can be gained through aggregation and/or leverage | • Ongoing business functions | • Evaluate TCO to include efficiencies gained by outsourcing provider<br>• Consider additional value gained from outsourcer |

# Q1-12 Global Trends Overview

| | Global | The Americas | Europe, Middle East, & Africa | Asia Pacific |
|---|---|---|---|---|
| Labor Regulations | Increasing | | Increased parity requirements | Continued restrictions on contract duration and engagement |
| Workforce Utilization | Increasing | Decreased unemployment | Increased productivity, but continued labour shortages in certain skills and markets | Continued labour shortages in certain skills and markets |
| Vendor Capability | Increasing | | Increased experience & understanding in Europe | |
| Technology Capability | Increasing | | Increased by regulations & geography | Increased language & geography |
| Economic Conditions | Challenging | Slow Economic Recovery | Ongoing Euro Crisis | Continued challenges in emerging markets |
| Environmental Conditions | Challenging | Earthquakes & Tornadoes | | Earthquakes & Floods |
| MSP Adoption | Increasing | Increased in LATAM | Increased across Northern and Southern Europe | Increased across the region |
| **Workforce Planning Impact** | **Positive** | **Opportunity and Ability in Latin America continues to increase, particularly in Brazil and Mexico** | **Opportunity and Ability across Europe continues to increase, with demonstrated growth in key Africa markets** | **Opportunity and Ability across APAC continues to increase, despite necessary modifications to local market regulatory guidelines** |

# Benefits of MSP Continue to Improve and Expand Globally

The global contingent workforce is increasing, particularly in emerging markets.

- Increased complexity of legislation
- Need for accurate worker classification

Supporting technologies are becoming globalized

- VMS providers are expanding their markets
- Oracle's acquisition of Taleo changes the global scope of HCM software

Skilled labor shortages and shifting migrant worker policies

- Borderless Talent and localized delivery of global workforce strategy

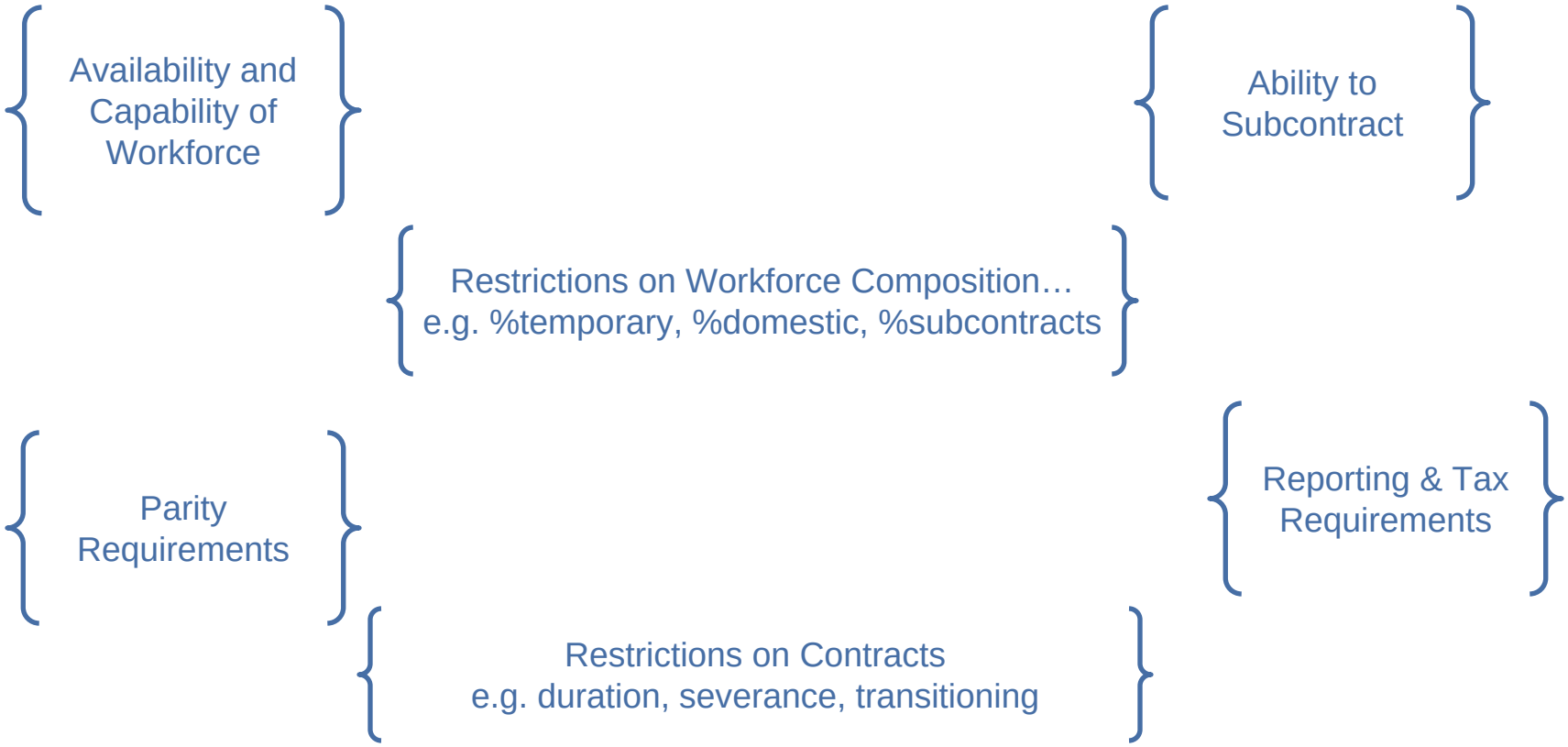
Globally, vendors are gaining an understanding of MSP

- Improving vendor performance in the supply chain.

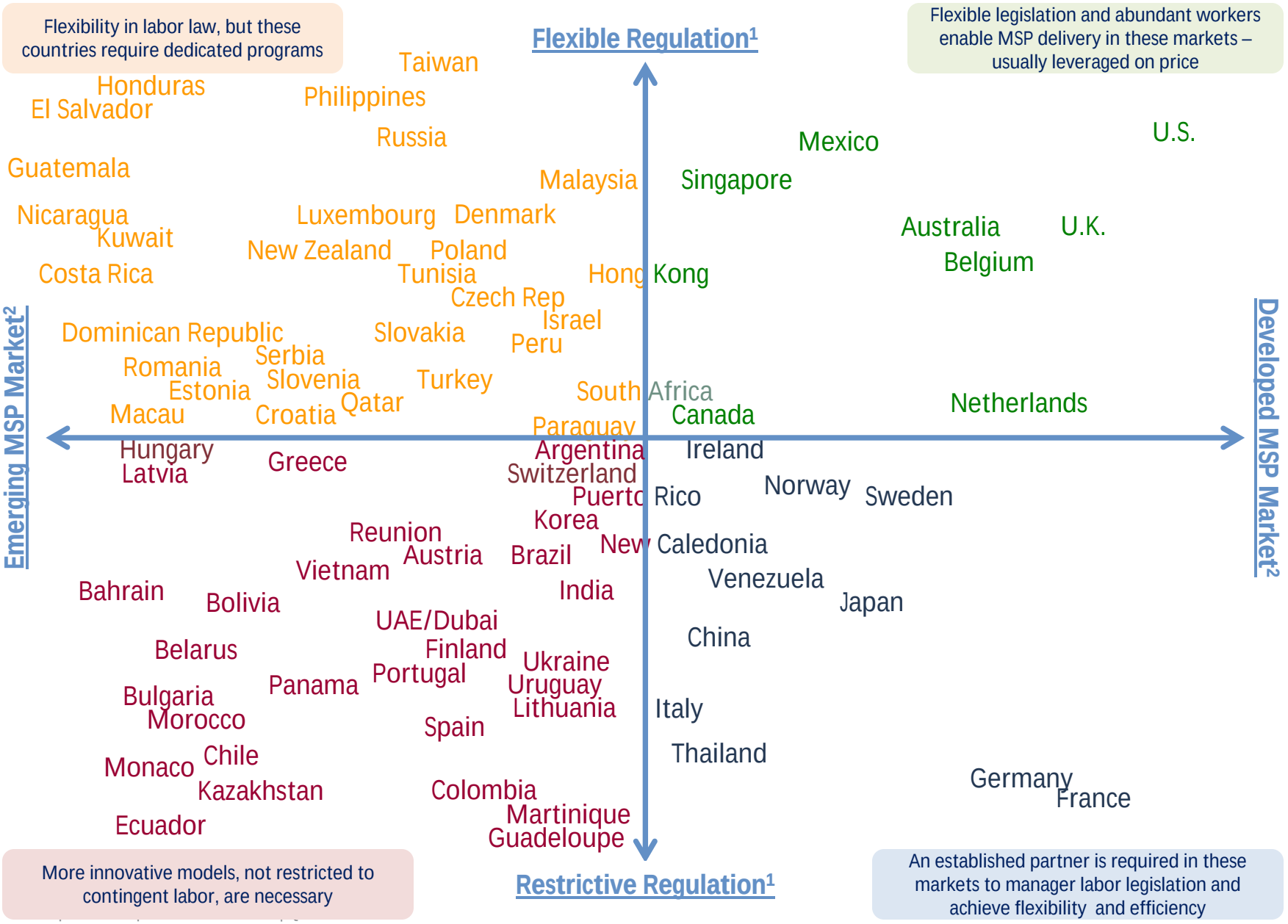
# Global Program Considerations

# Why Won't This Work Globally?

Workforce dynamics are evolving and complex - and they vary by country and region – for example:



# Global Contingent Labor Landscape for MSP

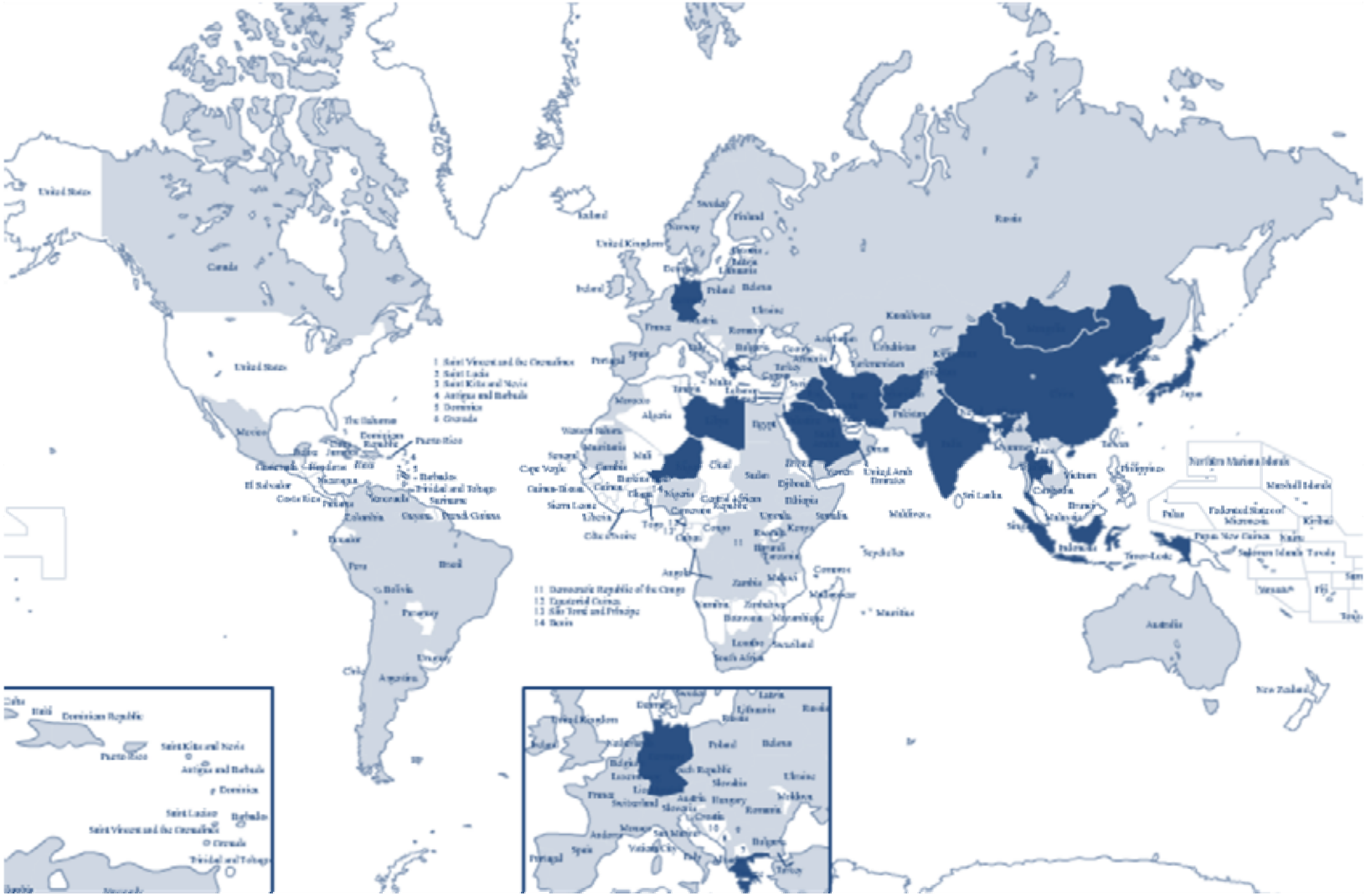


# High-Level View of Legislative Landscape for MSP

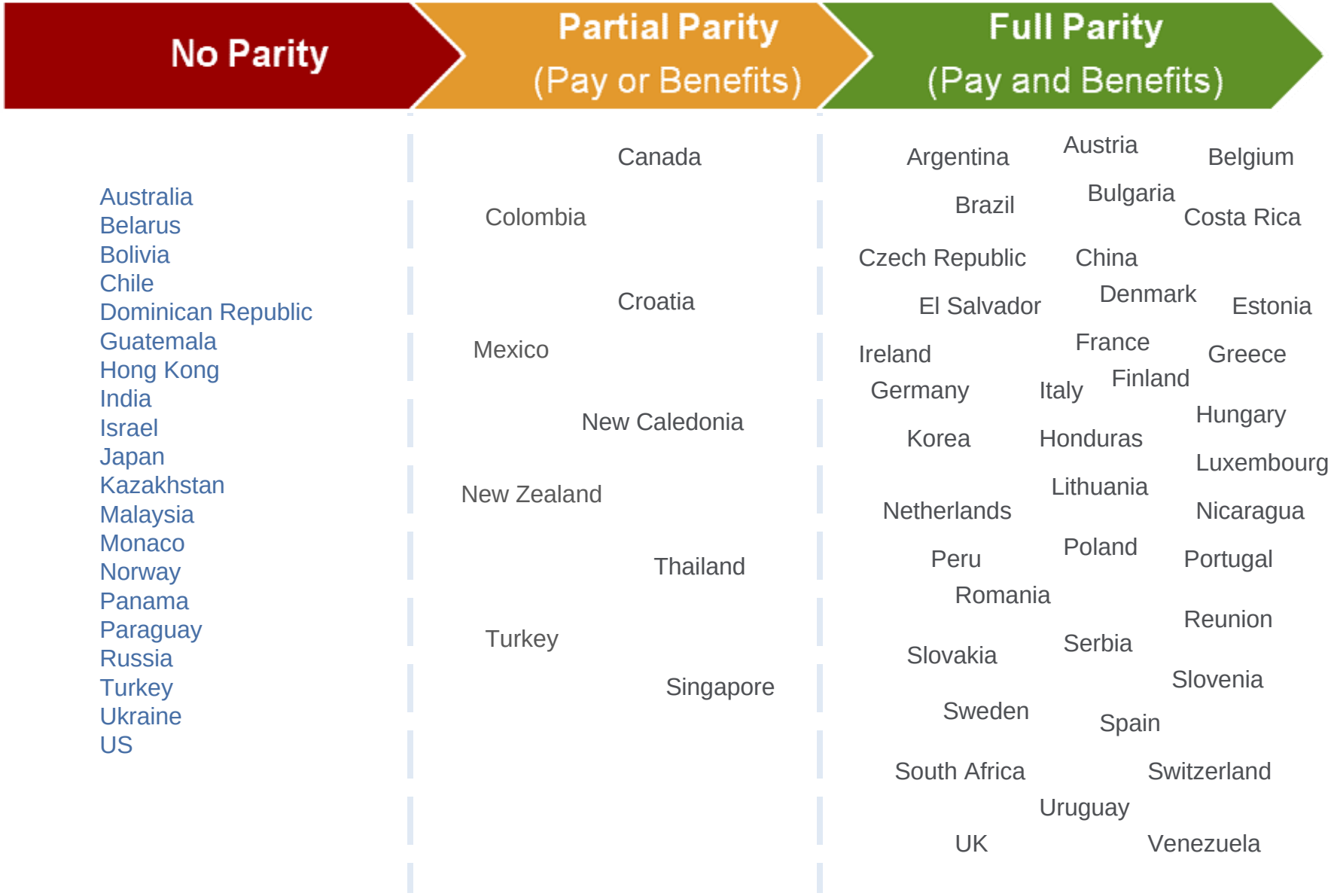
**No Legislative Restrictions**

**Compliance Requirements such as Parity, Tax, or Invoicing**

**Legislative Restrictions that Impact Program Aspects such as Vendor Neutrality or Supplier Funded Models**



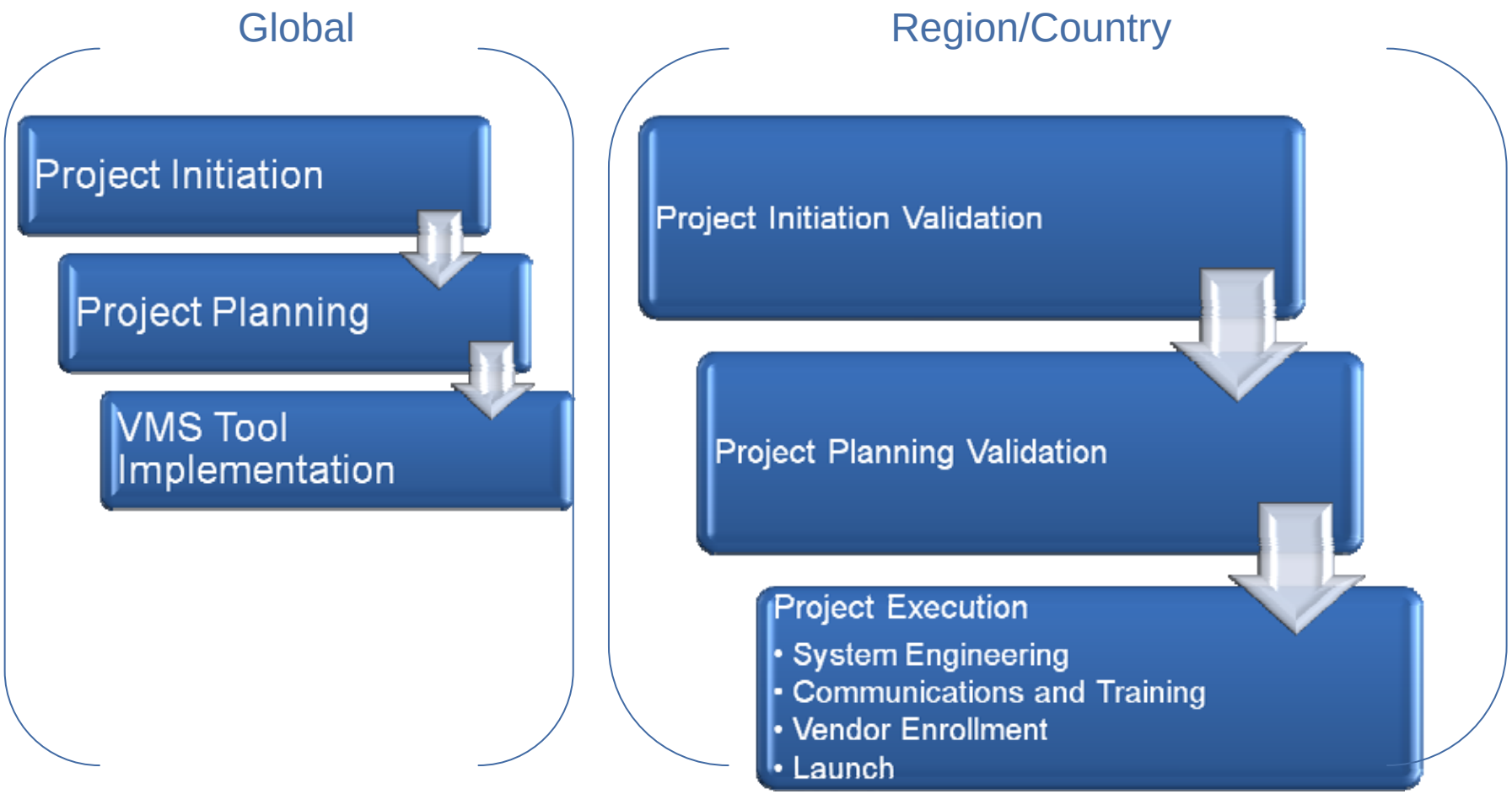
# Parity Regulations Continue to Increase Globally



# Best Practices & Recommendations

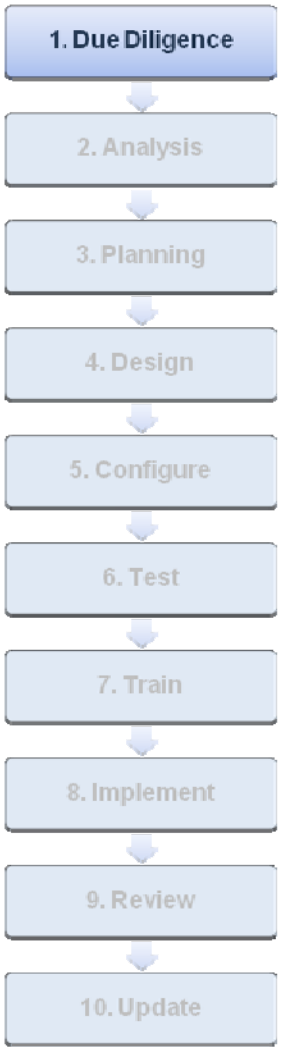
# The Global Approach

*Think Global…… Act Local*



# There are 10 Steps Essential to Globalization

# Establish and Communicate




It is essential that you identify an Executive Sponsor within your organization.

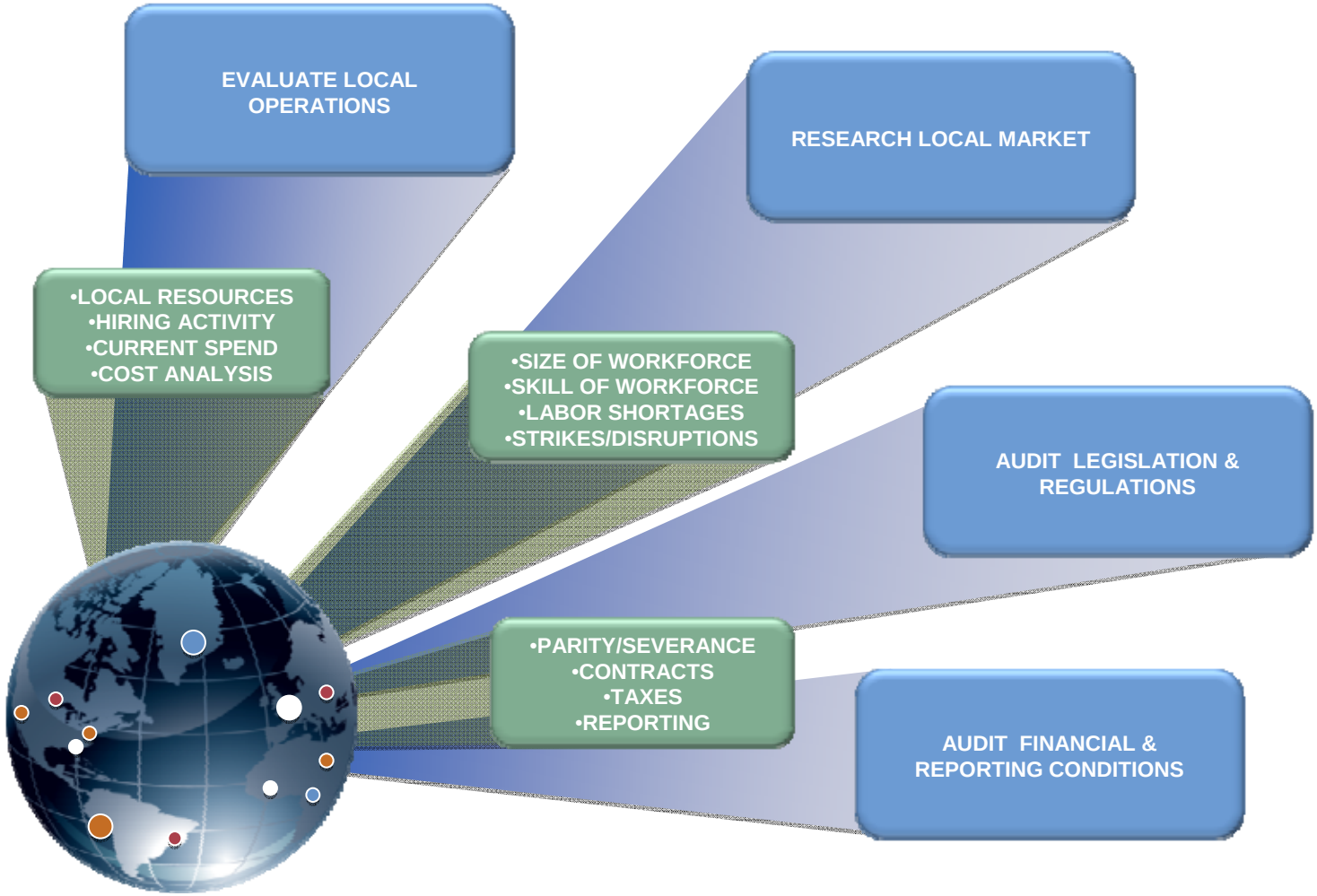
This sponsor can assist in driving the corporate discussions that are required in order to gain consensus on critical issues such as:

- Whether or not to mandate the program
- Whether the program will be centralized vs. decentralized
- Which groups, operations, and work categories will be in scope

Ongoing communication of decisions, plans, and what is to come is a critical component of a successful MSP deployment and should be a priority in every step of the process.

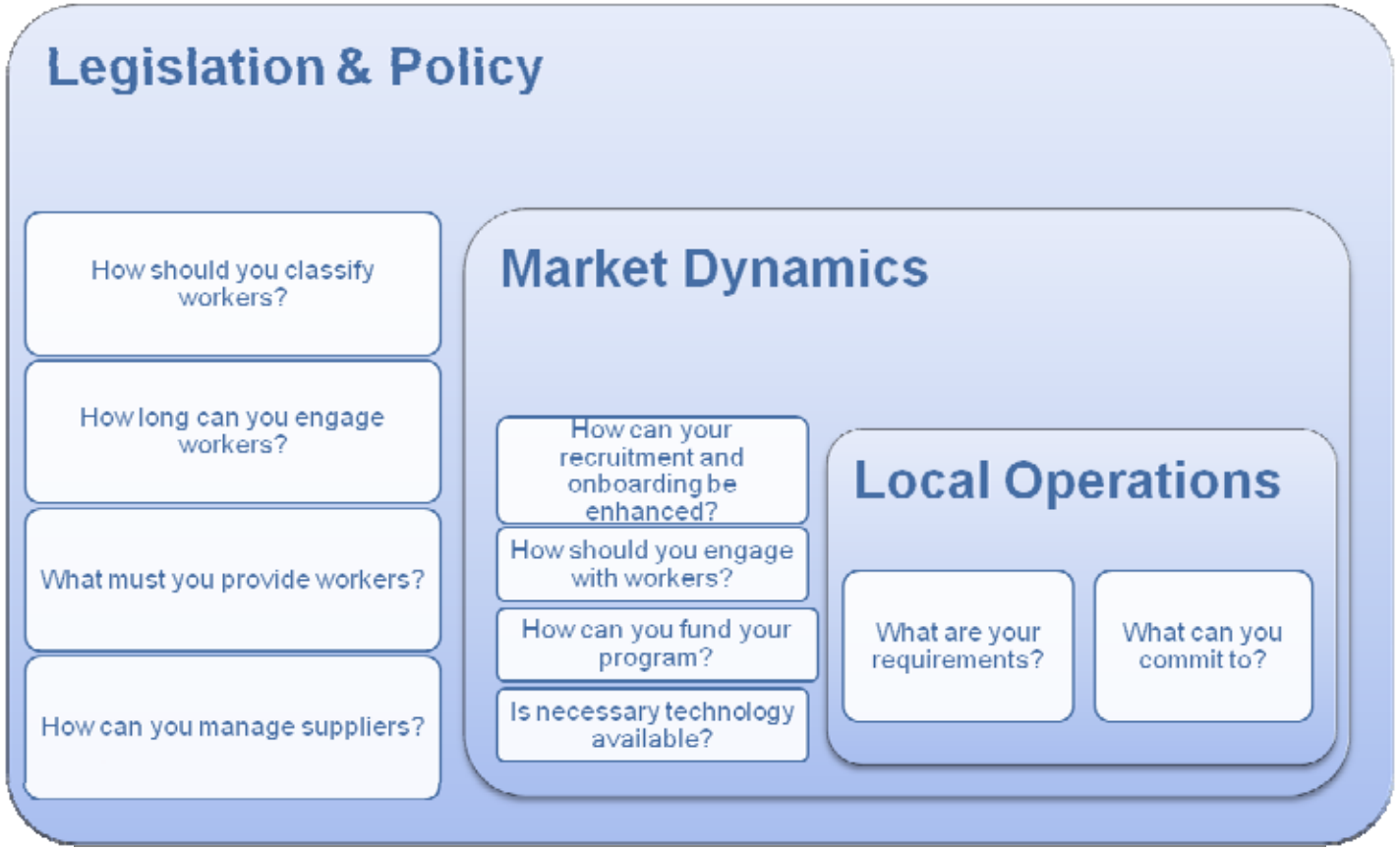
# Do Your Homework

1. Due Diligence
2. Analysis
3. Planning
4. Design
5. Configure
6. Test
7. Train
8. Implement
9. Review
10. Update



# Know What it Means

1. Due Diligence
2. Analysis
3. Planning
4. Design
5. Configure
6. Test
7. Train
8. Implement
9. Review
10. Update



# Evaluate Priorities

1. Due Diligence
2. Analysis
3. Planning
4. Design
5. Configure
6. Test
7. Train
8. Implement
9. Review
10. Update

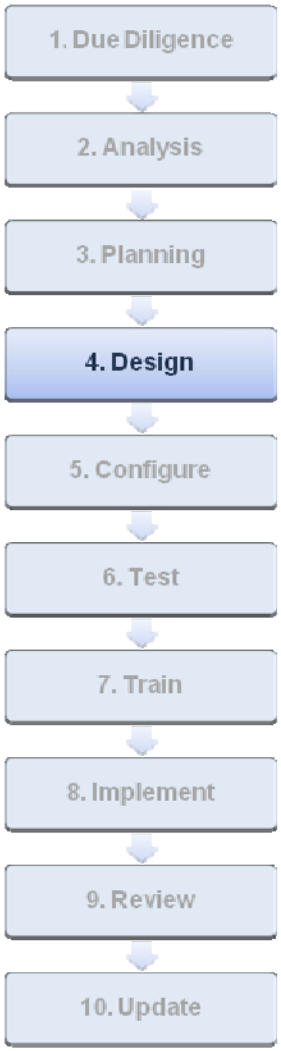
**Purpose**

- Define how business is done today
- How technology supports the process
- Understand policy and procedures
- Identify process efficiencies and savings opportunities - "Value Proposition"

**Key Activities**

- Identify Subject Matter Experts (SMEs)
- Establish communications and project plan
- Rank objectives based on internal and external considerations

# Map it Out




## Purpose

- Finalize workflows
- Gather data necessary to implement technology
- Document and discuss transition strategy of applicable business rules and SLA

## Key Activities

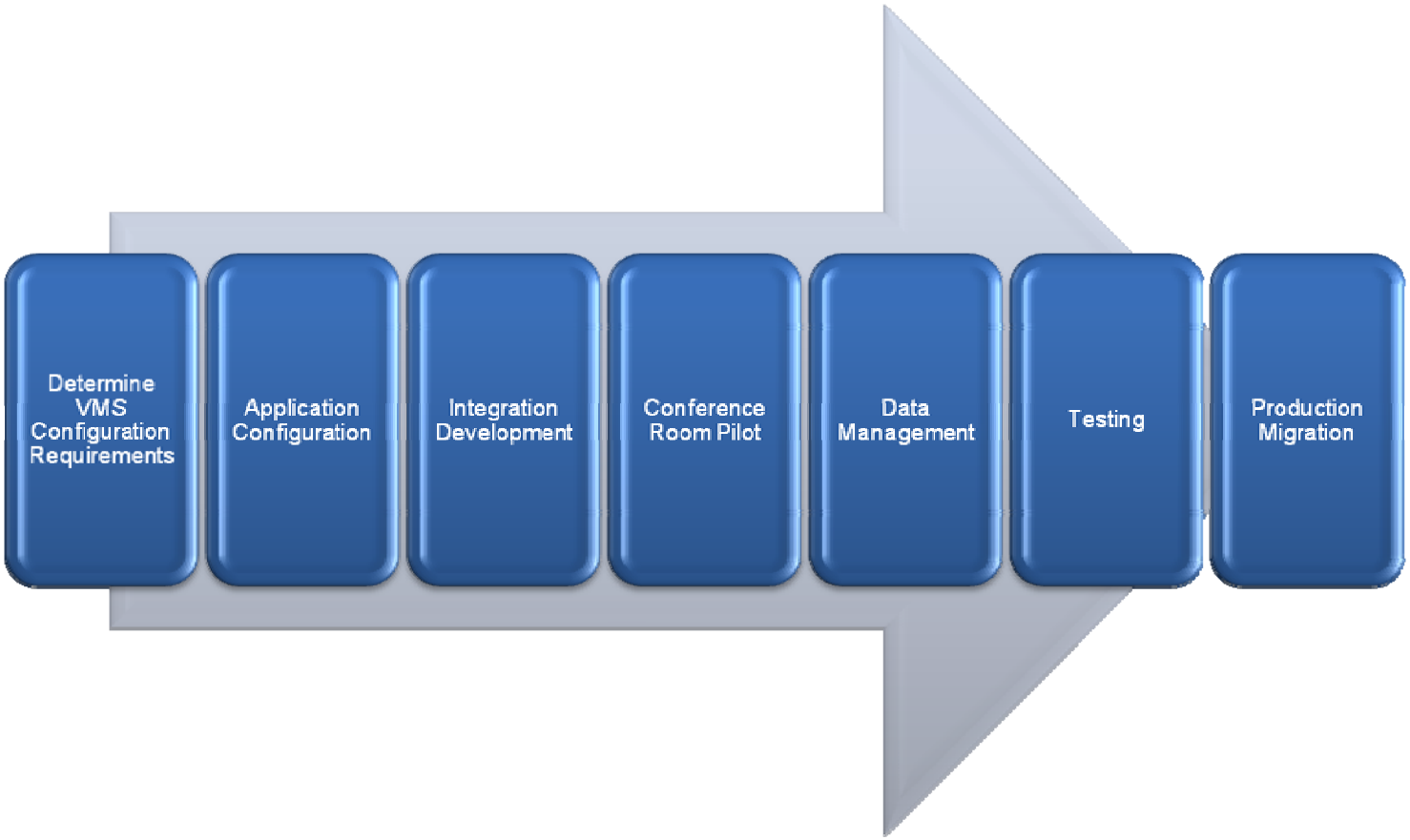
- Distribute contractor data-gathering templates
- Working session with project leaders to review workflows
- Gather org unit data (locations, projects, charge codes, etc.)

## Key Deliverables

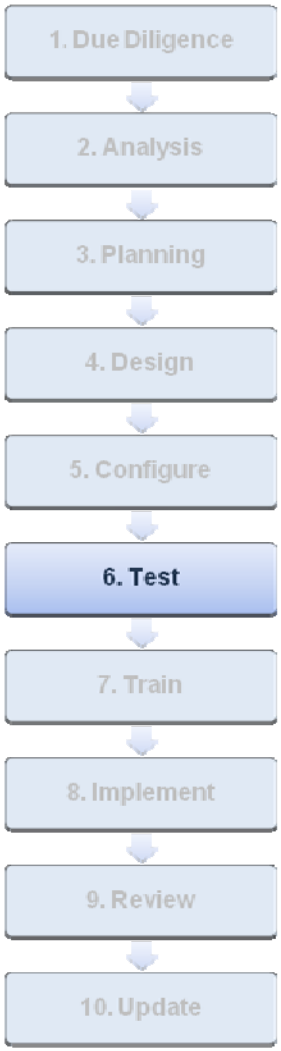
- Future State Design Package
- Application Configuration Workbook
- Data Requirements Document
- Business Rules and SLA
- Integration Requirement Document, if needed

# Modify and Finetune

1. Due Diligence
2. Analysis
3. Planning
4. Design
5. Configure
6. Test
7. Train
8. Implement
9. Review
10. Update



# Testing 1,2,3…




## Purpose

- Finalize application configuration
- Test workflows , SSO and integrations, if necessary

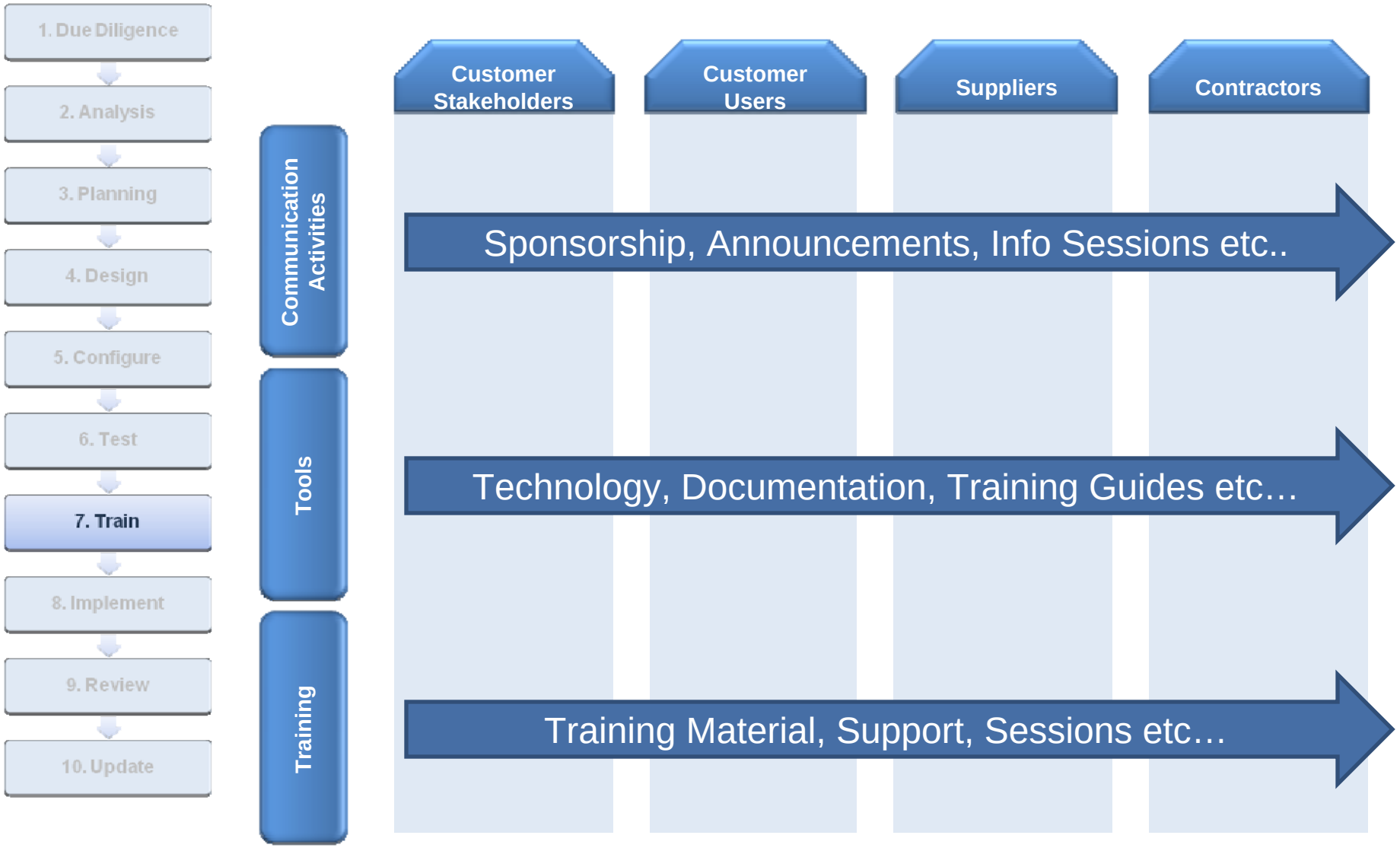
## Key Activities

- Conference Room Pilot to validate workflows
- System Testing and UAT, if necessary
- Integration Testing
- Data Load

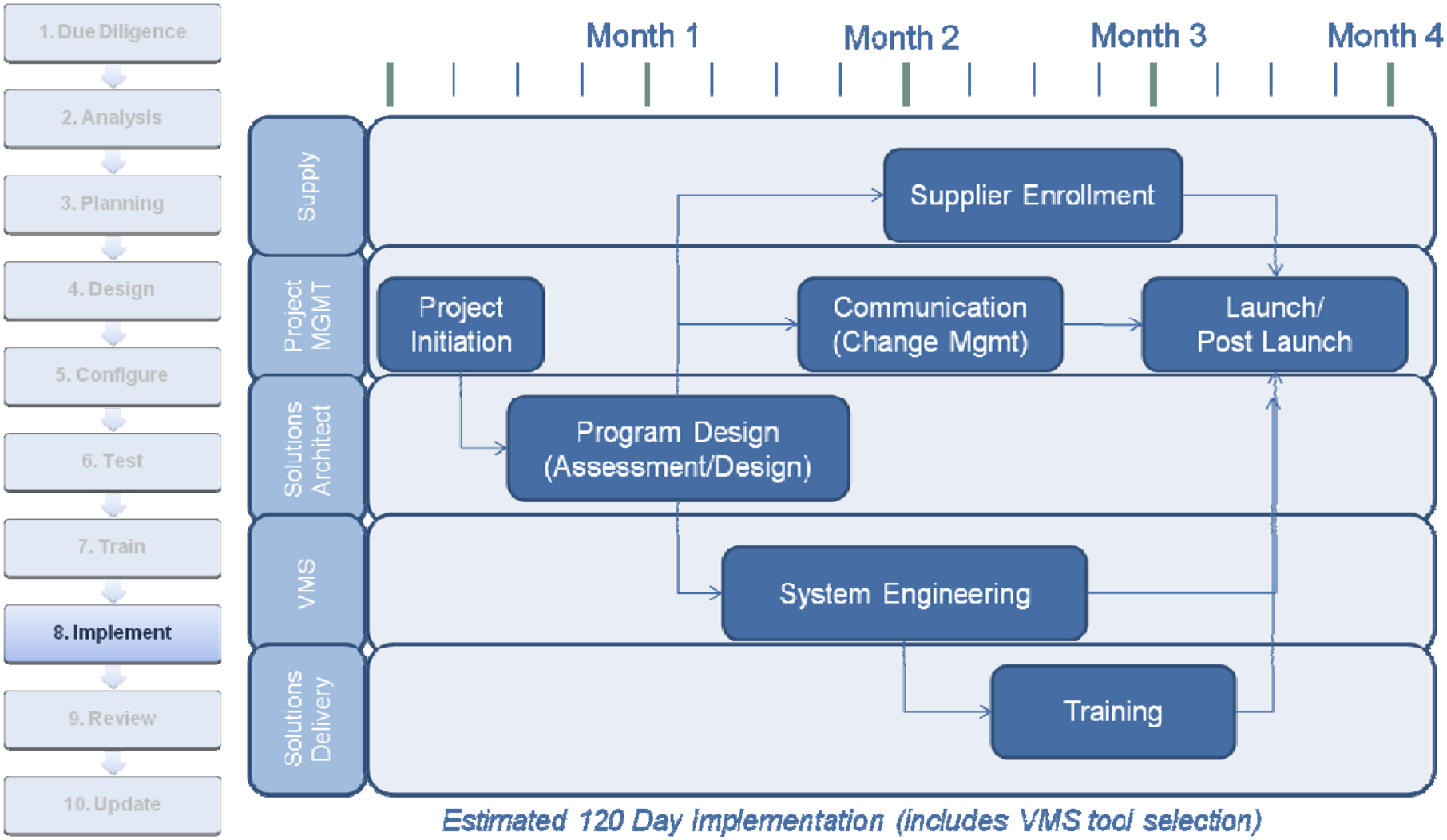
## Key Deliverables

- Conference Room Pilot Report
- Testing Acceptance Package
- Application Readiness Package

# Can You Hear Me Now?

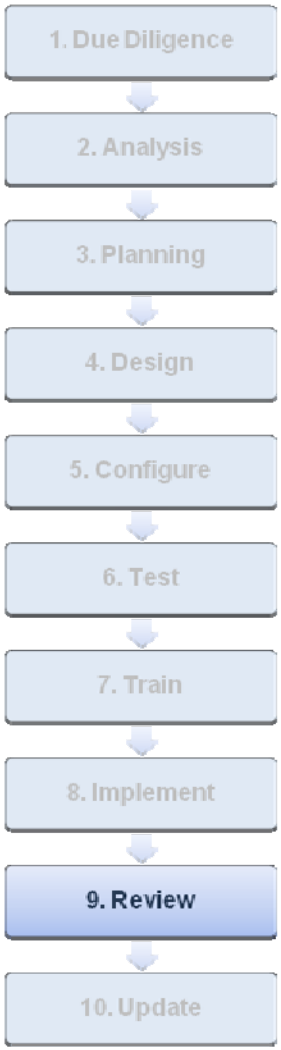


# The Devil is in the Details




*Estimated 120 Day Implementation (includes VMS tool selection)*

# Double Check




- Define operational readiness criteria
- Defining operational acceptance criteria
- Validation the following project stages and phases have been completed:
    - Stage 1 Initiation
    - Stage 2 Planning
    - Phase 1 System Engineering
    - Phase 3 Optimization
    - Phase 4 Supplier Enrollment
- Validate:
    - Supplier agreement approved
    - All launch items and action items resolved
    - Production environment active and all data loaded
- Validation of launch communications documents by:
- Project Quality Review

# Things Change

1. Due Diligence
2. Analysis
3. Planning
4. Design
5. Configure
6. Test
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10. Update

# Regional Highlights

# Update on MSP in Americas

Size of the labor force*: <1 million | 1-5 million | 5-10 million | 10-25 million | 25-50 million | 50-100 million | 100-250 million | 250-500 million | > 500 million

## North America

- Considerations: maturity of the MSP market, common language, and flexible legislation
- Funding: can often be supplier-funded
- Master Vendor: widely accepted
- Vendor Neutral: widely accepted
- Hybrid: emerging for Light Industrial &Admin/Clerical
- Example: Provincial law in Canada can impact cost of program and increase fees

## South & Central America:

- Considerations: emerging MSP market, disparate regulations, and complex restrictions on contract labor
- Funding: can often be supplier-funded
- Master Vendor: widely accepted
- Vendor Neutral: emerging for Professional
- Example: Parity requirements and tax policies in Mexico can impact cost of program and increase fees

*Size of labor force based on January, 2011 as reported by CIA Factbook
**Relative rank calculated based on active regulations related to contractual terms, costs or labor and termination, hiring and firing restrictions, and enforced consequences

# Update on MSP in EMEA

Size of the labor force*: <1 million | 1-5 million | 5-10 million | 10-25 million | 25-50 million | 50-100 million | 100-250 million | 250-500 million | > 500 million

Western Europe:

- Considerations: maturity of the MSP market varies by country, and increased AWR, parity requirements, tax policy, and contractual terms
- Funding: can sometimes be supplier-funded
- Master Vendor: widely accepted
- Vendor Neutral: commonly used for Professional
- Hybrid: emerging for Light Industrial & Admin/Clerical

Central Europe & Middle East:

- Considerations: emerging MSP market, disparate regulations, complex requirements for contingent workers, and political dynamics
- Funding: can occasionally be supplier funded
- Master Vendor: widely accepted in EU and ME
- Vendor Neutral: emerging in EU for Professional & Admin/Clerical
- Hybrid: slowly emerging in EU across multiple categories

*Size of labor force based on January, 2011 as reported by CIA Factbook
**Relative rank calculated based on active regulations related to contractual terms, costs or labor and termination, hiring and firing restrictions, and enforced consequences

# Update on MSP in APAC

Size of the labor force*: <1 million | 1-5 million | 5-10 million | 10-25 million | 25-50 million | 50-100 million | 100-250 million | 250-500 million | > 500 million

Asia-Pacific:

- Considerations: emerging MSP market, rigid workforce regulations, and complex restrictions on contract labor
- Funding: rarely supplier funded due to low margins
- Master Vendor: widely accepted
- Vendor Neutral: emerging for Professional & Admin/Clerical
- Hybrid: slowly emerging across multiple categories.
- Example: Minimal margins of suppliers across the region make supplier funded models nearly impossible - new models are evolving and often based on annual licensing fees.

*Size of labor force based on January, 2011 as reported by CIA Factbook
**Relative rank calculated based on active regulations related to contractual terms, costs or labor and termination, hiring and firing restrictions, and enforced consequences

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# Time for Your Questions

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# Upcoming Webinars

April 18, 2012 3:00 pm GMT

Quest for the Talent Grail:

The evolution of the J&J Programme in EMEA

April 26, 2012 10 am PT

Co-Employment and Workplace Injuries:

What Happens When A Contingent Worker Gets Hurt

May 9, 2012 10 am PT

Take Your Program to the Next Level:

Build a Plan for Continuous Improvement



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