STAFFING INDUSTRY ANALYSTS

Thought Leadership Series

Growing Up with the Industry:
How AIG built upon a solid foundation.

Staffing Industry Analysts CWS COUNCIL

Speakers:
Kathy Padilla
Director, Global Sourcing and Procurement Services-AIG

Jim Brozny
Director, Account Services - Fieldglass

Moderator:
Bryan Pena
Vice President, Contingent Workforce Strategies and Research-Staffing Industry Analysts

Sponsored by:

FIELDGLASS

October 10, 2012
10 am PDT/ 1 pm EDT

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Welcome to the Staffing Industry Analysts 2012
Industry Thought Leadership Series

Suppliers Of Staffing Services Share Their Expertise

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

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- **Q & A:** To ask questions – use the question function on the webcast control panel

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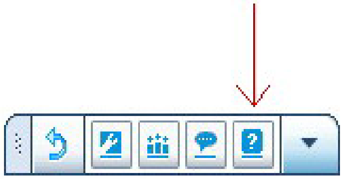
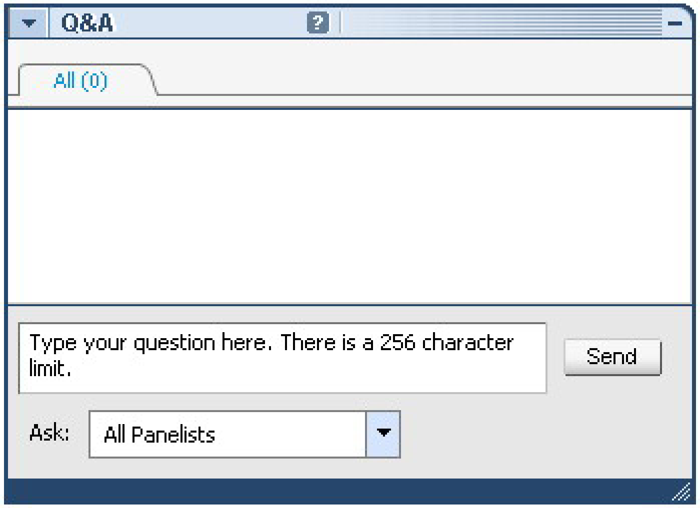
Q&A icon





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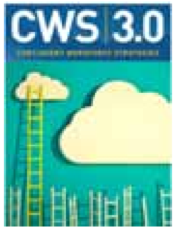
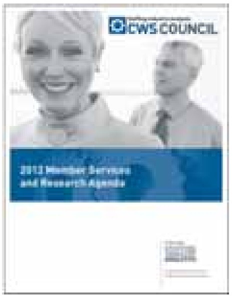
About Staffing Industry Analysts

Staffing Industry Analysts is the global advisor on contingent work

- **Over 700 firms benefit from our international research services**
  - 19 of the world's 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





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SAVE THE DATE!

Contingent Workforce Strategies Summit

May 15-16, 2013

Andel's Hotel | Berlin, Germany

www.cwssummitwe.eu

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MARK YOUR CALENDAR!

Fairmont Millennium Park | Chicago, IL

Contingent Workforce Solutions Forum
September 10, 2013

Contingent Workforce Strategies Summit
September 11-12, 2013

Thought Leadership Series

Our Speakers Today

Jim Brozny

Director, Account Services

Fieldglass

Kathy Padilla

Director Global Sourcing and Procurement Services

AIG

Moderator:

Bryan Pena

Vice President,
Contingent Workforce
Strategies and Research
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Fieldglass Overview

FIELDGLASS

Unified Platform for the Enterprise
SaaS technology to manage Contingent + SOW + Outsourced services.

Largest Customer Base – 170 companies
$20B in global spend. SOW spend leader.

Market Leader
Ranked #1 VMS solution by spend and customer satisfaction
(Staffing Industry Analysts – VMS & MSP Industry Landscape Report).

Global Footprint
Deployed in 78 countries. Global customer & partner community.
Office locations in U.S., U.K., Australia and India

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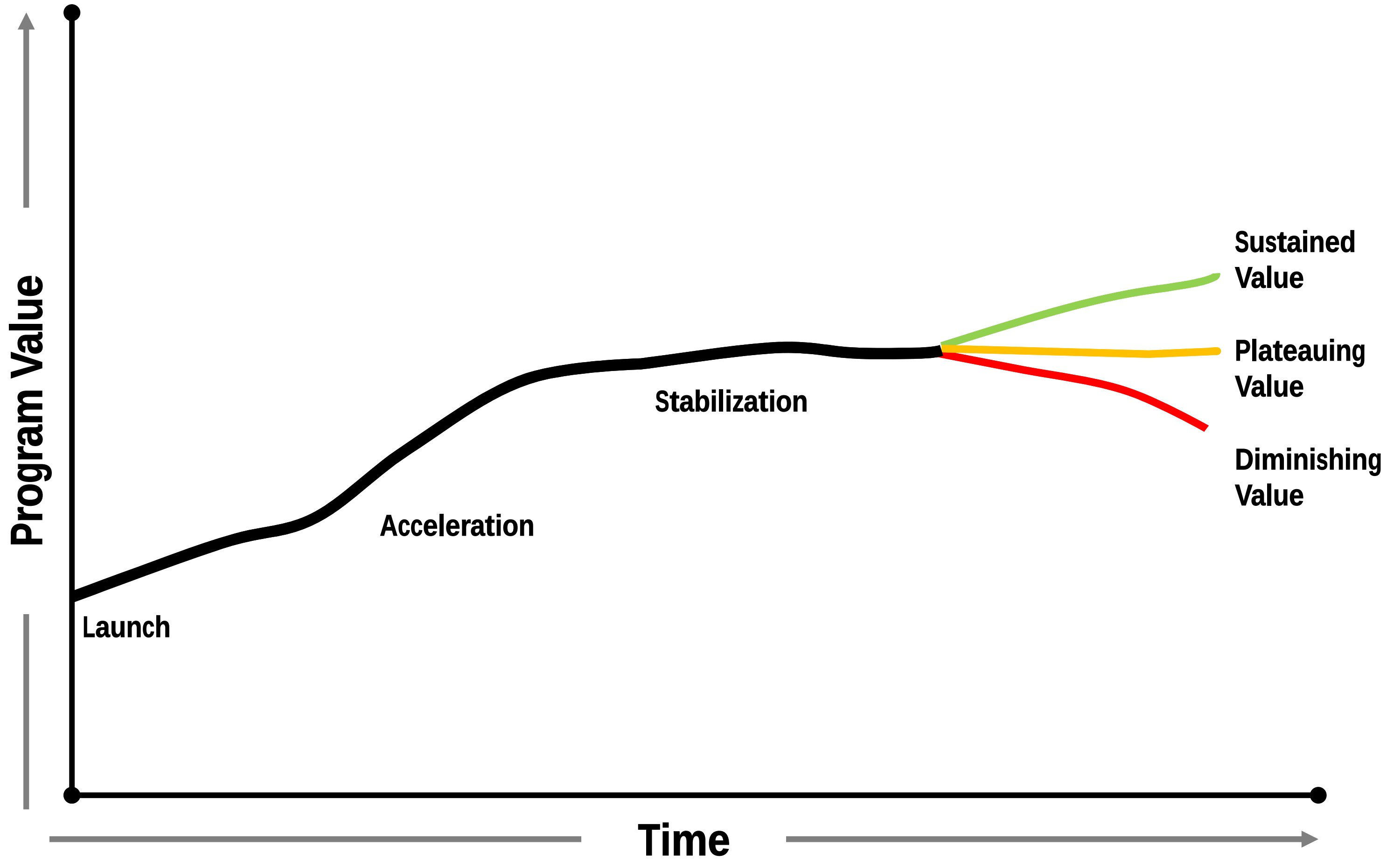
The Typical Program Value Curve



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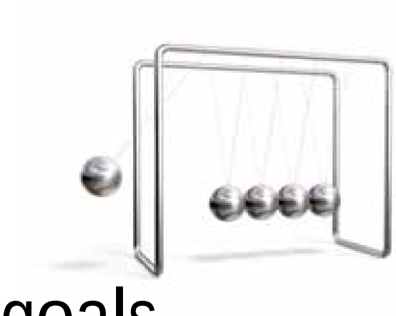
How Fieldglass Aligns to Growing Program Needs

Program Maturity Model Exercise

- Evaluation of 100+ program components
- Identifies program successes and areas for improvement
- Fieldglass consultants develop action plan

Anchored by:



- Fluid program goals and objectives fluid
- Established calendar of quarterly business reviews for program checkpoints
- Continuous improvement

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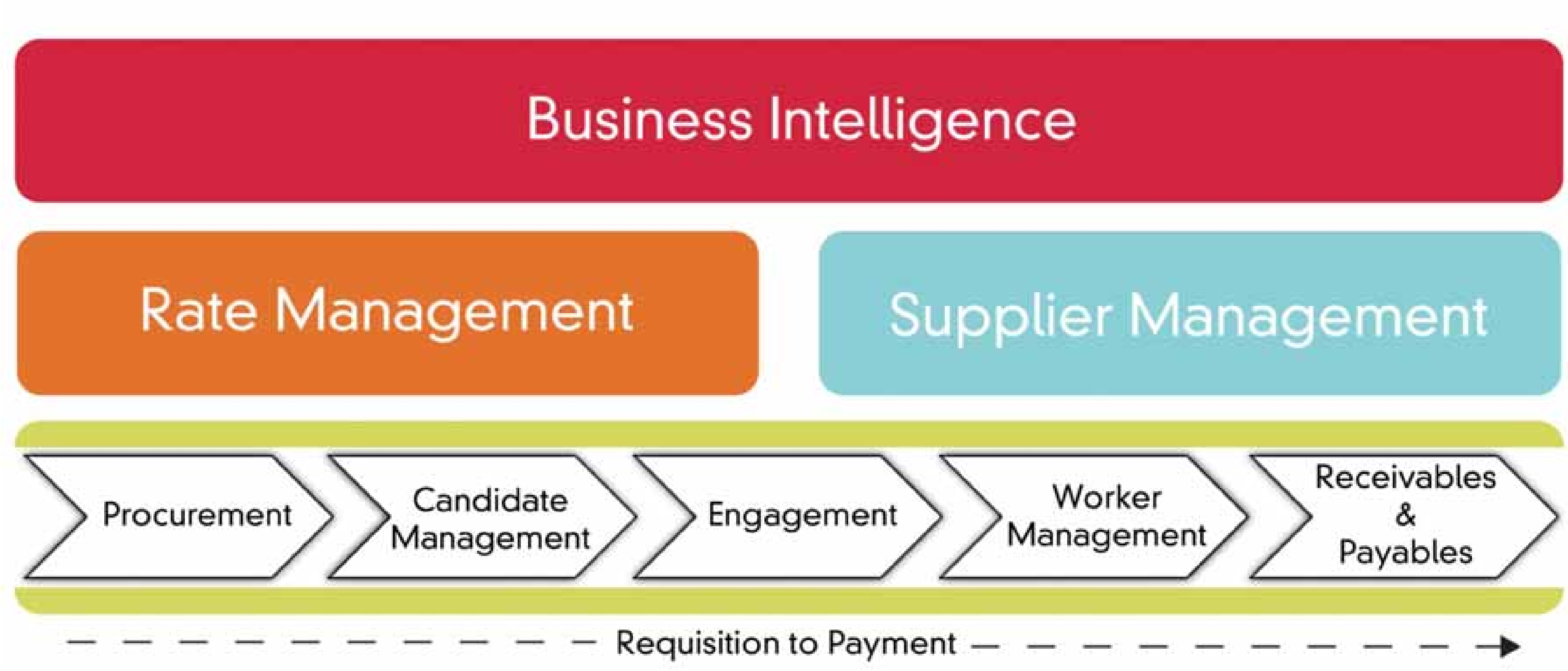
Aspects of a Program – Program Maturity Model



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Time for a poll…

Where are you currently in your program evolution?

- No program in place today; education stage
- Building a business case
- Currently implementing
- Optimizing an existing program
- Achieved best-in-class state

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Webinar Objective

To share client, partner and industry perspectives on AIG's journey to improve its established contingent workforce program.

We hope attendees take away key lessons learned and best practices valuable in leading their own program transformations.

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AIG's Program Evolution

AIG

Thought Leadership Series

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About AIG

AIG

Leading international insurance organization

- Operations in more than 130 countries
- One of the most extensive worldwide property-casualty networks of any insurer
- Leading providers of life insurance and retirement services
- $3.2B Goods and Services Spend

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Program Evolution

ORGANIZATIONAL BENEFIT

Program Origination

2002-2008

- 1 Business unit deploys Fieldglass
- 3 more business units deploy Fieldglass
- All self-managed the programs independently.

Benefits:

- Some visibility
- Immediate cost savings

Organizational Shift

2009:

- Broader corporate function developed with strong leadership
- Corporate decision to establish center led operations
- Redefined program goals adhering to a single strategy

Benefits:

- Expanded visibility & cost savings
- Process improvement
- Framework for strategic input

Optimize & Continuously Improve

Today:

- Single instance of Fieldglass
- Unique MSP partnership
- $150M Contingent Program, including both IT and non-IT spend

Benefits:

- Complete visibility
- Significant cost savings
- Process efficiency
- Improved quality
- Risk mitigation

PROGRAM ADOPTION

Program Assessment

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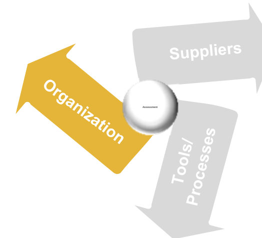
Organizational Structure Assessment



Challenges	Recommendations	Results
• Changing organization needs, goals and expectations • Decentralized governance structure • Uneducated end user • Unclear understanding of policies and procedures • Lack of industry experience and expertise	• Single governance structure/mission with strong executive champion • Engage an Industry Leader Master Service Provider (MSP) • Implement comprehensive change management program	• Eliminated redundant work by centralizing program • Achieved increased cost savings due to simplified oversight • Developed Smarter Shoppers • Drove consistency and common practice

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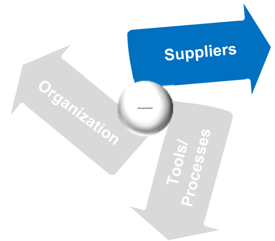
Supplier Strategy Assessment



Challenges	Recommendations	Results
• Unfocused Supplier base • Supplier mix mismatched to demand • Unhealthy supplier concentration • Lack of supplier mentorship/advocacy • Poor utilization of supplier capabilities	• Implement consistent supplier performance measures metrics • Conduct supplier audit to validate compliance • Develop and adhere to formal rules of engagement • Seek out and utilize market leaders • Refresh pricing and commercial terms • Conduct formal demand planning	• Created improved supplier partnerships • Optimized contract terms for both AIG and suppliers • Leveraged suppliers holistically across the organization and commodities • Improved supplier performance and support • Enhanced program through innovative supplier recommendations

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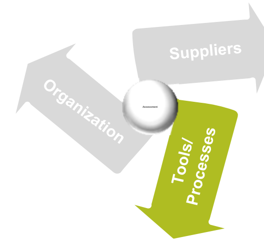
Tools/Processes Optimization Assessment



Challenges	Recommendations	Results
• Poorly integrated technology • Under-utilized tool functionality • Process model driving elongated cycle times, limited communication and inconsistent processes • Limited focus on risk mitigation • Poor data quality	• Review tool configuration to improve process efficiencies and user experience • Implement a center-led, actively-managed sourcing model • Introduce sourcing alternatives to traditional process • Leverage MSP for legal expertise	• Eased administration burden and simplified user experience • Able to more quickly and cost-effectively meet demand • Improved visibility, control with holistic approach • simplified supplier account management structure • Improved quality and ease of reporting

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What does the AIG program look like?

- AIG owns strategic vision
- Branded program and supplier staff - “CRP”
- AIG owns supplier agreements
- Jointly select and evaluate supply base
- Deeply integrated AIG escalation process

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AIG’s Biggest Drivers of Change

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Three Keys to AIG's Unique MSP Model

✓ **Determine the best fit.**
Knowledge and culture

✓ **Establish a partnership mentality.**
Customized approach

✓ **Maintain active involvement.**
"Go live" is just the start

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Implementing Preferred Suppliers

✓ **Set clear expectations.**
Implement rules of engagement

✓ **Keep communication open.**
Supplier feedback and self-evaluation

✓ **Optimize supplier mix.**
Keep up with changing demand

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Focus on Ongoing Success and Improvement

CONTINUE

evolving SOW management within Fieldglass.

CONSIDER

additional spend categories.

LOOK

for global expansion opportunities.

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Upcoming Webinars

October 24, 2012 VMS in France

October 25, 2012 IP Ownership in a Contingent World: What You Need to Know To Own And Protect Your Intellectual Property

November 15, 2012 MSP/VMS Landscape

November 28, 2012 2013 European Contingent Market Forecasts

December 13, 2012 US Legal Update

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