

North America

Managing the Light Industrial Contingent Workforce

Moderator:

Bryan Pena, VP of CW Strategy & Research, Staffing Industry Analysts

Guest Speakers:

Ben Walker, Director of Professional Services, Brightfield Strategies

Mark Lienhart, Commodity Manager – Marketing & Communications,
Temp Labor, Schneider Electric



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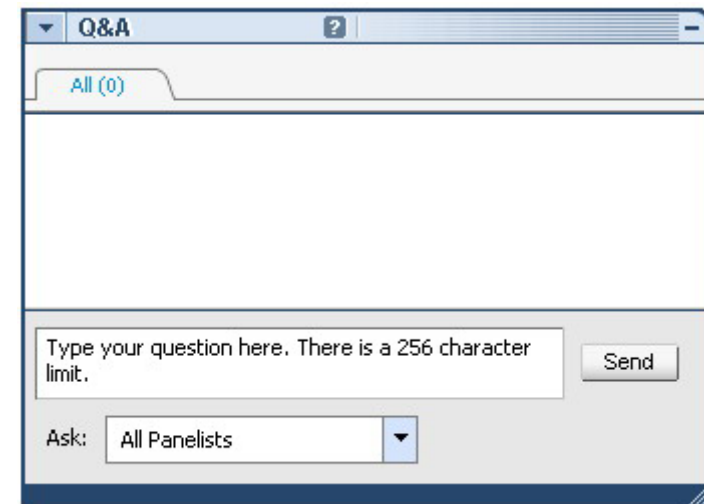


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Our Speakers Today



**Mark Lienhart ,
Commodity Manager
Schneider Electric**



**Ben Walker,
Director, Professional Svcs
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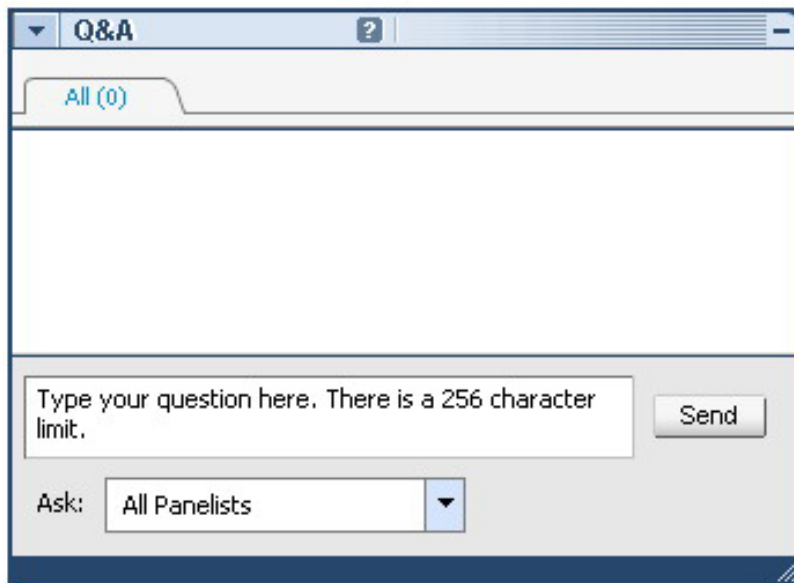
**Bryan Pena,
VP CW Strategy & Research,
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QUESTIONS?????

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**Bryan Pena,
VP, CW Strategy & Research,
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LIGHT INDUSTRIAL AND MSP/VMS

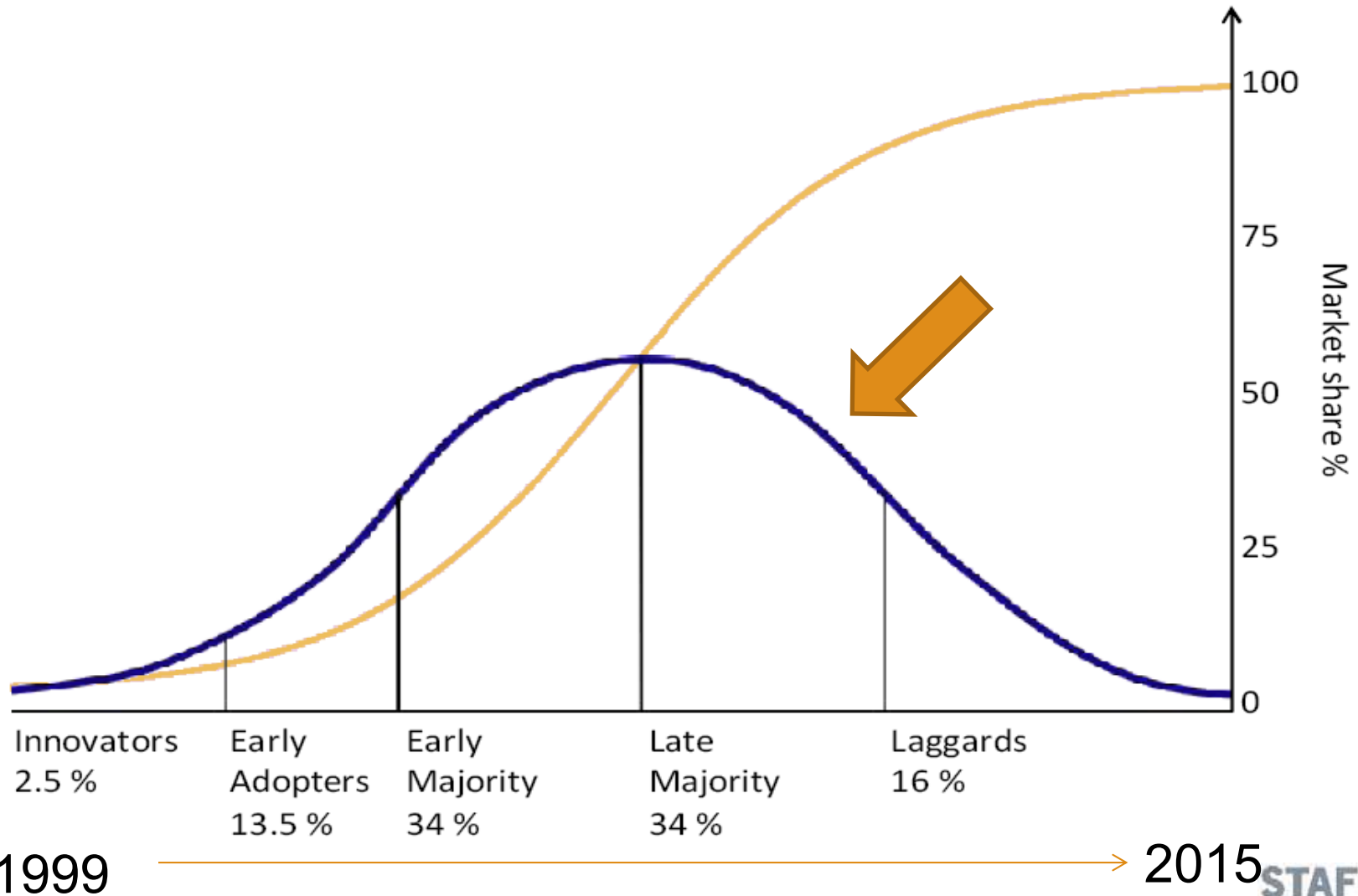
Provider Recruiting intensity is on the upswing

Recruiter hiring plans by primary industry served and primary segment offered

Industry	Increase	Maintain	Decrease	Net
Energy/Chemical	100%	0%	0%	100%
Finance/Insurance	86%	14%	0%	86%
Healthcare	81%	19%	0%	81%
Technology/Telecom	79%	21%	0%	79%
Business Services	78%	22%	0%	78%
Manufacturing	70%	29%	2%	68%
Government	67%	33%	0%	67%
Logistics	60%	40%	0%	60%
Segment/sector				
Segment/sector	Increase	Maintain	Decrease	Net
IT	91%	9%	0%	91%
Engineering/Design	79%	21%	0%	79%
Healthcare	79%	21%	0%	79%
Office/Clerical	78%	22%	0%	78%
Finance/Accounting	67%	33%	0%	67%
Industrial	68%	31%	1%	67%
Direct Hire	44%	46%	0%	44%
All Staffing Firms				
All Staffing Firms	76%	23%	0%	76%



Where are we- US?

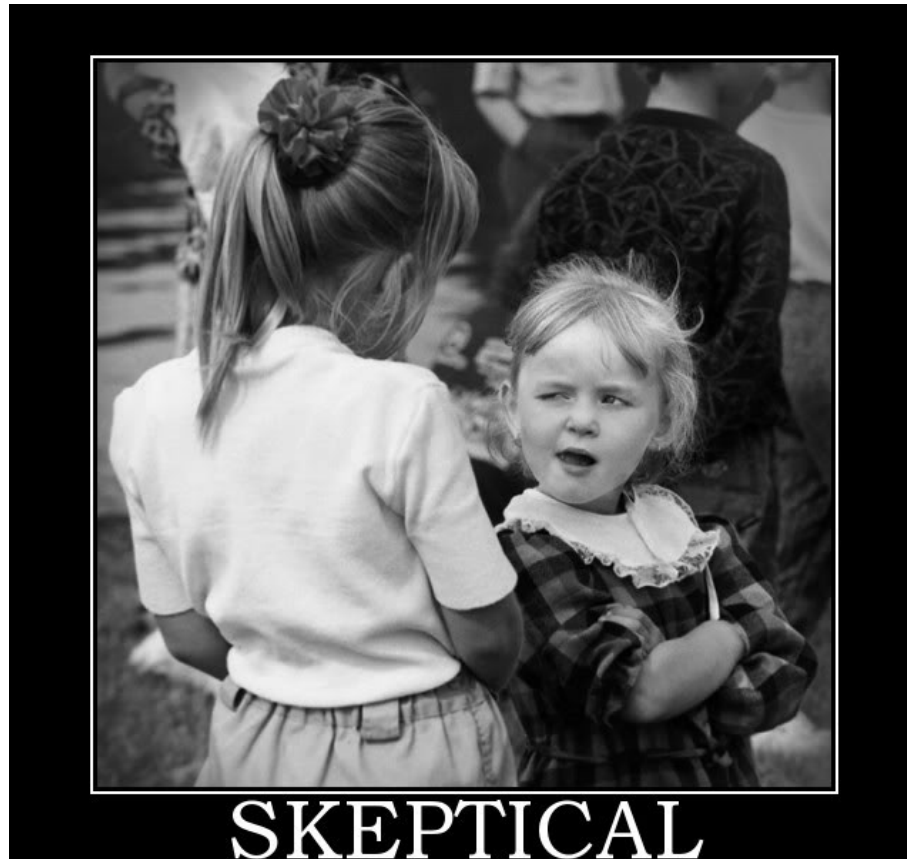


What makes LI Different?

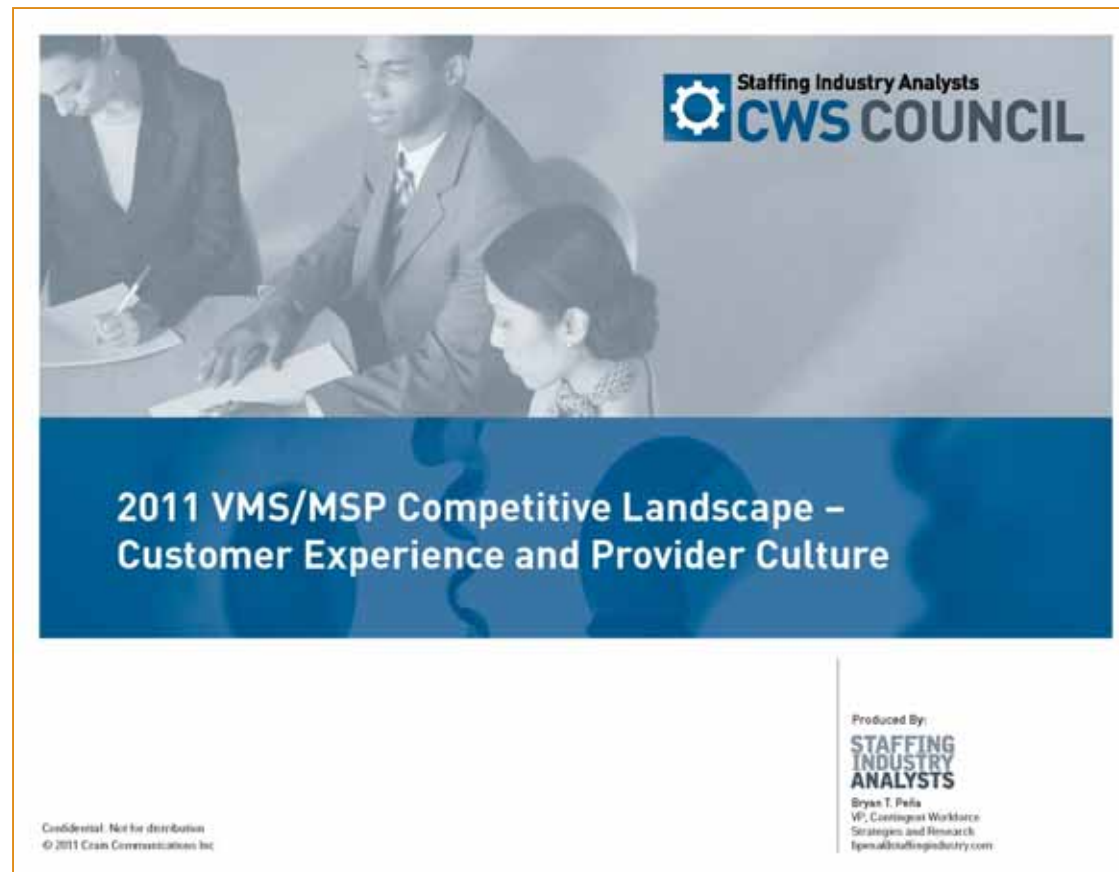
- High Volume
- Quick Turnaround
- Lower skill sets
- Propensity for large swings in demand
- Low Margin
- Low Technology
- Often remote locations



Conventional Wisdom says.....



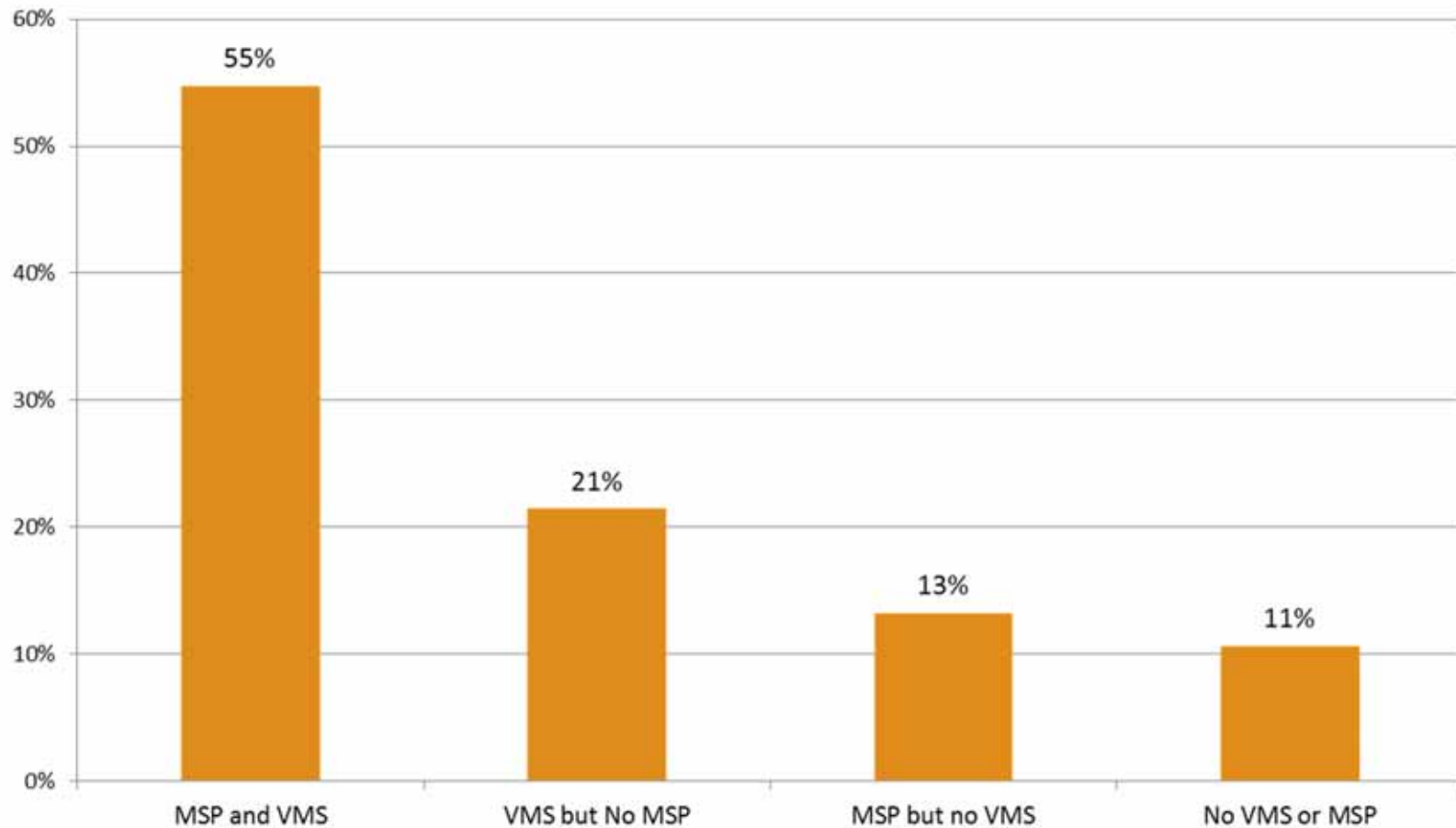
2012 NPS Survey



Sample was very large

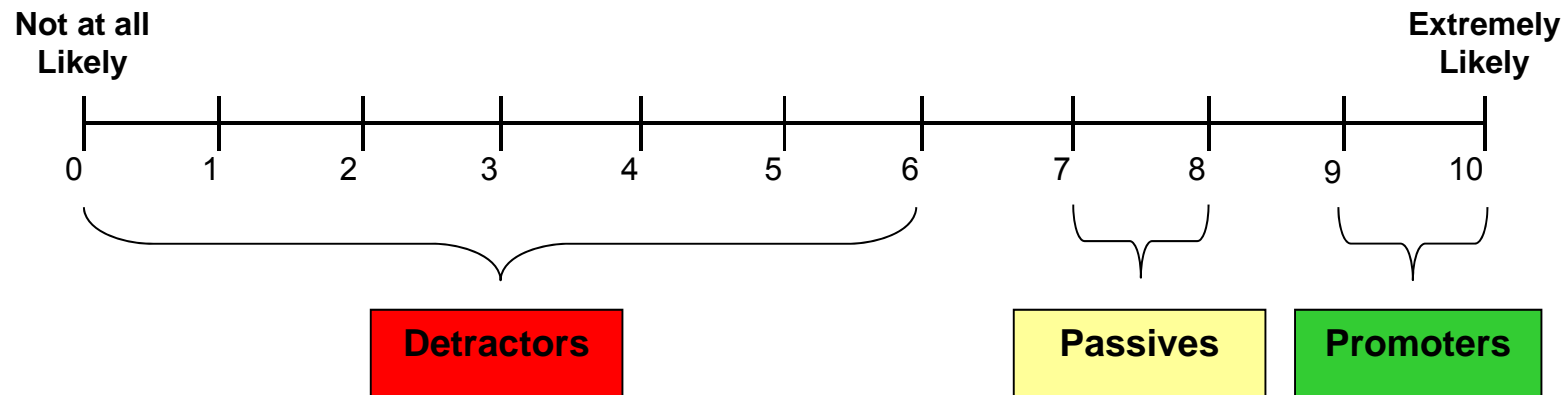
- 561 Buyer Responses
 - 352 Different Companies
- 2,235 Staffing Responses
 - 702 Different Companies

Breakdown of Responses



The ultimate question

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



NPS By Buyer Largest Skill Purchased Category

Figure 12. Buyer NPS by Skill Purchased – VMS

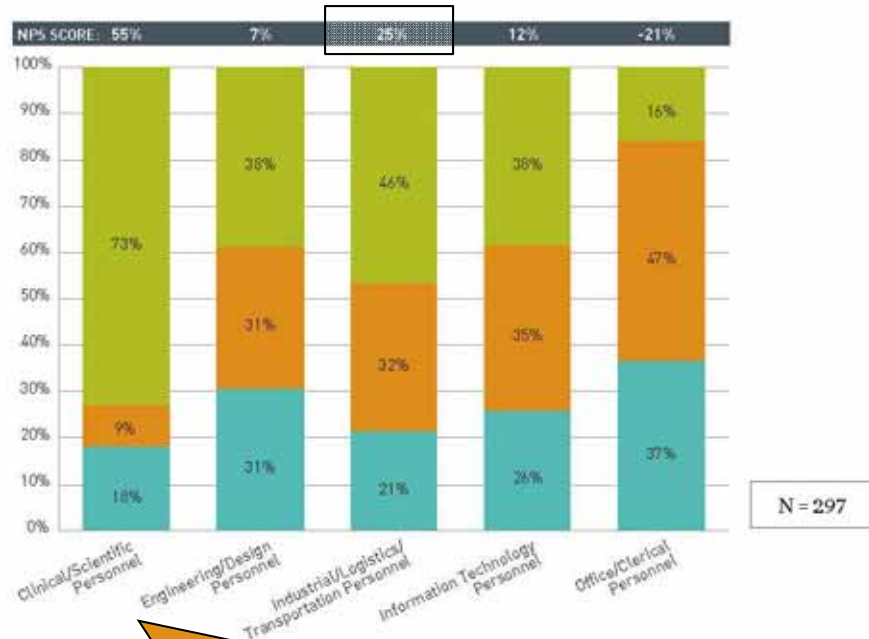
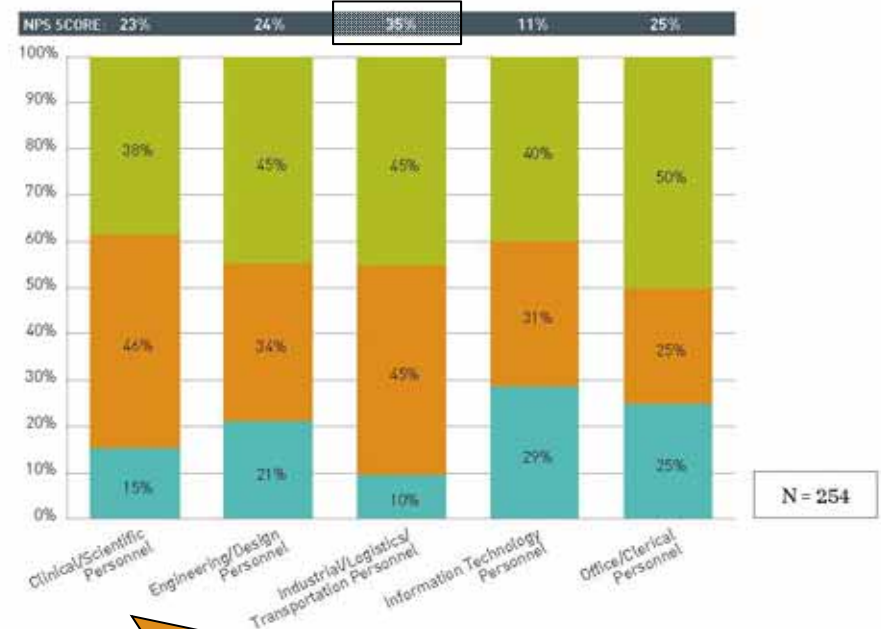
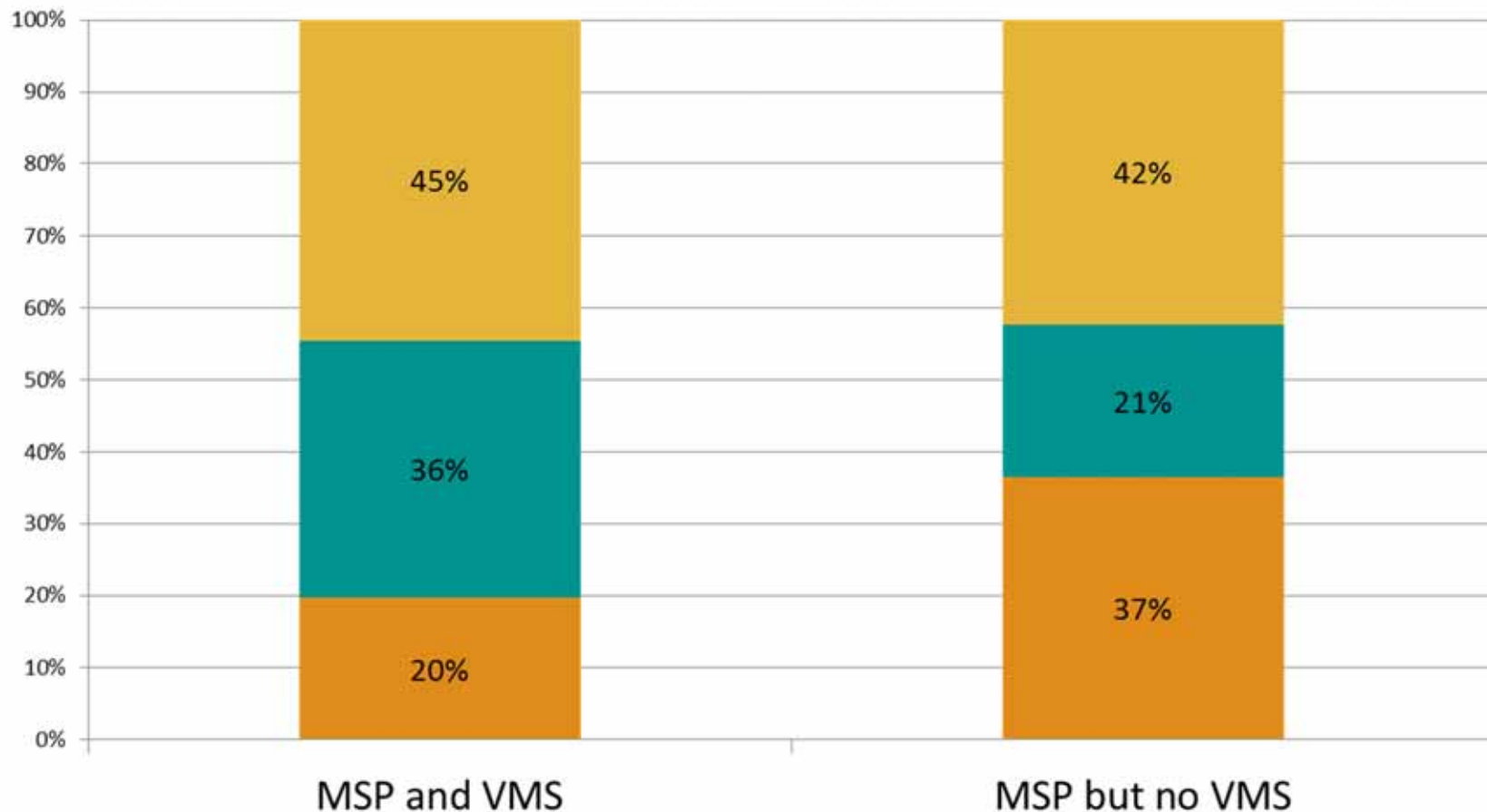


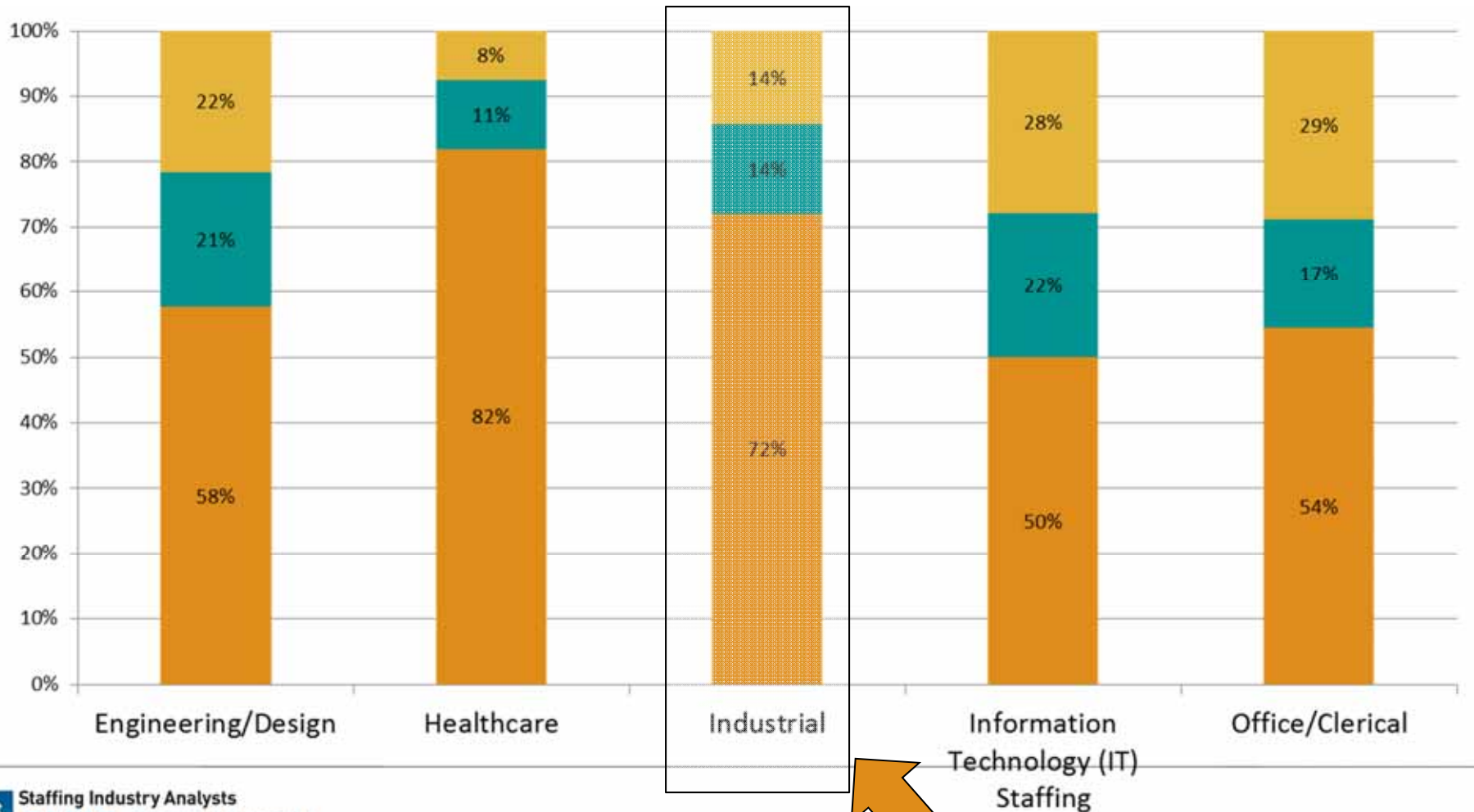
Figure 13. Buyer NPS by Skill Purchased – MSP



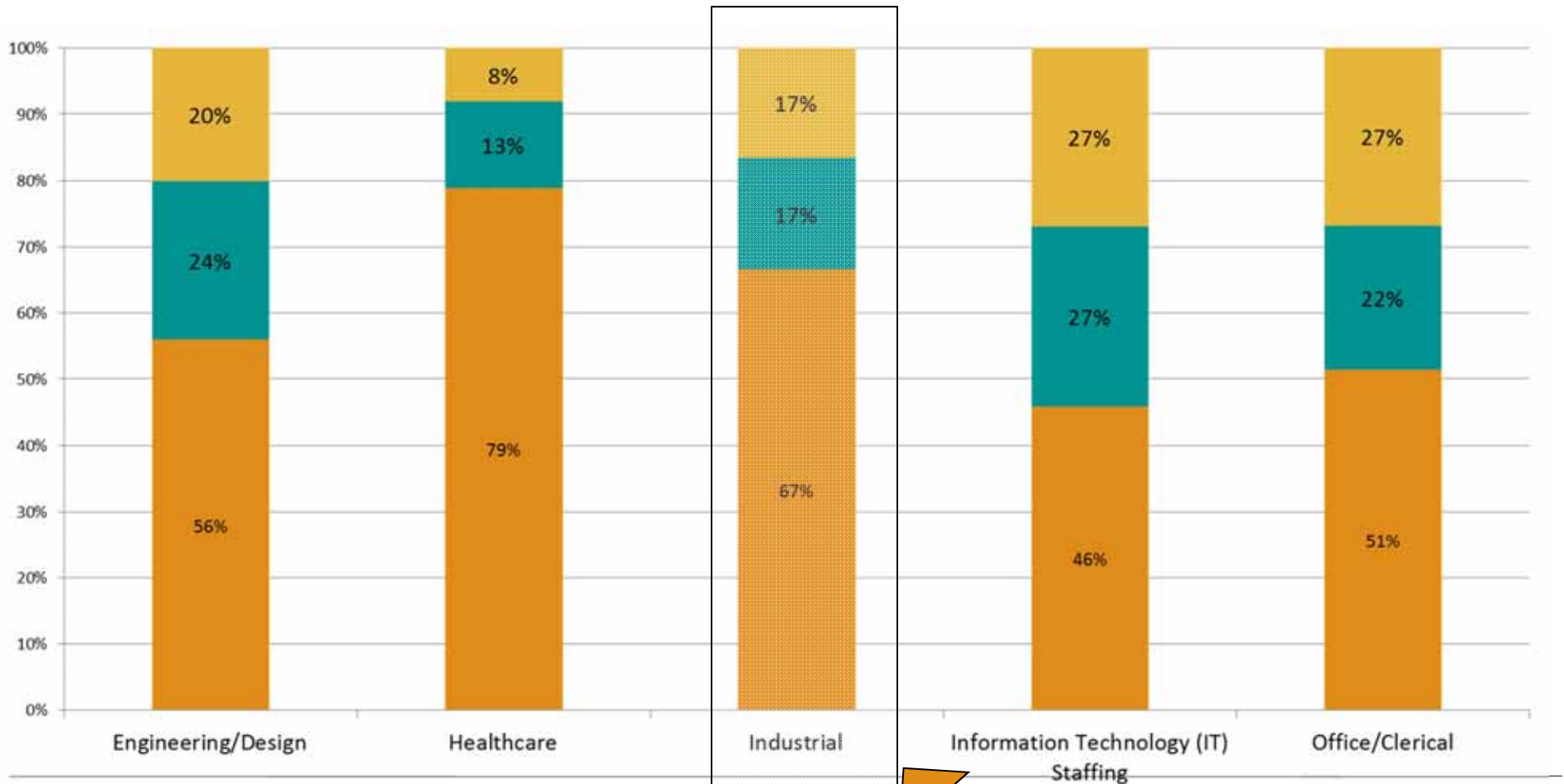
For Light Industrial, MSP with technology is better than without..



But Suppliers really don't care for it...MSP



Really, Suppliers really don't care for it...VMS



Considerations

- Challenge conventional wisdom, every program is different
- Don't forget to consider the supplier experience
- Expect a renaissance

Managing the Light Industrial Workforce

Mark Lienhart
Schneider Electric

Who is Schneider Electric?

22.4

billion € sales
(last twelve months)

39%

of sales in new economies
(last twelve months)

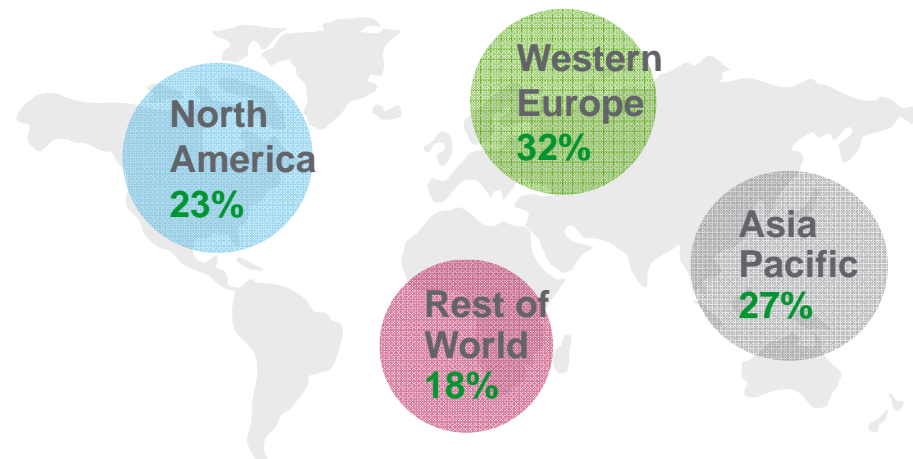
130 000+

people in 100+ countries

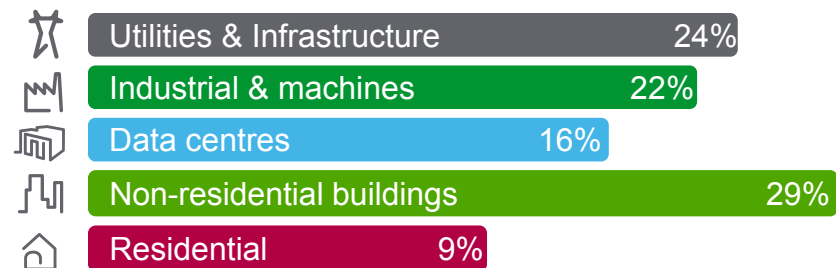
4-5%

of sales devoted to R&D

Balanced geographies – FY 2011 sales



Diversified end markets – FY 2011 sales



US Contingent Labor Overview

- Managed Services Program (MSP) 3 years into program
 - Vendor Neutral Model under 1 contract
 - National account manager sits in my office
 - On-site account managers at large sites
- 86 US sites serviced in 2011
 - ~\$45M in annual spend
 - ~1200 avg monthly headcount
 - 57% spend on Light Industrial (~\$25M)
 - ~850 avg monthly LI headcount
- KEY KPI's
 - Light Industrial Turnover is ~8% in 2011
 - Light Industrial Time to fill is 24-48 hours
 - Internal Customer Satisfaction is ~95%

Light Industrial Strategy Considerations

- What are we trying to accomplish with our Contingent Workforce?
 - Flexibility
 - Low-cost labor
 - Ability to meet customized customer needs
- Is MSP right for you?
 - Significant spend spread over many sites in many regions
 - Variability in requirements
 - Software platform (internal or external) to support program
- Pay rate & training investment vs expected outputs
 - What role will they play (essential vs non-essential)?
 - How set in stone are the roles?
 - What are the local market conditions?

SE Program Highlights

- Partnership on #1 SE priority, SAFETY
 - MSP met regularly with our safety executive team
 - Develop standard safety training and checklists for temps across all locations
 - Attend monthly safety meetings together to discuss best practices and continuous improvement
- Six Sigma Projects
 - Temp to hire programs
 - Workforce management (temp/perm ratio optimization)
 - Invoice processing optimization project
- Electronic, automated requisition implementation
 - Integration between Volt tool and SE internal recruiting tool
 - Improved metric monitoring
 - Improved process to our hiring managers

3 Things to Remember

- LI Temp Labor should be an ASSET and not a liability
- COMMUNICATION between vendor and hiring managers is priority #1
- CHALLENGE your vendors to understand your business needs and to be proactive instead of reactive



**Ben Walker,
Director of Professional Services
Brightfield Strategies**

LIGHT INDUSTRIAL , SECRETS TO SUCCESS

Unique Characteristics of Manufacturing & Distribution

- Facilities in remote locations
- Fewer available staffing companies
- Higher worker compensation costs
- Higher unwanted turnover than professional positions
- Same-day position requirements
- Rapid assignment onboarding
- Workers frequently reused for multiple assignments
- Multi-shift operations

Five Critical Success Factors for LI Solution

1. Tailor program operations to unique LI needs
2. Embrace a hybrid MSP / VOP model
3. Negotiate staffing rates in bulk
4. Provide multiple touch points for end-users
5. Treat your suppliers like business partners

1. Tailor program operations to unique LI Needs

The LI solution requires unique:

- Workflow
- Business Rules
- Supplier Optimization Strategies



2. Embrace a Hybrid MSP / VOP model

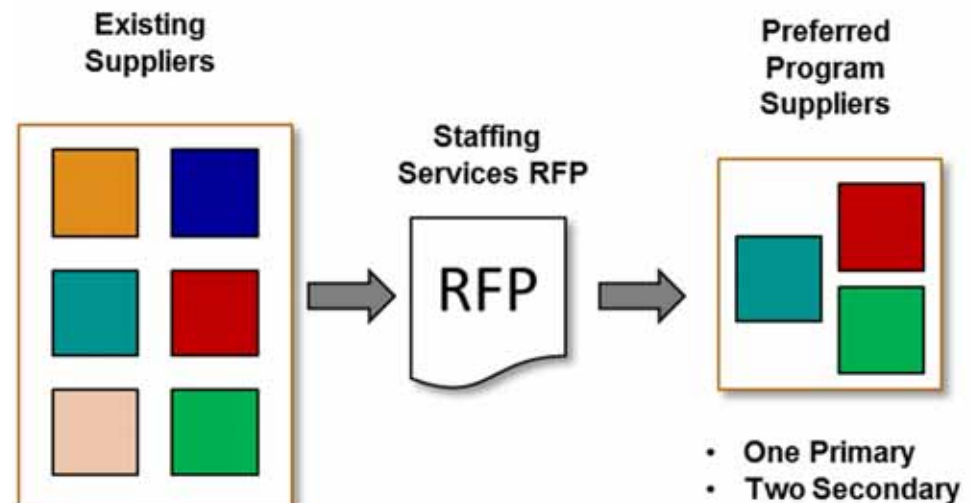
Leverage staffing provider(s) to:

- Review monthly/quarterly staffing projections
- Discuss requirements with end users
- Facilitate onsite onboarding / offboarding
- Provide onsite employee relations



3. Negotiate Supplier Rates in “Bulk”

- Negotiate rates based on estimated annual spend
- Avoid “competitive bidding” requirements



Illustrative Example:
Often location-specific
supplier network required

4. Provide multiple touch points for end users

Incorporate both high tech & high touch

Touch Point	The Ante	Raising the Stakes
Standard web browser	VMS available 24 x 7 using a standard web browser	N/A
Mobile accessibility	VMS system accessible via mobile browser(s)	VMS "App" with fewer clicks and streamlined process
Phone	Centralized number to communicate requirements & ask questions	24 x 7 Interactive Voice Response automates & streamlines requirements process & FAQs
E-Mail	Centralized e-mail box to contact program team	Standardized e-mail forms with APIs to VMS and/or help desk system

5. Think of your suppliers as business partners; collaboration benefits both parties.

- Suppliers' *recruiting* plans need to be consistent with your *staffing* plans
 - Conduct meetings with your MSP and prime supplier(s) on a recurring basis
 - Marked changes in staffing needs need to be communicated quickly
- Establish shared goals & objectives in addition to supplier SLAs
- Create an environment that rewards innovation

Final Thoughts

- Resist temptation to take LI spend out of program scope—the solution can work!
- Don't be afraid to over-communicate with all stakeholders
- Know what success looks like
- Be prepared for failure
- Adapt

Thank You!

Any Questions????

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Stephanie Burnham
Vice President, Marketing

April 4, 2012

Around the World, Global Program Management Issues

April 26, 2012

Co-Employment and Workplace Injuries:
What Happens When A Contingent Worker Gets Hurt

THANK YOU!

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