

Establishing Program Metrics and KPIs to Drive Program Performance

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Account Manager, Fieldglass

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Strategic Sourcing Manager, TELUS

Moderator: Dawn McCartney

*Director, Contingent Workforce Strategies & Research,
Staffing Industry Analysts*

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**June 13, 2013
10 am PT**

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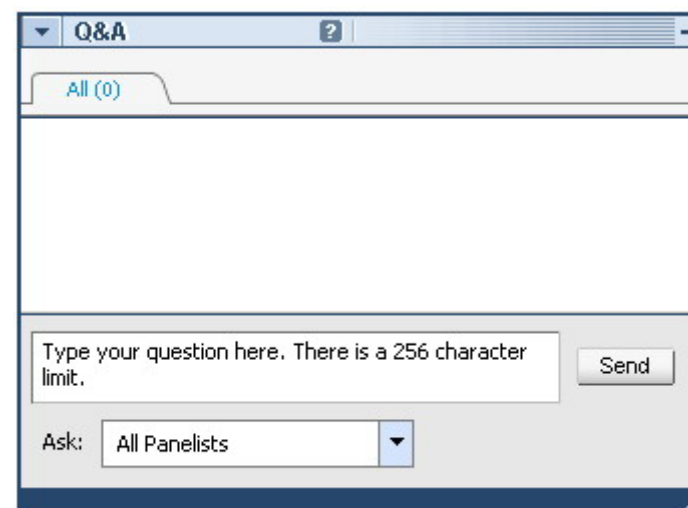


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Staffing Industry Analysts is the global advisor on contingent work

- **Over 700 firms benefit from our international research services**
 - 19 of the world’s 25 largest staffing firms are members
 - Over 60 buyers of contingent labor are members of our CWS Council, representing over \$100 billion in annual contingent workforce spend
 - Customers in more than 80 countries
- **Founded in 1989**
 - Acquired by Crain Communications (\$200M media conglomerate) in 2008
 - Headquartered in Mountain View, California and London, England
 - Industry and advisory service for the entire contingent workforce arena globally

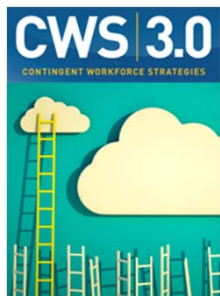
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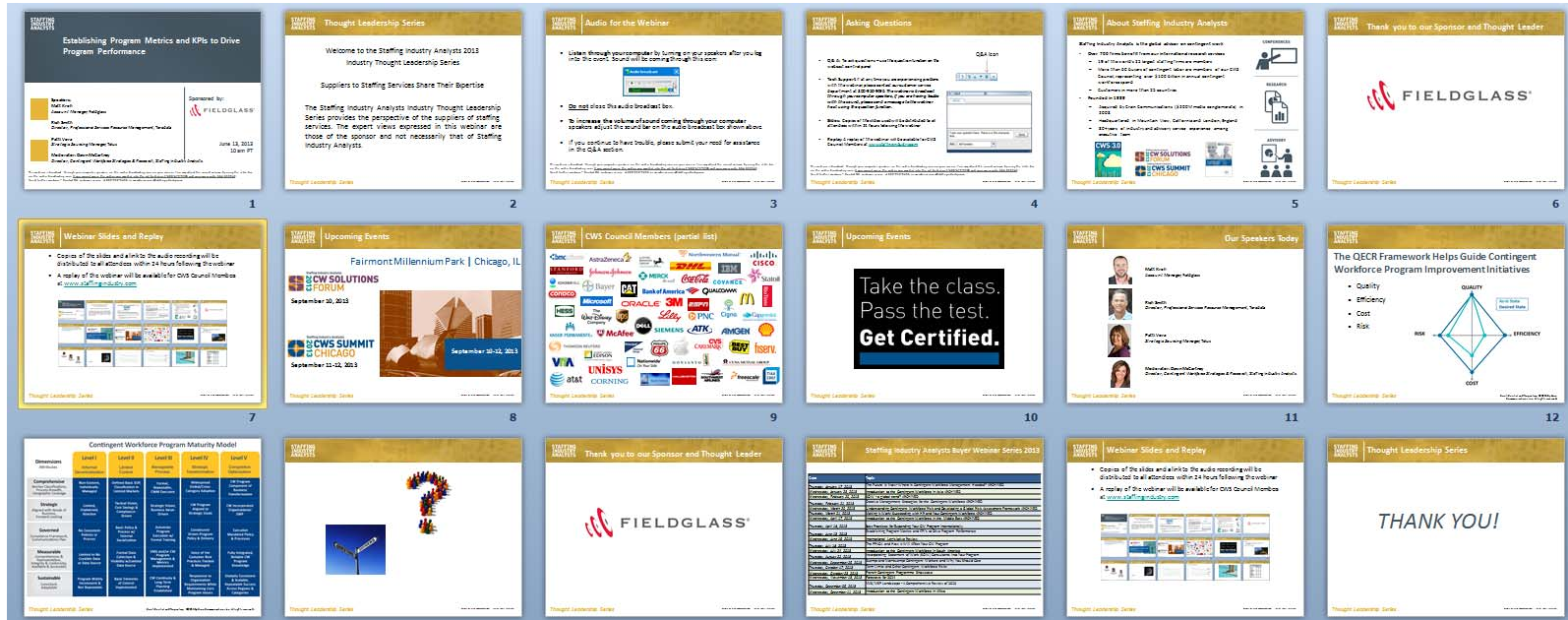
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Fairmont Millennium Park | Chicago, IL



September 9-10, 2013



September 11-12, 2013



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Our Speakers Today



Matt Kreh
Account Manager, Fieldglass



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Strategic Sourcing Manager, TELUS



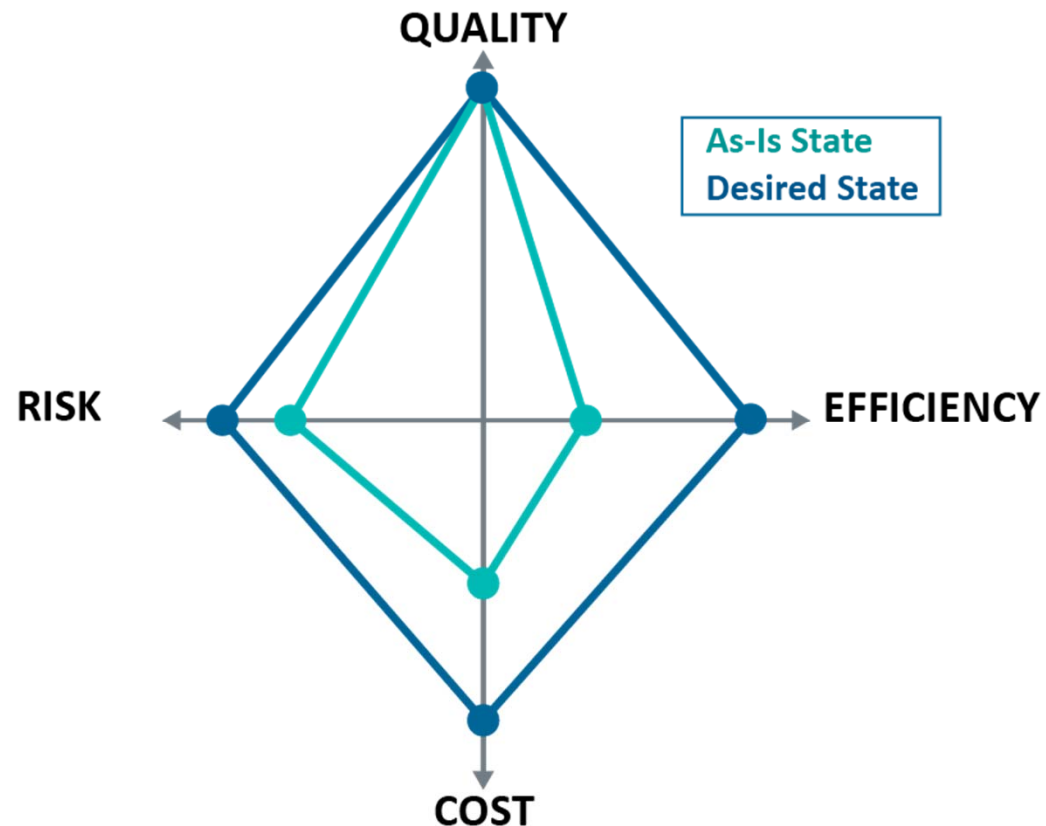
Rich Smith
*Director, Professional Services
Resource Management, Teradata*



Moderator: Dawn McCartney
*Director, Contingent Workforce Strategies
& Research, Staffing Industry Analysts*

The QECR Framework Helps Guide Contingent Workforce Program Improvement Initiatives

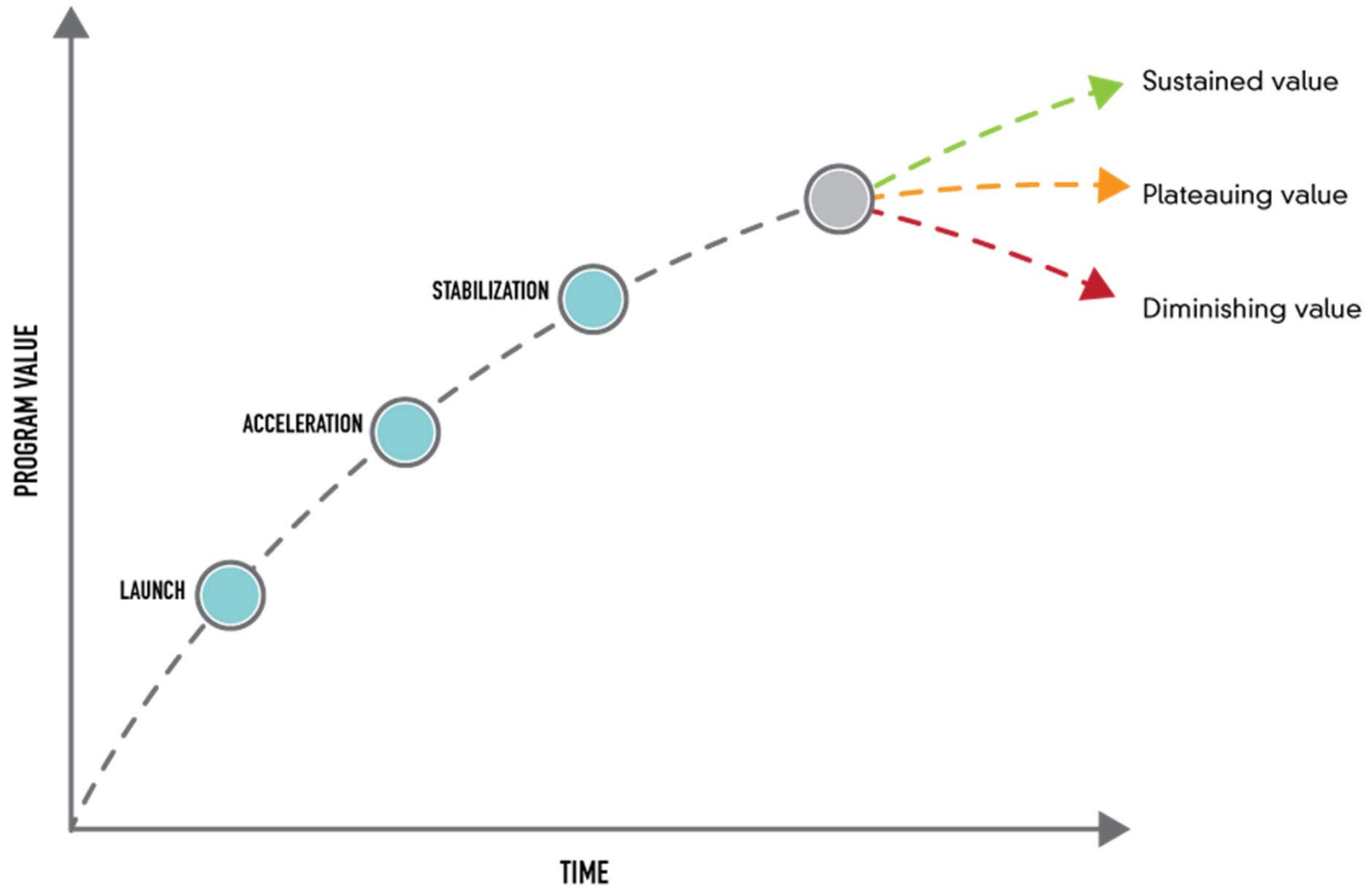
- Quality
- Efficiency
- Cost
- Risk



Contingent Workforce Program Maturity Model

Dimensions Attributes	Level I Informal Decentralization	Level II Limited Control	Level III Manageable Process	Level IV Strategic Transformation	Level V Competitive Optimization
Comprehensive Worker Classifications, Process Breadth, Geographic Coverage	Non-Existent, Individually- Managed	Defined Basic SOP, Classification in Limited Markets	Formal, Repeatable, CWM Executed	Widespread Global/Cross- Category Adoption	CW Program Component of Business Transformation
Strategic Aligned with Needs of Business, Forward-Looking	Limited, Unplanned, Reactive	Tactical Vision, Cost Savings & Compliance- Driven	Strategic Vision, Business Value- Driven	CW Program Aligned to Strategic Goals	CW Incorporated Organizational SWP
Governed Compliance Framework, Communications Plan	No Consistent Policies or Process	Basic Policy & Process w/ Internal Socialization	Automate Program Execution w/ Formal Training	Constituent- Driven Program Policy & Delivery	Executive Mandated Policy & Processes
Measurable Comprehensive & Representative, Integrity & Conformity, Available & Accessible	Limited to No Credible Data or Data Source	Formal Data Collection & Visibility w/Limited Data Source	VMS and/or CW Program Management & Metrics Implemented	Voice of the Customer Best Practices Tracked & Managed	Fully Integrated, Reliable CW Program Knowledge
Sustainable Consistent, Adaptable	Program Widely Inconsistent & Not Repeatable	Basic Elements of Control Implemented	CW Continuity & Long-Term Planning Established	Responsive to Organization Requirements While Maintaining Core Program Values	Globally Consistent & Scalable, Repeatable Success Across Regions & Categories

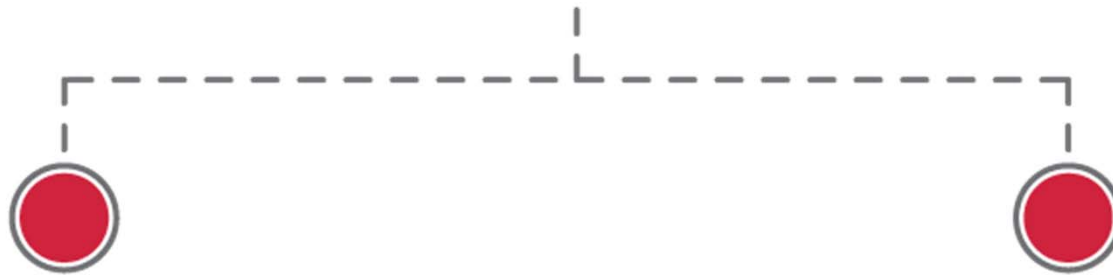
Typical Program Value Curve



Program Maturity Model

Structured approach to continuous improvement

8 KEY PROGRAM AREAS
100+ CHECKPOINTS



Program maturity map
Strengths and opportunities

Actionable recommendations
Continuously improving performance





Program Maturity Model

Sample solution utilization and benchmark performance








Program Area	Processes	Benchmark Performance	Key Recommendations
Procurement	<ul style="list-style-type: none"> - Demand planning - Approvals - Distribution rules 		Enable auto-invoicing for U.S.-based suppliers
Supplier Mgmt	<ul style="list-style-type: none"> - Classifications - Collaboration - Performance 		Use Decision Form for independent contractor validation
Rate Mgmt	<ul style="list-style-type: none"> - Rate cards - Markups - Location factors 		Use location-based rate multipliers

Executive Dashboard – Sample

Goals

 <p>Increase efficiency</p>	 <p>Be more strategic vs. tactical</p>	 <p>Increase visibility</p>	 <p>Leave no money on the table</p>
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Metrics

 <p>\$3M was saved in 2012 with Fieldglass</p>	 <p>15,000 contractor review emails were reduced</p>	 <p>Time to provision a worker decreased by 6 days</p>	 <p>Qualified candidates for all orders provided in 9 days</p>
 <p>Rates & quality consistent at goal levels over 2 years</p>	 <p>One consolidated & streamlined invoice process</p>	 <p>Invoice error < 0.3% compared to Fieldglass' "best in Class" 2.1%</p>	

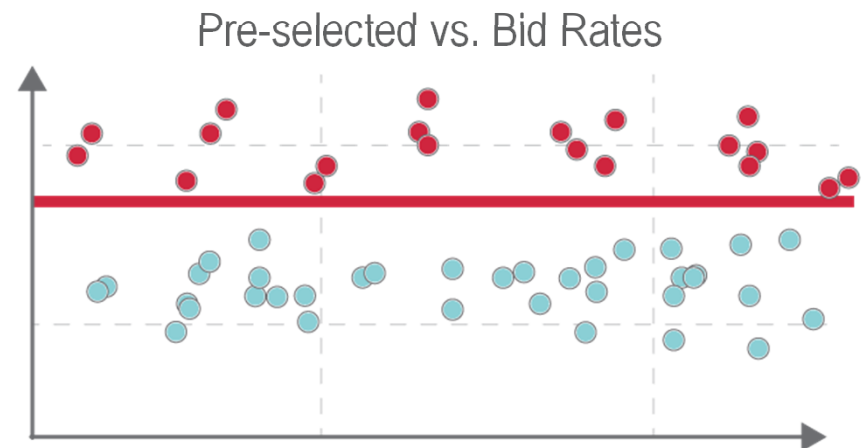
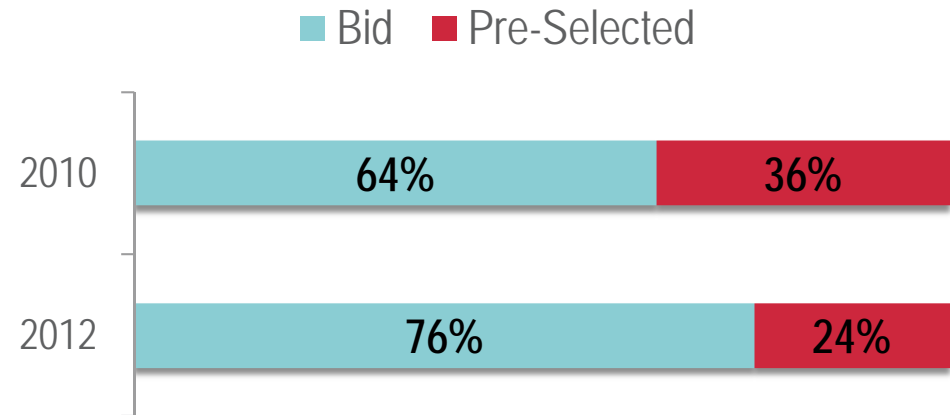
Savings Opportunity: Pre-Selected Candidates

Method

- Tightened exception process for pre-selected requisitions
- Rate guidance for hiring managers to highlight potential savings
- Move toward mandating supplier distribution lists

Results

- Decreased amount of pre-selected ~30% over average rate and saved ~\$700k
- Decreased 2012 pre-selected spend to \$7.6M
- More savings opportunities with 24% still pre-selected





SELF-MANAGED

CUSTOMER SINCE

2010

LABOR TYPES MANAGED WITH FIELDGLASS

CONTINGENT LABOR

ANNUAL SPEND

\$120+M

Program Metrics

	Executive Dashboard	Program Office Reports	Supplier Reviews
Cost & Compliance	<ul style="list-style-type: none"> Market rate compliance Committed spend/overspend Overall savings and rebates 	<ul style="list-style-type: none"> Market rate compliance Overall savings and rebates 	<ul style="list-style-type: none"> Max bill rate compliance Program policy compliance Compliance to back office administration Average markup/margin
Efficiency & Delivery	<ul style="list-style-type: none"> Contractor volume requests Time to fill 	<ul style="list-style-type: none"> Supplier market share Contractor volume requests Time to fill 	<ul style="list-style-type: none"> Time to fill Operational KPIs Operational KPI comparisons
Quality	<ul style="list-style-type: none"> Likelihood to re-engage a contractor 	<ul style="list-style-type: none"> Program office service satisfaction scores 	<ul style="list-style-type: none"> % of terminations % of early resignations Likelihood to re-engage a contractor
Risk	<ul style="list-style-type: none"> Contractor tenure 	<ul style="list-style-type: none"> Committed spend 	

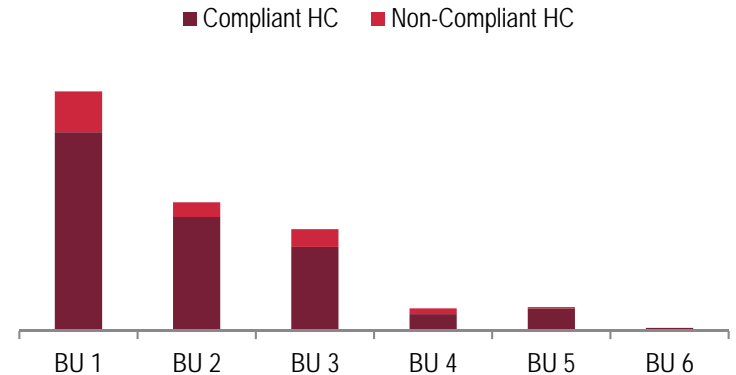
Internal KPI Measures

Key metrics include:

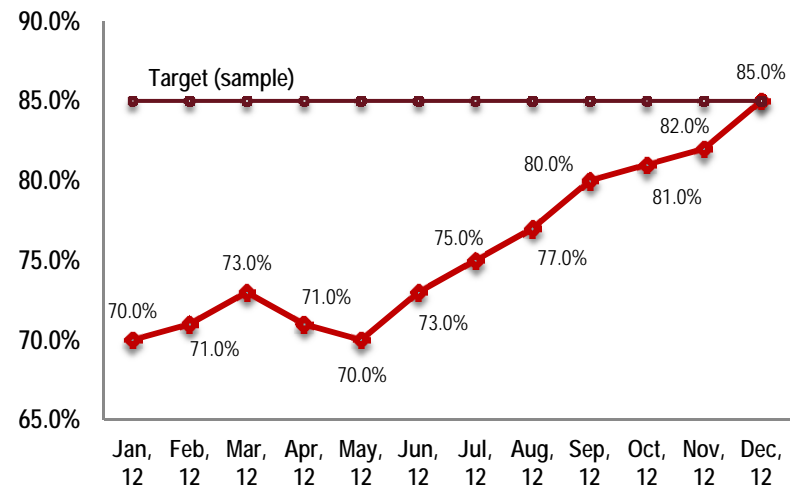
- Rate card compliance – overall, BU comparison + other
- Program office service satisfaction metrics
- Contractor volume requests
- Time to fill statistics
- Tenure profile
- Savings

Sample Charts

Rate Card Compliance – BU Comparison



Rate Card Compliance Trending



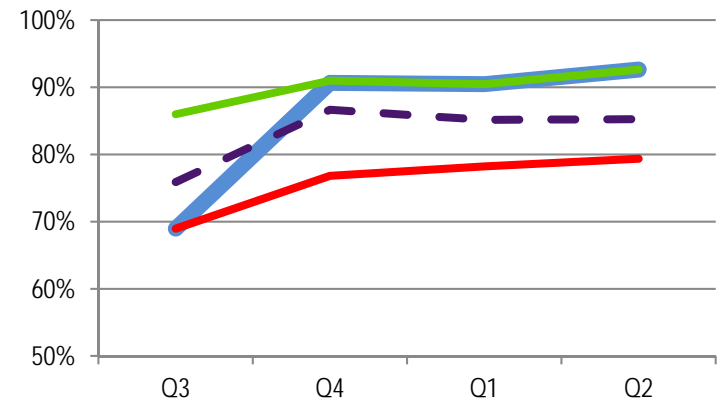
Supplier KPI Measures

Key metrics include:

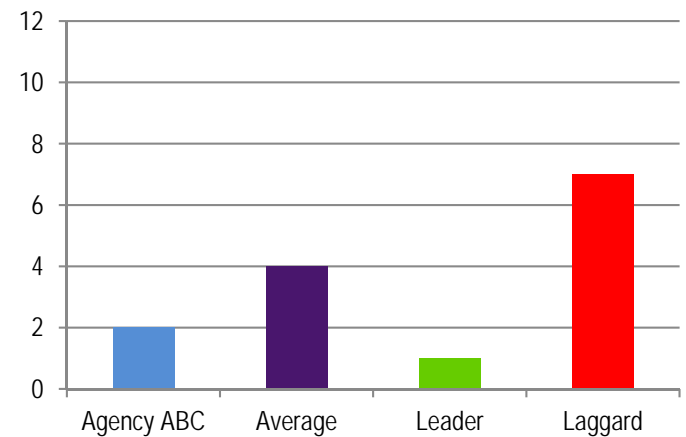
- Responsiveness
- Avg. response time on hired contractors
- Compliance to maximum bill rate
- Accuracy – submission per hire
- Placements
- Instances of policy non-compliance

Sample Charts

Submission compliance to max bill rate



Instances of policy non-compliance



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DECISION
POSSIBLE™



FIELDGLASS®

MSP & SELF-
MANAGED

CUSTOMER SINCE
MARCH 2012

LABOR TYPES MANAGED WITH FIELDGLASS

CONTINGENT &
SOW

ANNUAL SPEND

\$60M

IN PROGRAM, \$100M+ TOTAL

GEOGRAPHIC COVERAGE

USA, CANADA, UK,
JAPAN, AUSTRALIA, NZ

CONTRACTORS

~800 PER YEAR
~250 ACTIVE

Executive Reporting

Regional Breakout Scorecard by Quarter

- Total contractor spend as % of revenue
- Spend outside MSP
- Total spend through MSP
 - Competed Spend
 - Directed Spend

Regional Breakout Scorecard

OCS Scorecard | QQ-YYYY

	Current Q		Q-1		Q-2		Q-3		Q-4	
	Actual	Plan or %	Actual	Plan or %	Actual	Plan or %	Actual	Plan or %	Actual	Plan or %
Total Contractor Spend as % of Rev	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%
Spend Outside MSP	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%
Total Spend through MSP	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%
Competed Spend	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%	\$x,xxxx xx%
Directed Spend	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%	\$xx,xxx xx%

Savings by Quarter

- Planned
- Actual Rebate
- On-boarding (supplier, worker)

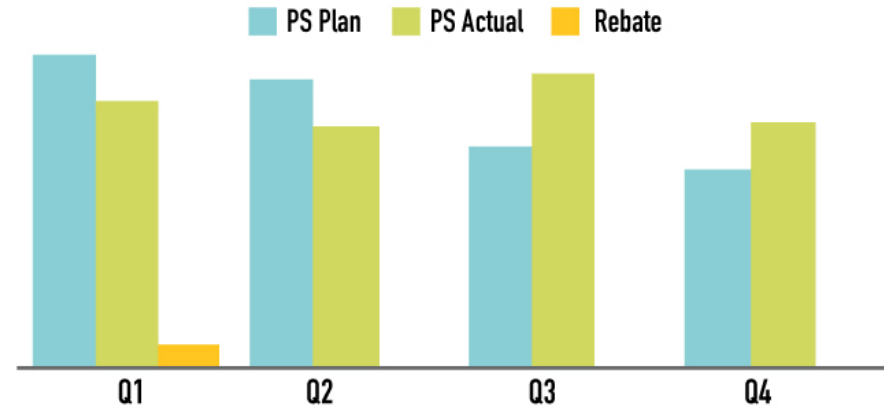
Contractor Margin % by Region and Global

- Current, prior and planned

Procurement Scorecard

- Spend
- Supply base
- Cost reduction
- Diversity

Savings



Program Reporting

Objective: Optimize each temporary hiring transaction for quality & cost to meet specific project needs

Spend & Savings

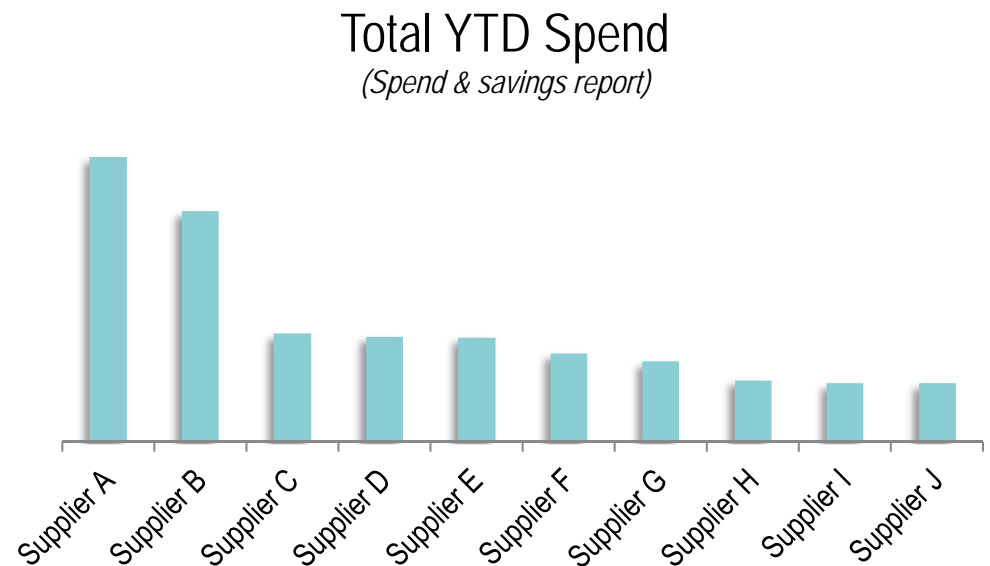
- By geography
- By business unit
- By job title
- By supplier

Compliance

- Spend approvals
- On-boarding (supplier, worker)
- Audits

Supplier Performance

- % postings replied to
- % submitted at max rate vs. under max
- Audit performance



Program Reporting

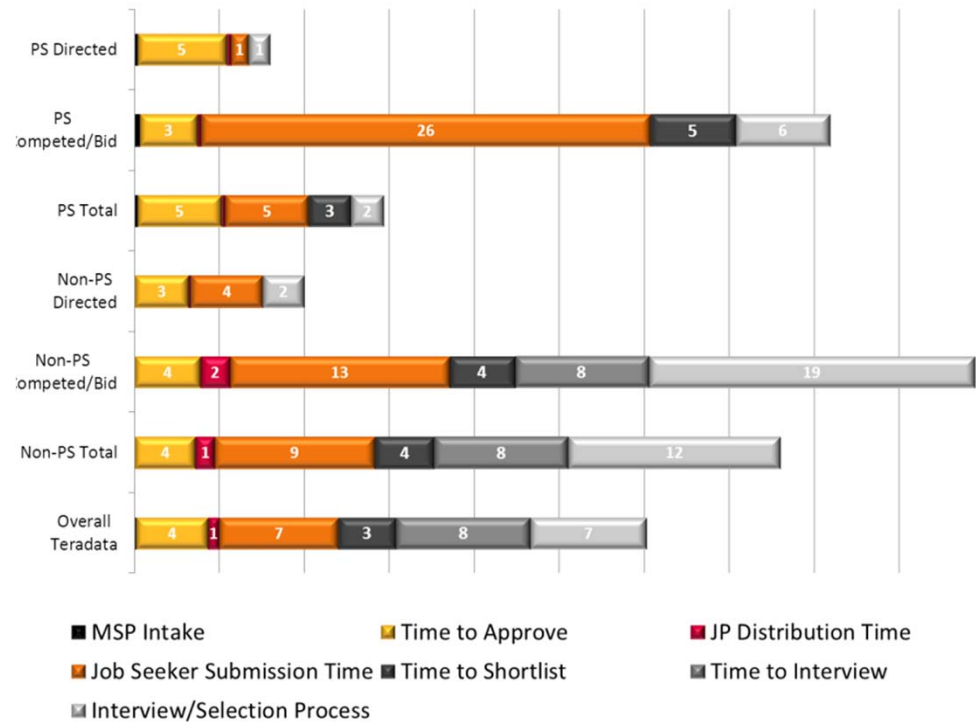
Program objective: Optimize each temporary hiring transaction for quality & cost to meet specific project needs

Quality Measures

- WO close survey
- % actual rehires
- Temp to perm conversions

Efficiency/Cycle Time

- Process quality





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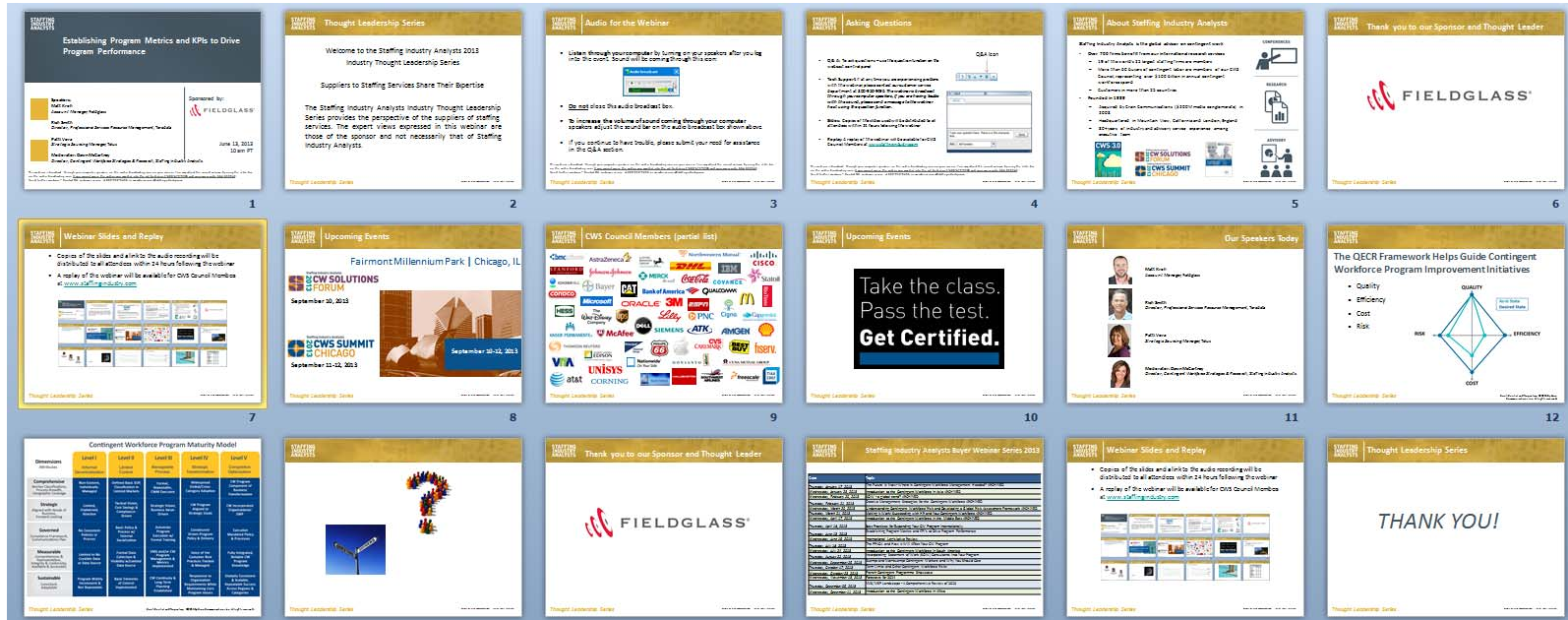


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Date	Topic
<i>Thursday, January 17, 2013</i>	The Future is Now- Where is Contingent Workforce Management Headed? ARCHIVED
<i>Wednesday, January 23, 2013</i>	Introduction to the Contingent Workforce in Asia ARCHIVED
<i>Wednesday, February 20, 2013</i>	SOW - a global trend? ARCHIVED
<i>Thursday, February 21, 2013</i>	Creative Management Strategies for the Contingent Workforce ARCHIVED
<i>Wednesday, March 20, 2013</i>	Understanding Contingent Workforce Risk and Developing a Global Risk Assessment Framework ARCHIVED
<i>Thursday, March 21, 2013</i>	Making It Work: Succeeding with HR and Your Contingent Workforce ARCHIVED
<i>Wednesday, April 17, 2013</i>	Introduction to the Contingent Workforce in the Middle East ARCHIVED
<i>Thursday, April 18, 2013</i>	Best Practices for Expanding Your CW Program Internationally
<i>Thursday, June 13, 2013</i>	Establishing Program Metrics and KPI's to Drive Program Performance
<i>Wednesday, June 19, 2013</i>	International Legislative Review
<i>Thursday, July 18, 2013</i>	The PPACA and How It Will Affect Your CW Program
<i>Wednesday, July 24, 2013</i>	Introduction to the Contingent Workforce in South America
<i>Thursday, August 22, 2013</i>	Incorporating Statement of Work (SOW) Consultants Into Your Program
<i>Wednesday, September 25, 2013</i>	Exempt and Non-exempt Contingent Workers and Why You Should Care
<i>Thursday, October 17, 2013</i>	Term Limits and Other Contingent Workforce Risks
<i>Wednesday, October 23, 2013</i>	French Contingent Programme Showcase
<i>Wednesday, November 13, 2013</i>	Forecasts for 2014
<i>Thursday, December 05, 2013</i>	VMS/MSP Landscape - A Comprehensive Review of 2013
<i>Wednesday, December 11, 2013</i>	Introduction to the Contingent Workforce in Africa

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