

North America

Who Owns the Contingent Workforce? Procurement or HR or both?

Moderator:

Bryan Pena, VP CW Strategies and Research
Staffing Industry Analysts

Speakers:

Jon Dudley, Senior Global Category Manager , Abbott Laboratories
Shyrl Hoover, Account Manager, Global Talent Acquisition, Abbott Laboratories
Dawn Mc Cartney, Director, CW Strategies and Research



This webinar is broadcast through your computer speakers via the audio broadcasting icon on your screen. You may adjust the sound volume by using the slide bar on the audio broadcasting icon. If you cannot access the audio, you may dial into the call by dialing 1-408-600-3600 and using access code 660 931 281 Need further assistance? Contact SIA customer service at 800-950-9496.

July 19, 2012
10 am PT/ 1 pm ET

Audio for the Webinar

- **Listen through your computer** by turning on your speakers after you log into the event. Sound will be coming through this icon:



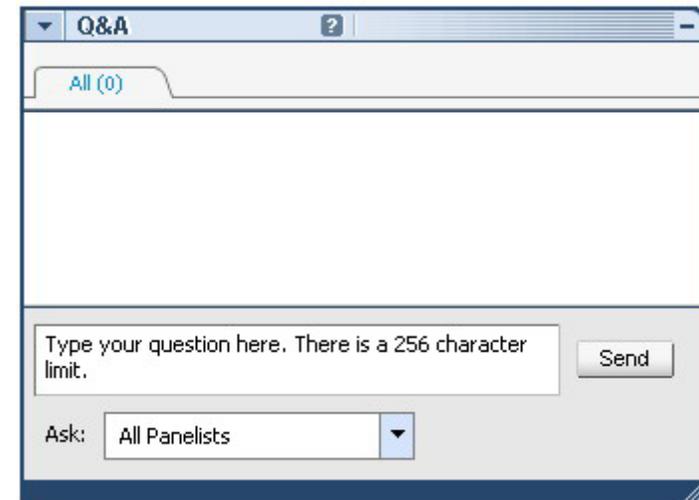
- **Do not** close this audio broadcast box.
- **To increase the volume of sound coming through your computer speakers** adjust the sound bar on the audio Broadcast box shown above.
- If you continue to have trouble, please submit your need for assistance in the Q&A section.

This webinar is broadcast through your computer speakers via the audio broadcasting icon on your screen. You may adjust the sound volume by using the slide bar on the audio broadcasting icon. If you cannot access the audio, you may dial into the call by dialing 1-408-600-3600 and using access code 613 13 302 Need further assistance? Contact SIA customer service at 800-950-9496.

Asking Questions

- **Q & A:** To ask questions – use the question function on the webcast control panel
- **Tech Support:** If at any time you are experiencing problems with the webinar, please contact our customer service department at 800-950-9496. *The webinar is broadcast through your computer speakers, if you are having trouble with the sound, please send a message to the webinar host using the question function.*
- **Slides:** Copies of the slides used will be distributed to all attendees within 24 hours following the webinar
- **Replay:** A replay of the webinar will be available for CWS Council Members at www.staffingindustry.com

Q&A icon

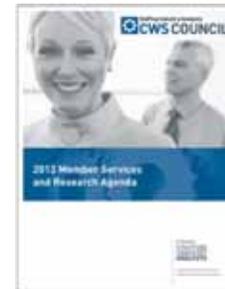


This webinar is broadcast through your computer speakers via the audio broadcasting icon on your screen. You may adjust the sound volume by using the slide bar on the audio broadcasting icon. If you cannot access the audio, you may dial into the call by dialing 1-408-600-3600 and using access code 613 13 302 Need further assistance? Contact SIA customer service at 800-950-9496.

About Staffing Industry Analysts

Staffing Industry Analysts is the global advisor on contingent work

- **Over 700 firms benefit from our international research services**
 - 19 of the worlds 25 largest staffing firms are members
 - More than 55 Buyers of contingent labor are members of our CWS Council, representing over \$100 billion in annual contingent workforce spend
 - Customers in more than 25 countries
- **Founded in 1989**
 - Acquired by Crain Communications (\$200M media conglomerate) in 2008
 - Headquartered in Mountain View, California and London, England
 - 80+ years of industry and advisory service experience among executive team



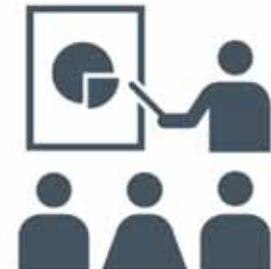
CONFERENCES



RESEARCH



ADVISORY



Our CWS Council Members (partial list)



Save the Date for CW Risk Forum and CWS Summit 2012



Where: San Diego Hilton Bayfront San Diego, CA



 **2012 CW RISK FORUM**

September 18-19, 2012

 **2012 CWS SUMMIT SAN DIEGO**

September 20-21, 2012

Its not too late!



Case Study Competition

This year's theme of "*Collaborative Intelligence*". Collaborative Intelligence includes providing opportunities for leading suppliers and buyers to better elevate and educate the market on cutting edge CW trends and ideas.

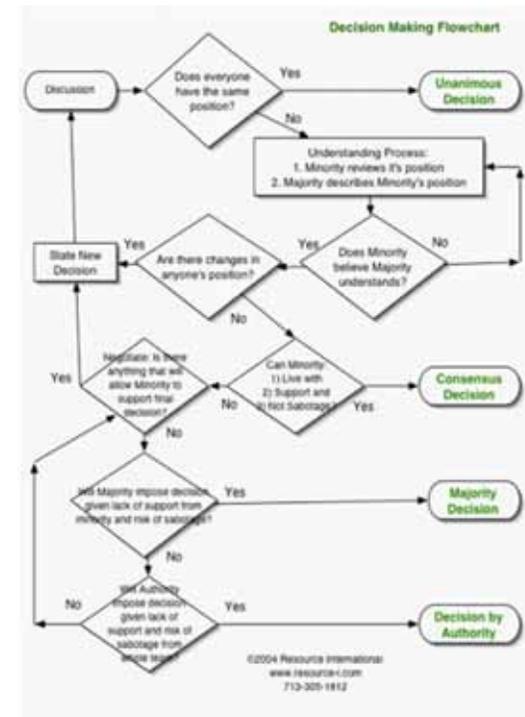


Its not too late!



Up to 10 finalists will be selected by SIA project team based on:

- Innovation
- Difficulty
- Scale of Change/Result
- Overall Program Thought Leadership



What do you get?



Complimentary Pass For One Eligible Buyer to CWS Summit



One Night Hotel



Southwest Air Vouchers to San Diego

Its not too late!



Case Studies Will Be Part SIA Moderated Keynote Session

- SIA will work with presenters to:
 - Craft Message /PPT
 - Rehearsal
- Two opposing podium on main stage
- 5-10 minutes per finalist



Its not too late!



What's in it for you?



North America

Its not too late!



www.staffingindustry.com/casestudy12



[OR email to : casestudy2012@staffingindustry.com](mailto:casestudy2012@staffingindustry.com)

Europe

Save the Date for CWS Summit Berlin 2013



May 15-16, 2013
Andel's Hotel, Berlin, Germany
www.cwssummitwe.eu

Our Sponsor Today



Tom Tisdale,
Senior Vice President

Our Speakers Today



Moderator:

Bryan Pena,
VP CW Strategies and Research
Staffing Industry Analysts

Speakers:

Dawn McCartney
Director, CW Strategies & Research
Staffing Industry Analysts

Jon Dudley,
Senior Global Category Manager
Abbott Laboratories

Shyrl Hoover,
Account Manager, Global Talent Acquisition
Abbott Laboratories

Please note: This webinar is broadcast through your computer speakers via the audio broadcasting icon on your screen. You may adjust the sound volume by using the slide bar on the audio broadcasting icon.

If you cannot access the audio, please call 1-408-600-3600 and use access code 613 13 302 Need further assistance?
Contact SIA customer service at 800-950-9496.

PROPRIETARY DATA, DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report.
Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.950.9496 | www.staffingindustry.com



Time for a poll



What functional group are you a part of?

- Procurement
- Human Resources
- IT
- Finance
- Other

RECENT RESEARCH: WHO'S MINDING THE SHOP?

MODERATOR:
BRYAN PENA,
VP CW STRATEGIES AND RESEARCH
STAFFING INDUSTRY ANALYSTS

Who owns the Contingent Workforce?

- Procurement?
- HR?
- Both?





Definitions: Procurement

- The process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment. It commonly involves (1) purchase planning, (2) standards determination, (3) specifications development, (4) supplier research and selection, (5) value analysis, (6) financing, (7) price negotiation, (8) making the purchase, (9) supply contract administration, (10) inventory control and stores, and (11) disposals and other related functions.

Source: BusinessDictionary.com

Definitions: Human Resources

- The administrative discipline of hiring and developing human capital so that they become more valuable to the organization. Human Resource management includes (1) conducting job analyses, (2) planning personnel needs, and recruitment, (3) selecting the right people for the job, (4) orienting and training, (5) determining and managing wages and salaries, (6) providing benefits and incentives, (7) appraising performance, (8) resolving disputes, (9) communicating with all employees at all levels.

Source: BusinessDictionary.com

Definitions: Contingent Workforce

- Used to describe work arrangements that differ from regular/permanent, direct wage and salary employment. Contingent workers most often include temporary employees provided by an outside staffing agency and independent contractors/consultants. Contingent workers may also include temporary workers from an internal pool, and others (such as summer interns) employed directly by an organization for an intentionally limited time period. They do not include work done by consulting firms or by part-time regular employees, and are primarily distinguished by an explicitly defined tenure. Self-employed individuals should only be defined as contingent workers if they provide themselves as contract labor to other organizations. Otherwise, they should not be included in the contingent workforce, because they may have stable occupations or careers that are clearly not conditional. Workers in Professional Employer Organization arrangements are not contingent workers, because the relationship is by definition ongoing. Outsourcing also falls outside of the contingent work definition, because it defines a vendor-supplier relationship, not an employer-worker relationship

Source: SIA Lexicon

2012 Contingent Buyers Survey: Initial Findings

June 18, 2012

Robert L. Balicki, Research Analyst
rbalicki@staffingindustry.com

Key Findings:

- This insight contains the initial findings of the 2012 Contingent Buyers Survey, including survey questions and summary statistics. It represents the ninth annual Contingent Buyers Survey produced by Staffing Industry Analysts.
- These findings are based on an online survey conducted in 2Q12, and reflect the opinions of 285 respondents at 226 companies with 1,000 or more employees, and excludes those whose primary industry is healthcare. Data from healthcare providers will be analyzed in a separate series of reports.
- Results from personal questions (e.g. "How much time do you spend managing CW responsibilities?") make use of all 285 respondents. For questions about a respondent's company (e.g. "What is the number of full-time equivalent employees in your company?"), only one respondent per company is used.
- In addition to updated trends and plans regarding contingent buyer spend, this report also includes new data on responses to healthcare reform and management of interns.

Results are based on findings of our 2012 Contingent Buyers Survey, conducted 2Q12 and reflect the opinions of 285 respondents from 226 large (1,000+ employee) companies.

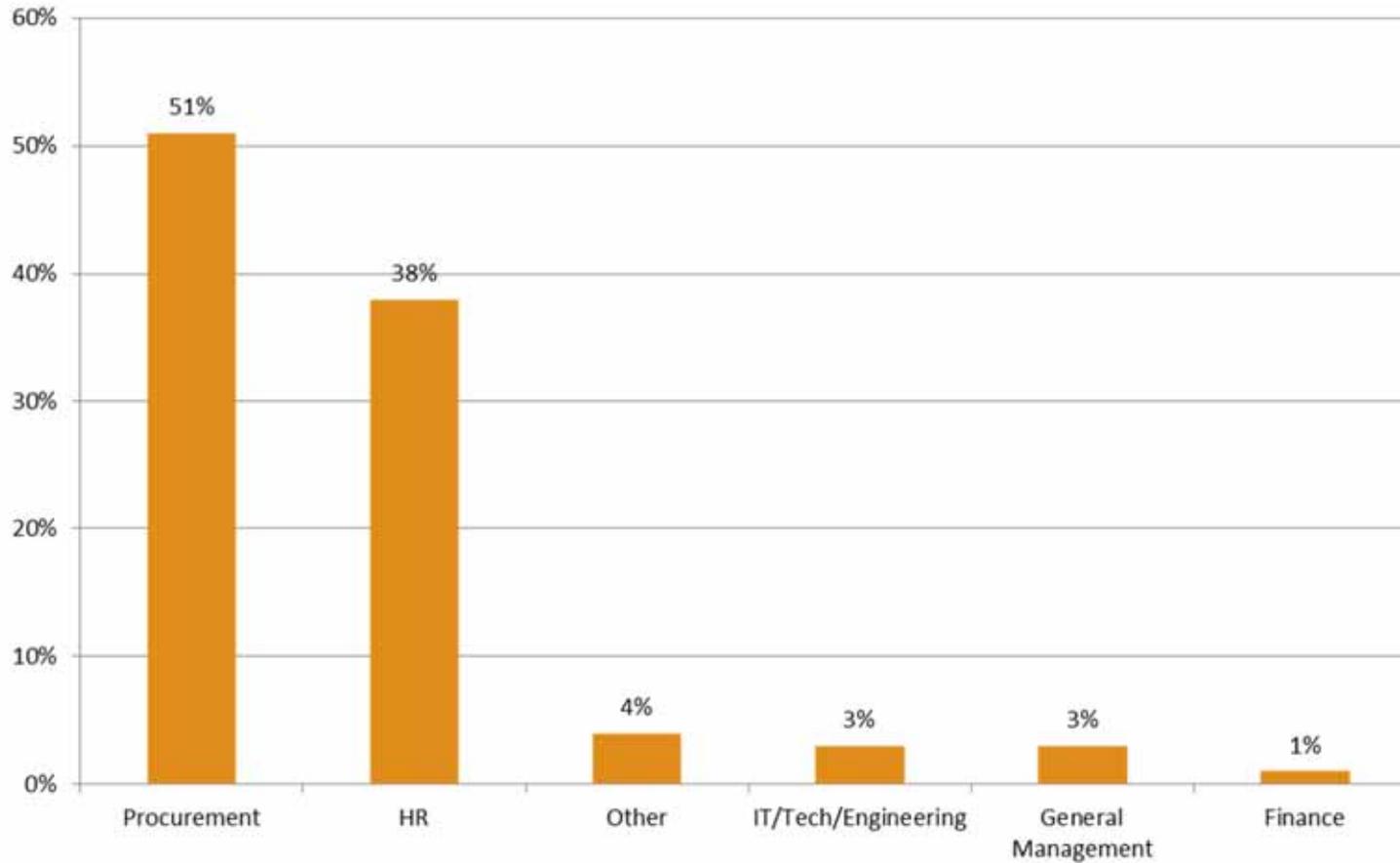
Confidential Report – NOT for Distribution | ©2012 by Cross Communications Inc. All rights reserved.

PROPRIETARY DATA. DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report.

Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.550.9495 | www.staffingindustry.com

**STAFFING
INDUSTRY
ANALYSTS**



Source: 2012 sIA Buyers Survey

North America

**2011 Contingent Buyers Survey:
Insights Into Supplier Management Practices,
Plans and Key Decision Drivers
& Cumulative Index to 2006-2010 Surveys**



April 24, 2012

Robert Balicki, Research Analyst
rbalicki@staffingindustry.com

Jon Osborne, VP, Research and Editorial
josborne@staffingindustry.com

Confidential Report – NOT for Distribution | © 2012 by Grant Communications Inc. All rights reserved.

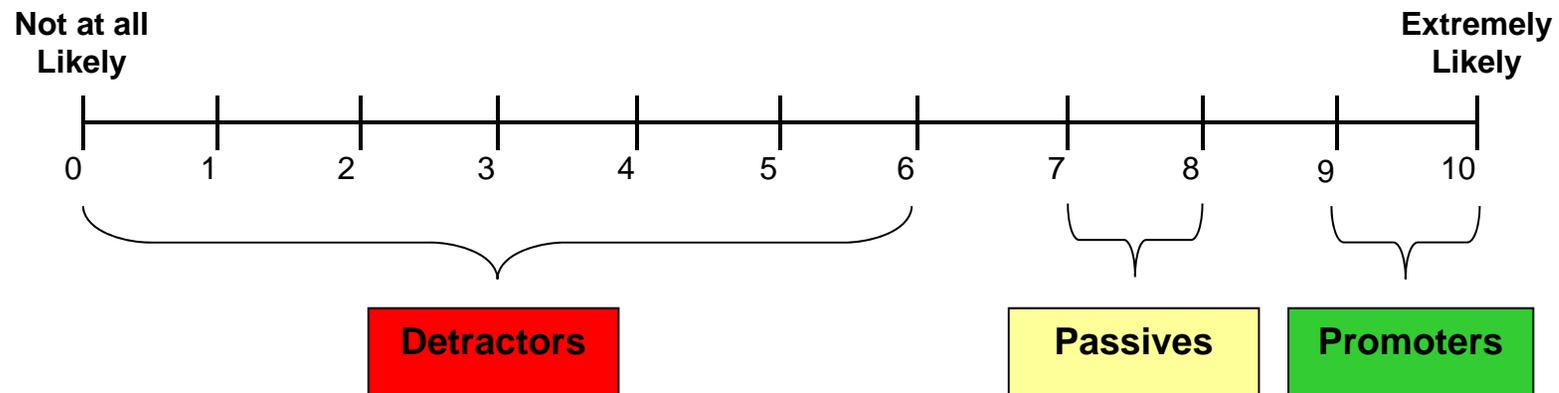
Past buyer experience by department

Of those who said their <u>current</u> department is...	This percent said they have <u>past</u> experience in/as...			
	Procurement	HR	Staffing	A temp
HR	5%	90%	51%	27%
Procurement	86%	11%	14%	24%
Other Departments	25%	42%	42%	21%
All Buyers	50%	43%	30%	25%

Who likes what and why?

The ultimate question

- How likely is it that you would recommend this VMS firm to a friend or colleague?

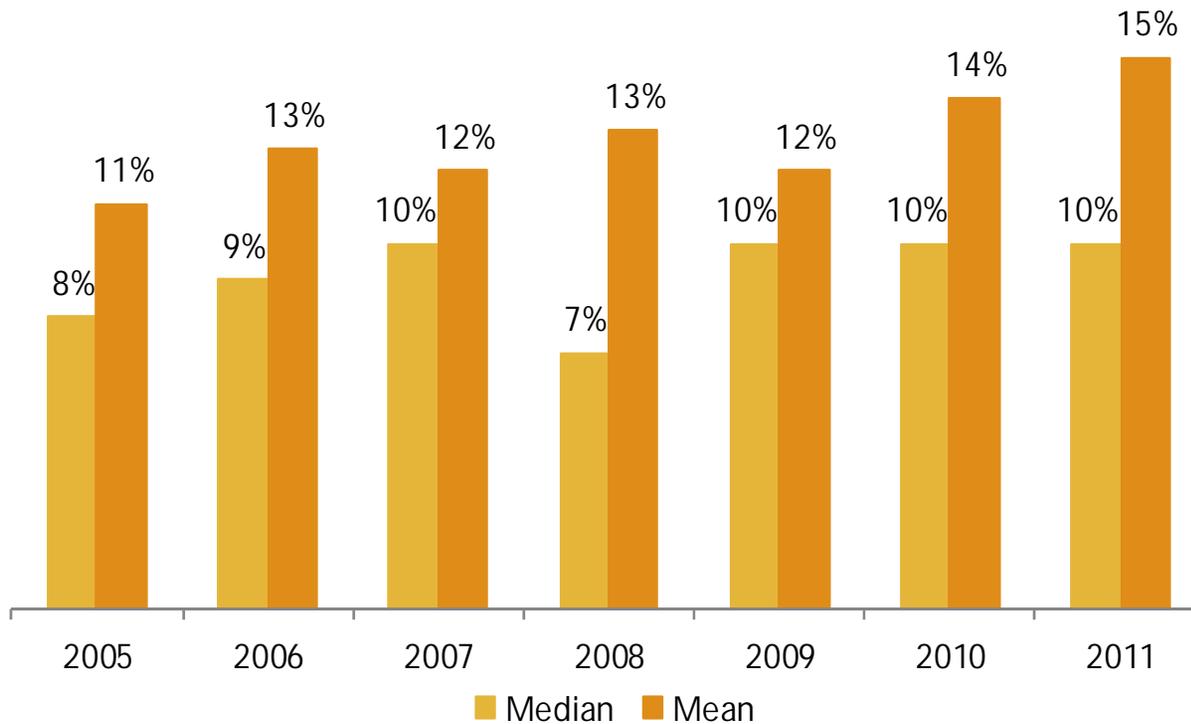


Buyer experience by department

Department	Net Promoter Score	
	VMS	MSP
HR	15%	26%
Procurement	29%	33%
Other	23%	0%
Management Level		
Director	31%	38%
Manager	26%	17%
Individual contributor	0%	44%
All Buyers	24%	27%

Contingent share of workforce increasing

Reported contingent share of workforce, 2005-2011



Who wants to buy more?

Department	Net bias
HR	14%
Procurement	27%
General management	20%
Management Level	
VP	19%
Director	21%
Manager	15%
Less than manager	19%

How is your performance measured?

Management Level	Savings generated	Internal customer satisfaction	Program development
VP and above	28%	33%	39%
Director	38%	28%	34%
Manager	41%	24%	35%
Individual contributor	36%	18%	45%
Department			
Human resources	13%	32%	55%
Procurement	55%	21%	24%
General management	54%	15%	31%
CW Spend			
\$20m or less	33%	30%	36%
\$21m-\$50m	38%	32%	29%
\$51m-\$100m	39%	25%	36%
\$101m-\$500m	44%	17%	39%
More than \$500m	48%	15%	37%
All buyers	38%	24%	38%

Money talks.....

Management Level	Base Compensation	Bonus	Total Compensation	Bonus Percent
VP and above	\$125	\$35	\$158	19%
Director	\$130	\$30	\$173	18%
Manager	\$100	\$10	\$110	10%
Individual Contributor	\$80	\$4	\$89	6%
Department				
Human Resources	\$110	\$15	\$118	12%
Procurement	\$105	\$10	\$119	10%
General Management	\$88	\$11	\$100	10%
CW Spend				
\$20m or less	\$85	\$10	\$95	10%
\$21m-\$50m	\$100	\$10	\$107	9%
\$51m-\$100m	\$110	\$16	\$126	12%
\$101m-\$500m	\$110	\$12	\$118	11%
More than \$500m	\$120	\$20	\$150	15%
Use a VMS	\$110	\$14	\$125	12%
No VMS	\$100	\$9	\$109	8%
All Buyers	\$100	\$11	\$116	11%

All figures displayed are medians. The "Base compensation" and "Bonus" columns do not add up to "Total compensation" because some respondents had lower base salaries and relatively high bonuses, and vice versa.

So where is it all going?

4 8 15 16 23 42



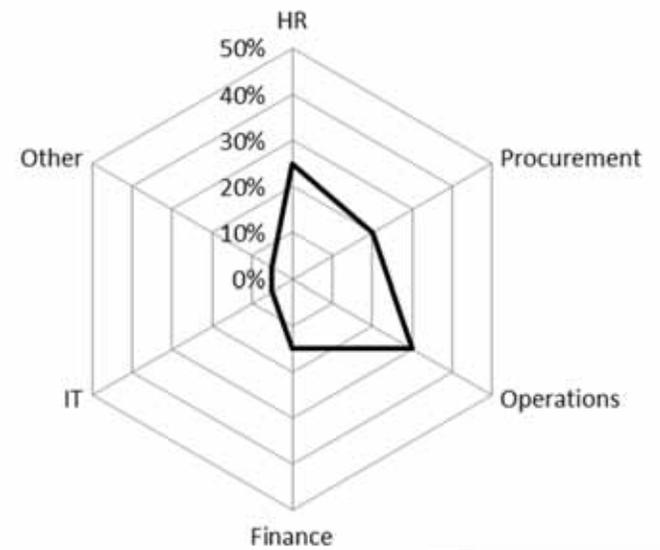
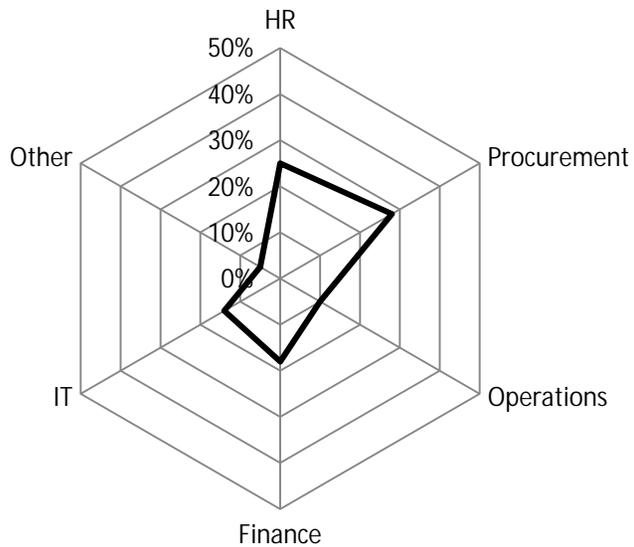
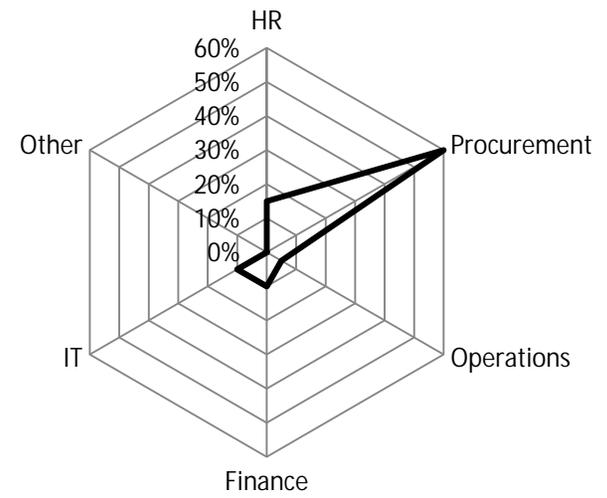
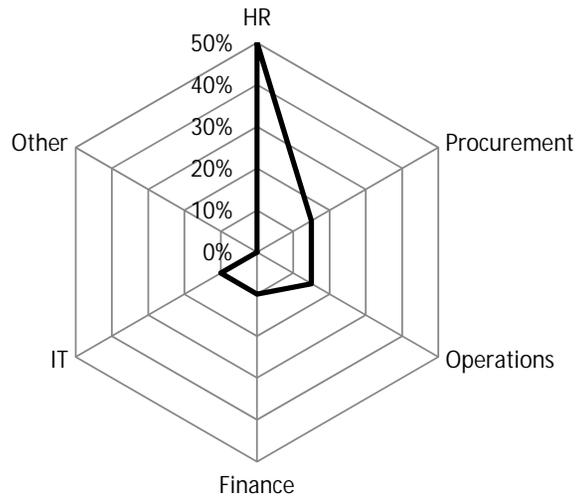
How do providers feel?



COMPANY FOCUS

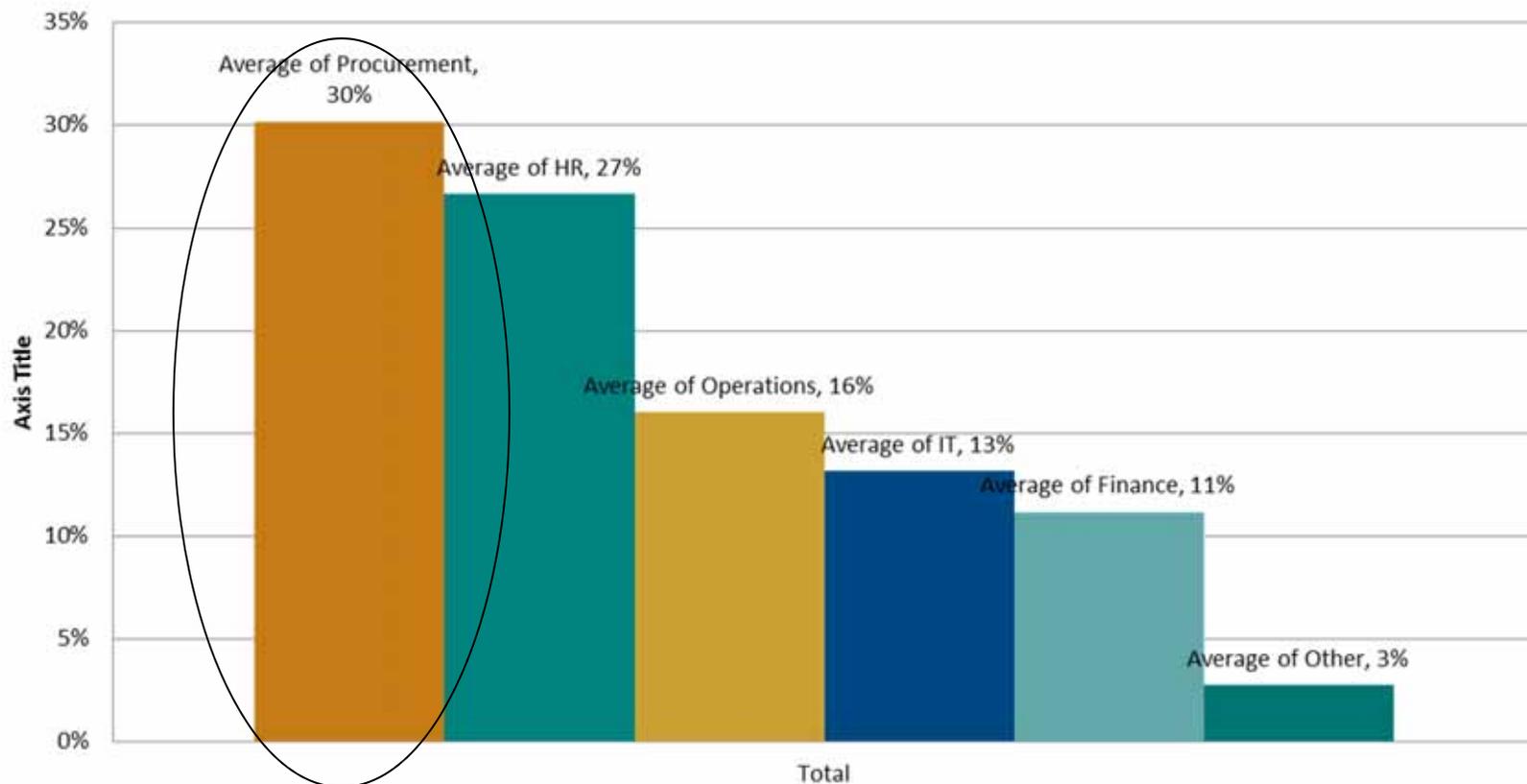
	Group	Percentage
By percentage which target group does your company's core value proposition most appeal to?	HR	
	Procurement	
	Operations	
	Finance	
	IT	
	Other	
Sum must total to 100% (Automatically Calculated)	Total	0%

Variety of Focus Among Companies

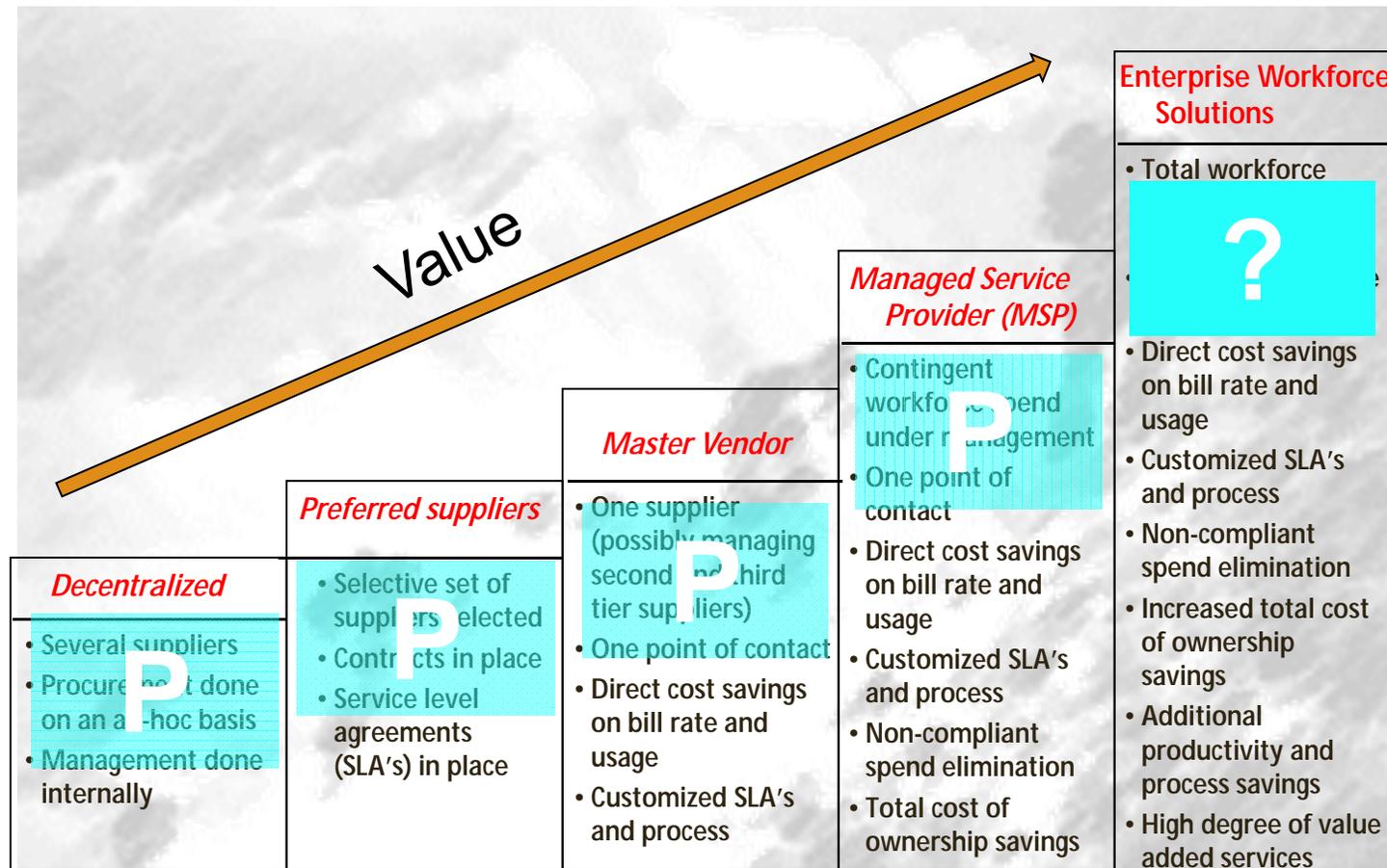


MSP'S /VMS bet the farm on procurement slightly more than HR

MSP Provider Focus



Lifecycle of Contingent Workforce Models



What is the fundamental problem?





Abbott

A Promise for Life

Speakers:

DAWN MCCARTNEY
DIRECTOR, CW STRATEGIES & RESEARCH
STAFFING INDUSTRY ANALYSTS

JON DUDLEY,
SENIOR GLOBAL CATEGORY MANAGER – STRATEGIC SOURCING GROUP

SHRYL HOOVER,
ACCOUNT MANAGER – GLOBAL TALENT ACQUISITION

- Large diversified Pharmaceutical Company
- Operates in virtually every country
- Over 90,000 employees globally
- \$35B in annual sales



Contingent Workforce Program Summary

- MSP/VMS in place since 2009
- 3700 temps in the US and PR – est. \$200M annual spend
- All labor types are in the program (Housekeeper to Medical Doctor)
- Vendor neutral except for Administration and Industrial
- Rate cards in place with a defined Mark-Ups.
- SLA'S in place with penalties
- Large Diversity Focus
- Working on Global Expansion
- Exploring SoW Expansion



HR/TALENT ACQUISITION RESPONSIBILITIES AND FUNCTIONS

- Program Liaison with our MSP Program Office
- Monitor and trouble shoot Invoicing
- Develop and implement strategy for the program
- Monitor SLA's
- Identify Cost Savings Opportunities
- Continuous Improvement
- Compliance
- Marketing of the Program



GLOBAL SOURCING RESPONSIBILITIES AND FUNCTIONS

- Manage and implement the Master Service Agreement and SOW.
- Collaborate with HR on future Strategies of the program (ex. cost savings initiatives)
- Provide input and support for Market Analysis and Supplier Rationalization



HOW DECISIONS ARE MADE FOR PROGRAM POLICIES AND PROCEDURES

- This is a collaborative effort between the MSP/VMS and the HR Account Manager
- MSP manages all operational work
- New Policies or procedures are discussed as a team and then implemented by the MSP
 - Changes that effect the contract are discussed with Global Purchasing



WHO DRIVES STRATEGY?

- This is a team effort that is driven by our whole team – HR, Procurement, MSP, VMS
- HR and Procurement typically work together on the strategy concepts
- Strategy is also discussed in a yearly meeting with our MSP/VMS providers to ensure we have a holistic approach.



What does the future look like?



Time for another poll:

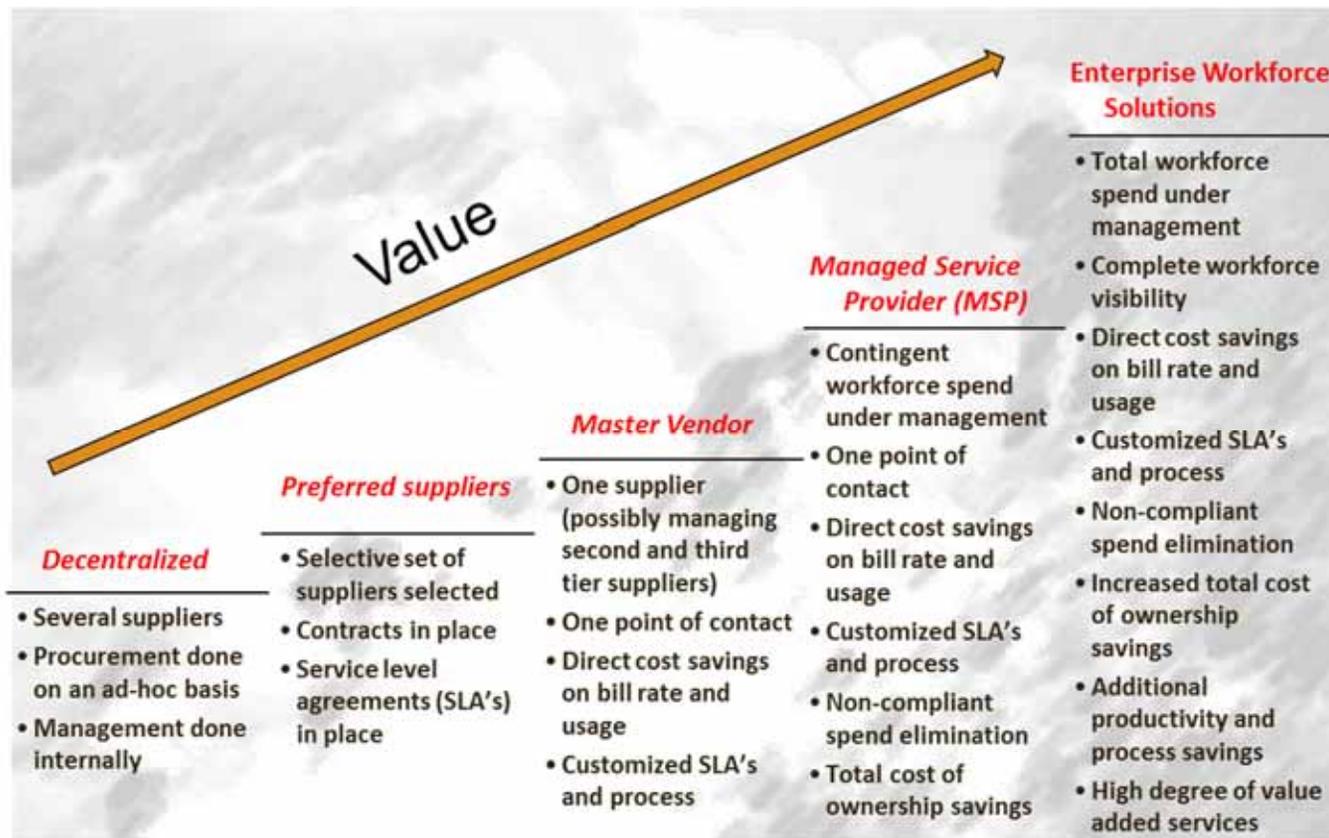
GOT AN
OPINION?



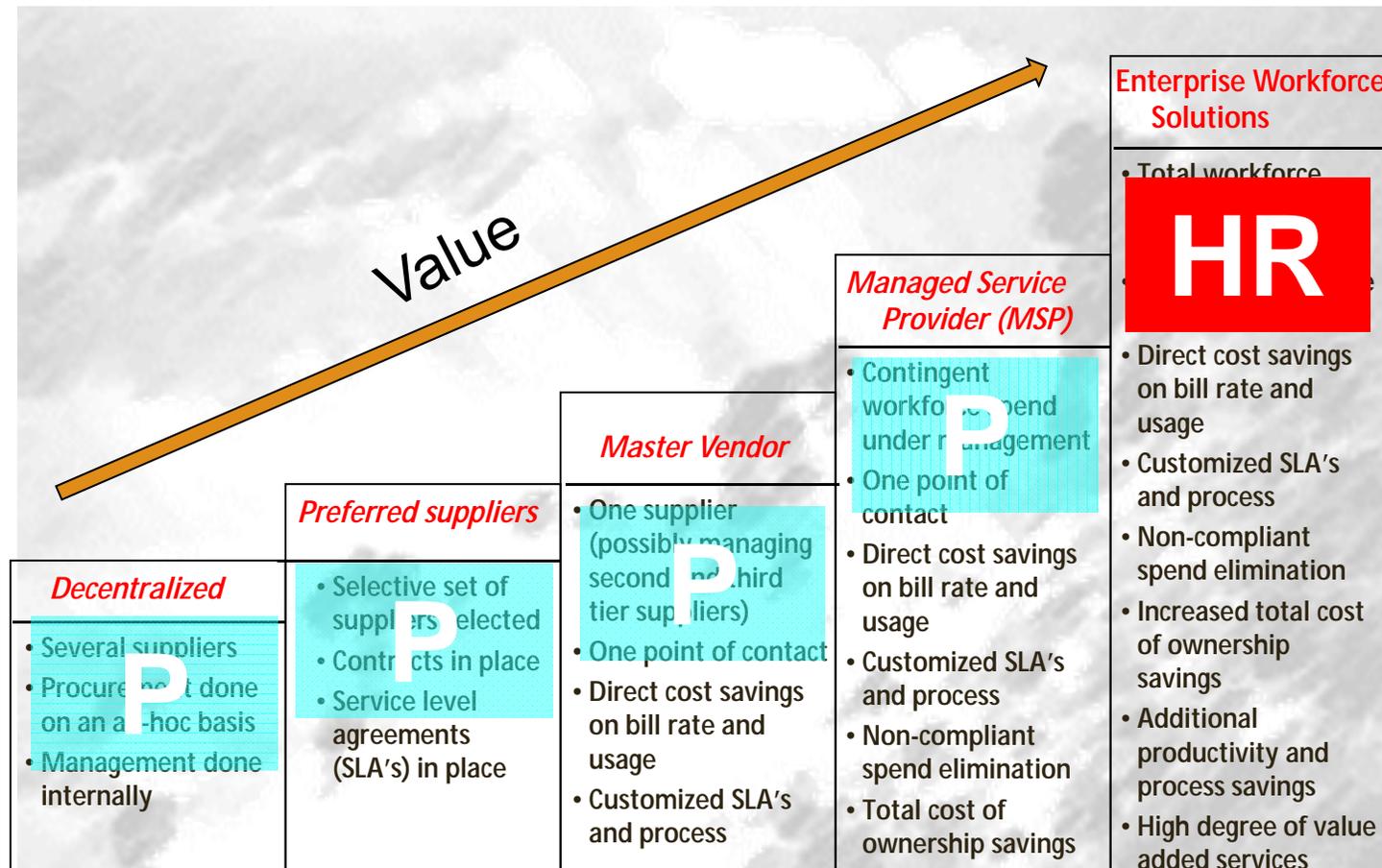
Which functional role should be in charge of CW?

- Procurement
- Human Resources
- IT
- Finance
- Other

What does the future look like for CW managers?



Lifecycle of Contingent Workforce Models



SAMPLE RACI CHART



- EMAIL:
 - BPENA@STAFFINGINDUSTRY.COM

Time for Your Questions



PROPRIETARY DATA, DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report. Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.950.9496 | www.staffingindustry.com

Our Sponsor Today



Tom Tisdale,
Senior Vice President

Upcoming Webinars



August 16, 2012 SOW and the World of Service Procurement

August 29, 2012 Legs and Regs Legal Update

September 6, 2012 Components of an MSP DIY or Outsource

September 12, 2012 Legal Roundup Europe

PROPRIETARY DATA, DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report.

Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.950.9496 | www.staffingindustry.com

Upcoming Webinars



Slides and Replays

- Copies of the slides used will be distributed to all attendees within 24 hours following the webinar
- A replay of the webinar will be available for CWS Council Members at www.staffingindustry.com



PROPRIETARY DATA, DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report.

Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.950.9496 | www.staffingindustry.com

Time for Your Questions



THANK YOU!

PROPRIETARY DATA, DO NOT DISTRIBUTE OUTSIDE YOUR ORGANIZATION.

Your company's use of this report precludes distribution of its contents, in whole or in part, to other companies or individuals outside your organization in any form – electronic, written or verbal – without the express written permission of Staffing Industry Analysts. It is your organization's responsibility to maintain and protect the confidentiality of this report.

Staffing Industry Analysts | 1975 W. El Camino Real, Ste. 304 | Mountain View, CA 94040 | 800.950.9496 | www.staffingindustry.com