

Incorporating Statement of Work (SOW) Consultants Into Your Program

Speakers:

**Vanessa King, Fieldglass
Manager, Implementation Services**

**Lorraine K. McClure, Fannie Mae
Contracts Manager, Professional Services**

**Matt Montgomery, Lexmark
Global P2P Operations and North America Sourcing**

Moderator:

**Bryan T. Peña, CCWP, Staffing Industry Analysts
Vice President, Contingent Workforce Strategies and Research**

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**August 22, 2013
10 am PT**

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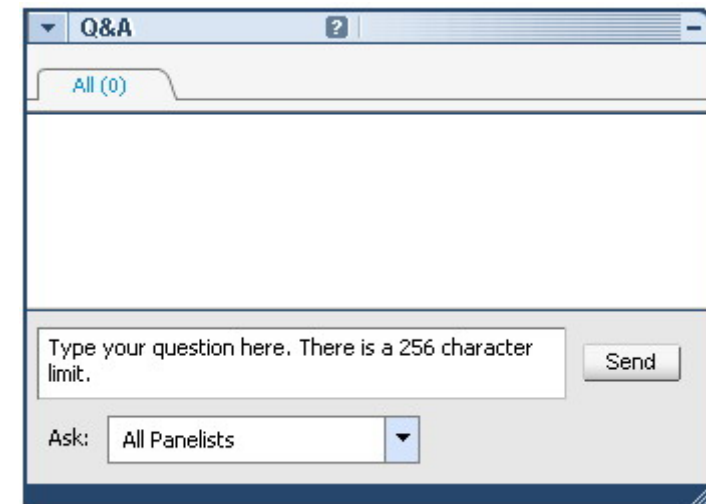


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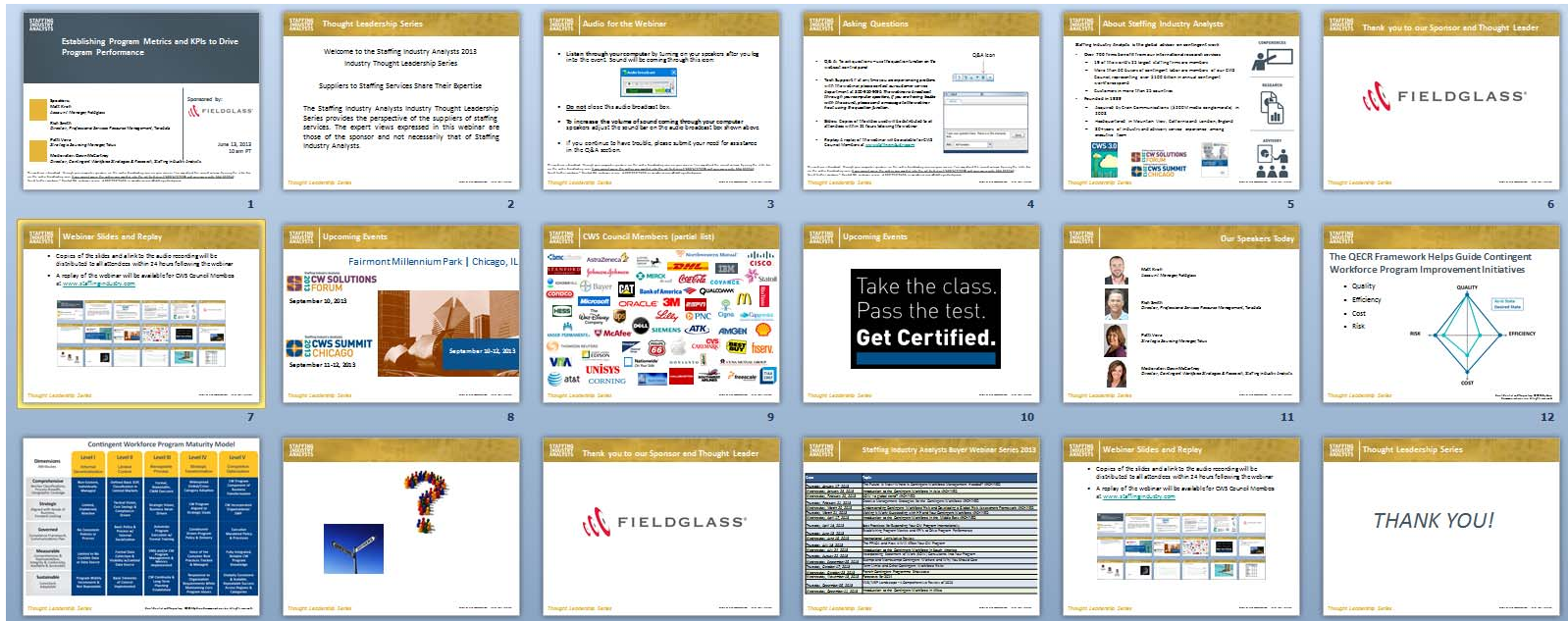
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About Staffing Industry Analysts

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
 - 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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September 9-10, 2013



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Contracts Manager, Professional Services**



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2013 VMS and MSP Supplier Competitive Landscape

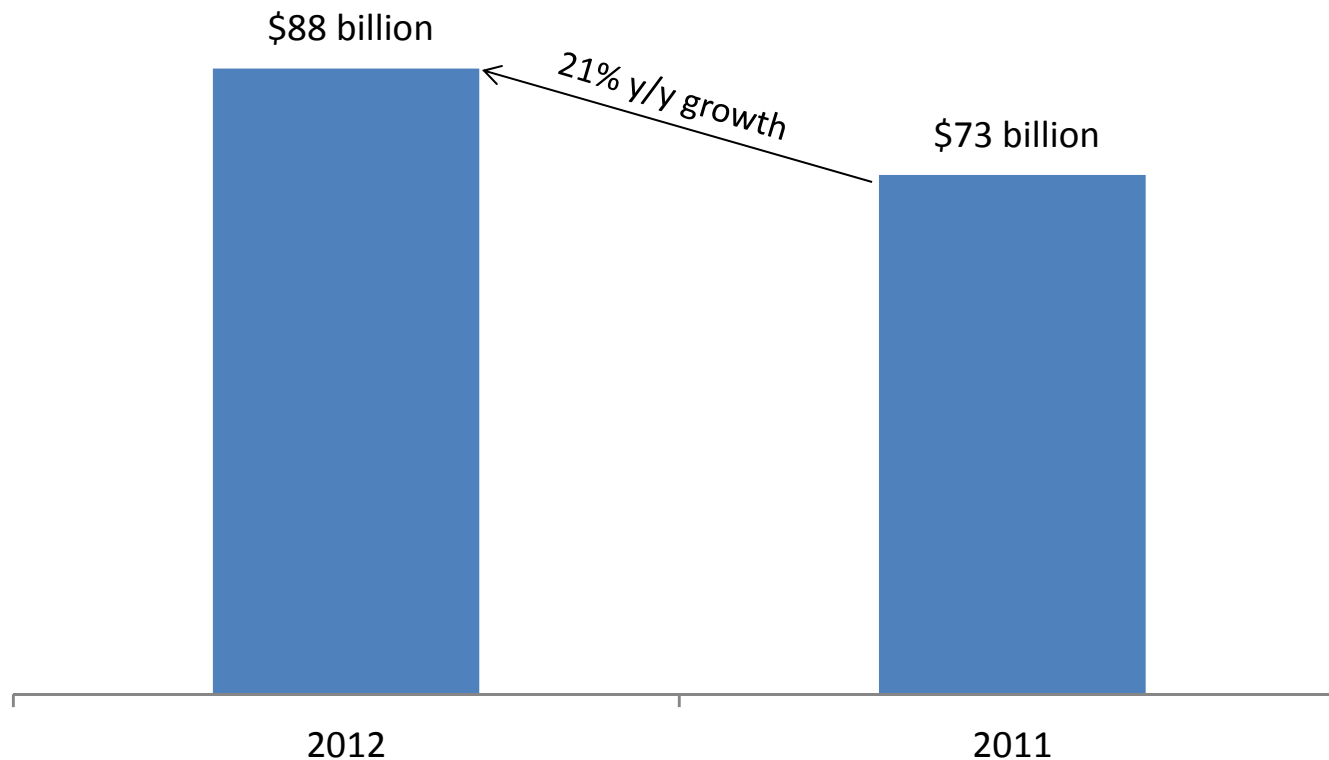


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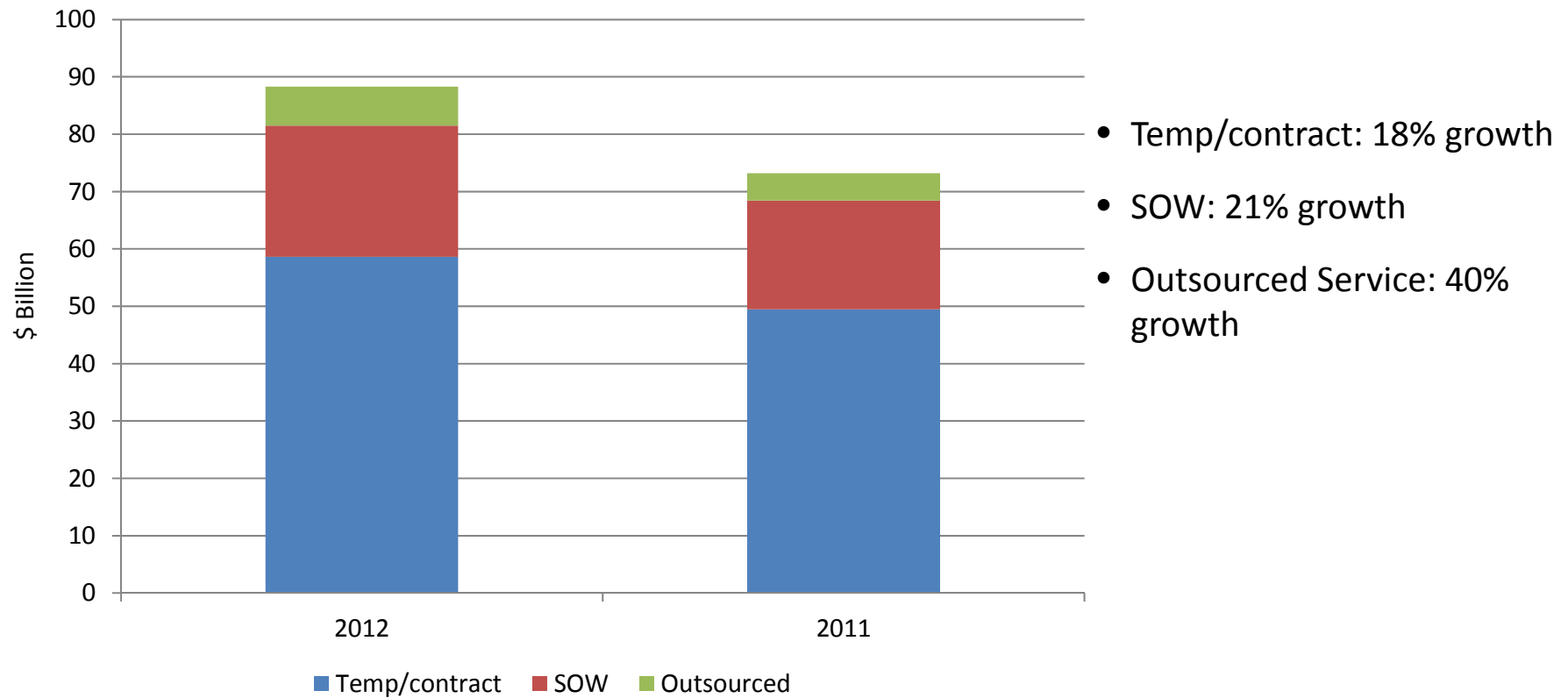
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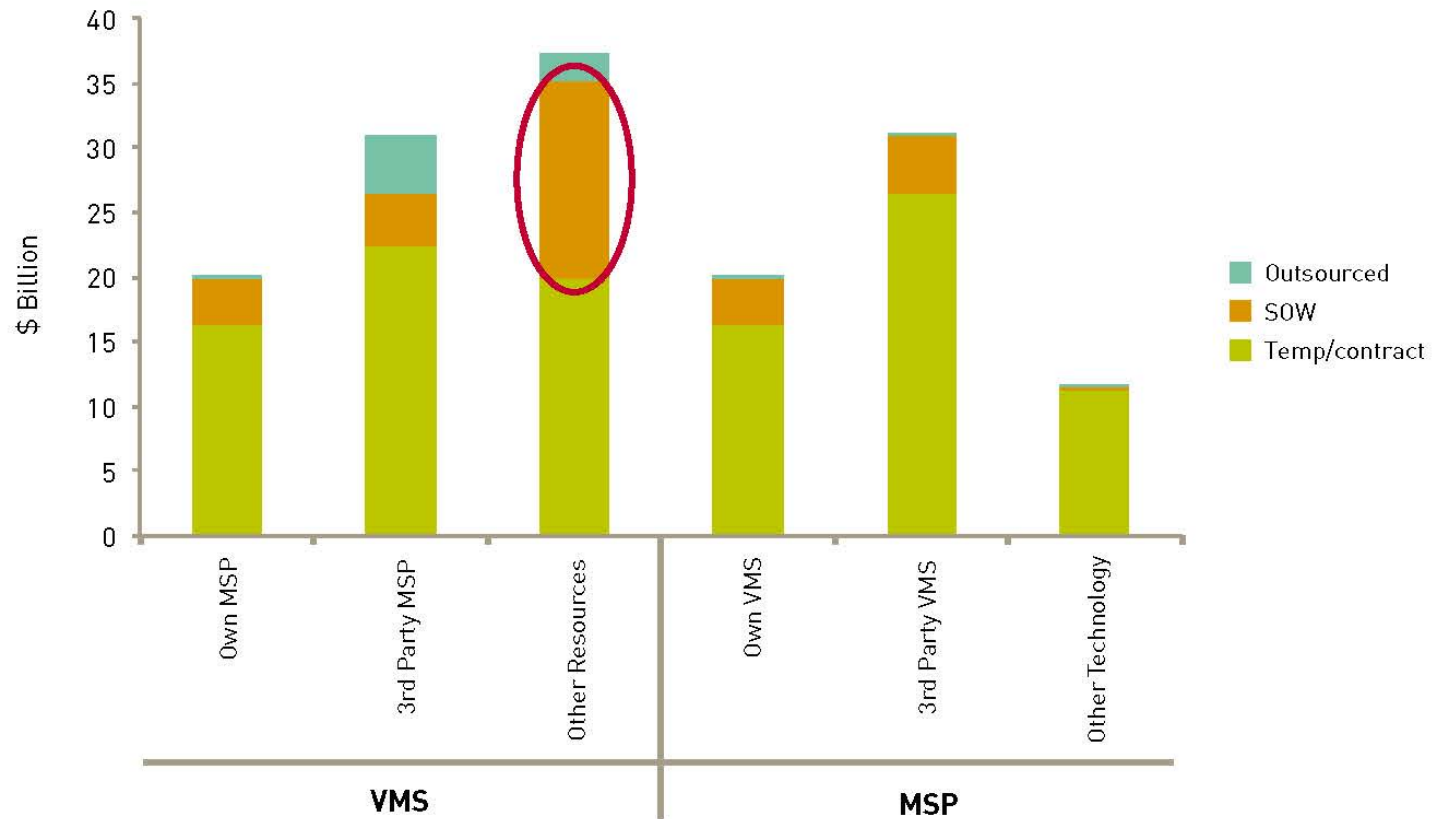
21% growth in global VMS spend among participating providers



Global VMS spend by work arrangement



VMS Spend by Worker Classification



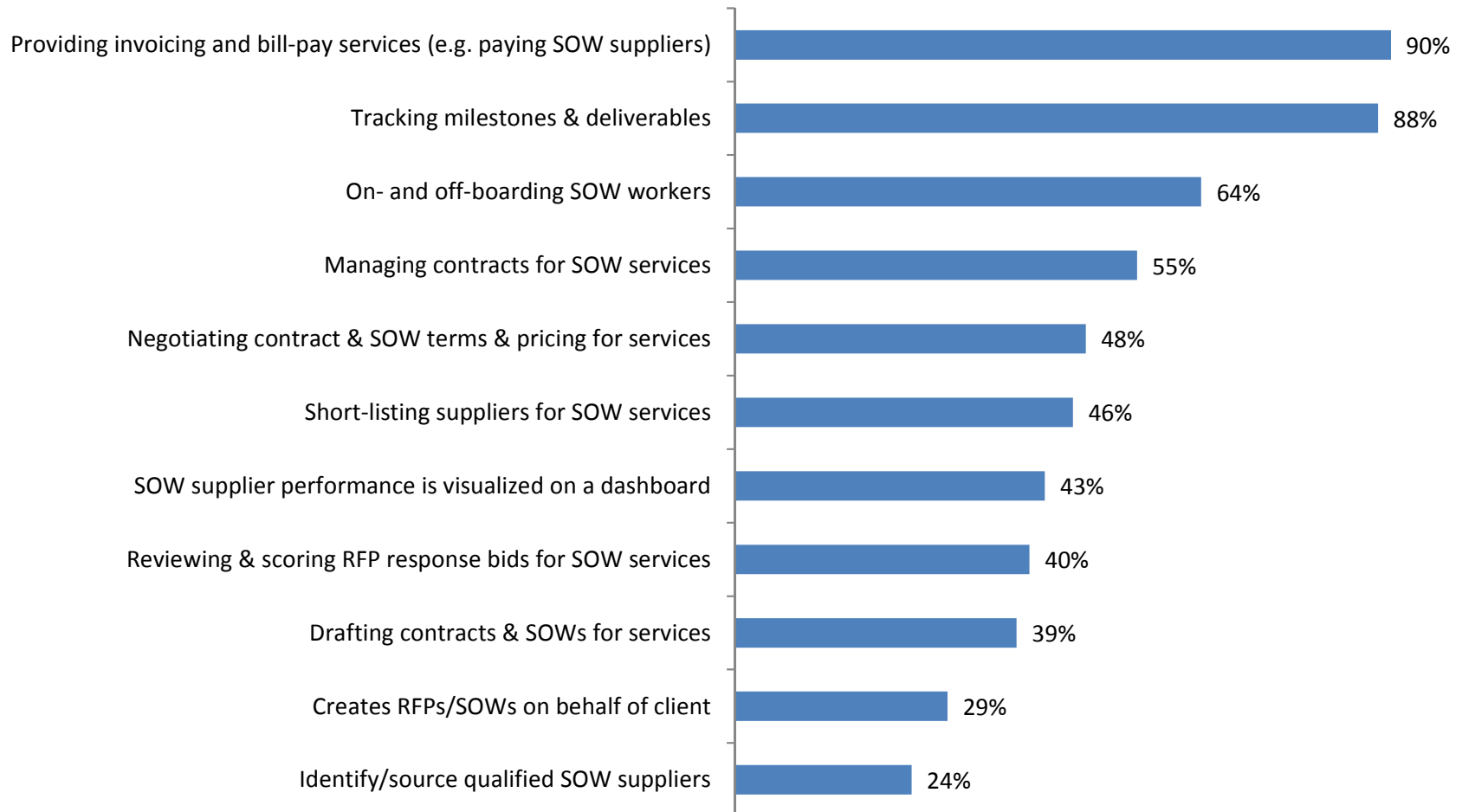
Buyers' plans for SOW contractors for the next two years			
Industry	Use more	- Use fewer	= Net
Finance/insurance	57%	11%	46%
Manufacturing	41%	7%	33%
Mining, extraction and utilities	32%	16%	16%
Transport/warehousing	40%	0%	40%
Pharma/biotech/med	50%	17%	33%
Tech/telecom	54%	12%	42%
Majority skill			
Engineering/design	50%	25%	25%
Industrial	24%	5%	19%
IT	55%	10%	45%
Number of employees			
1,000-4,999 employees	56%	8%	48%
5,000-9,999 employees	38%	15%	23%
10,000-19,999 employees	42%	8%	33%
20,000-49,999 employees	43%	14%	30%
50,000-99,999 employees	44%	4%	40%
100,000+ employees	46%	15%	31%
All respondents	44%	12%	33%

n=165

Detailed look at various management strategies			
Industry	IC		
	SOWs	suppliers	Diversity compliance/ screening
Finance/insurance	59%	75%	50%
Manufacturing	36%	58%	46%
Mining, extraction and utilities	47%	63%	67%
Transport/warehousing	45%	64%	30%
Pharma/biotech/med	28%	83%	53%
Tech/telecom	54%	62%	69%
Majority skill			
Engineering/design	58%	67%	55%
Industrial	26%	55%	30%
IT	57%	65%	60%
Number of employees			
1,000-4,999 employees	54%	50%	44%
5,000-9,999 employees	52%	54%	48%
10,000-19,999 employees	42%	55%	48%
20,000-49,999 employees	36%	68%	51%
50,000-99,999 employees	42%	83%	60%
100,000+ employees	50%	79%	60%
Primary model			
Master supplier	50%	67%	47%
MSP	40%	80%	65%
Internally, VMS	55%	64%	52%
Internally, no VMS	44%	32%	32%
All respondents	45%	66%	52%

n=166 to 170

What does SOW really mean?



Source: 2012 SIA VMS/MSP Service Differentiators Report

But what about the real world?





Statement of Work Engagement Patterns

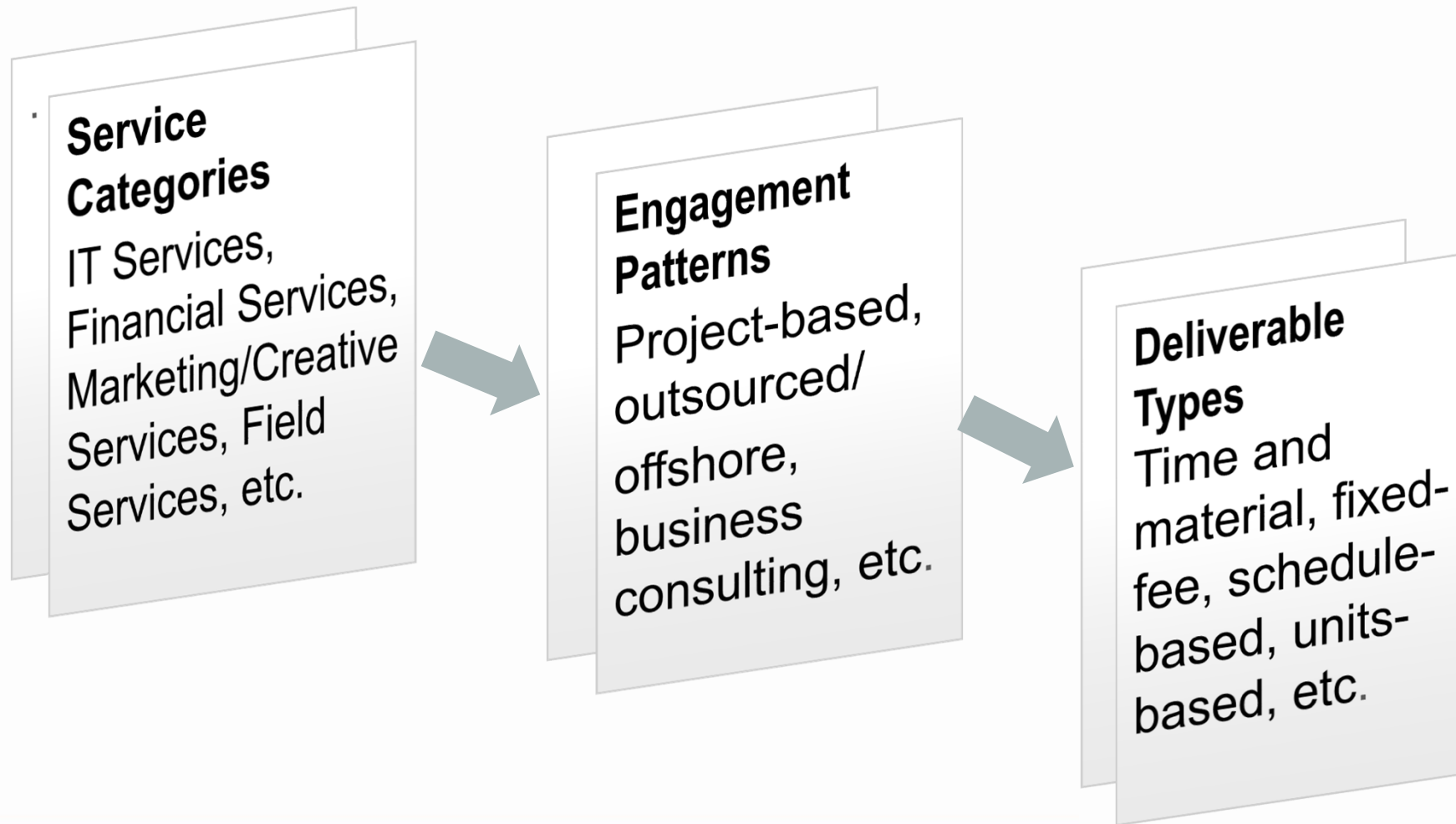
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Multi-Layer Mapping of Service Categories

Specific process paths depend on multiple factors



SOW Engagement Patterns

Common patterns are emerging in the market

Project

- Characterized by well-defined projects or functional areas
- Often named individuals



Offshore/Offsite

- Any combination of offsite (remote, near shore, offshore)
- Emphasis on deliverables



Independent Contractor

- Named individuals or a community of smaller suppliers
- Risk mitigation and compliance



Managed Program

- Multiple stakeholders engaging as-needed with vendor
- Schedules and deliverables



Business Service

- Services as a catalog item
- Focused on repeatable deliverables



BPO/Outsourced

- Complete outsourcing of a category from planning to delivery



Lexmark– Engagement Patterns

Matt Montgomery

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Fannie Mae – Engagement Patterns

Lorraine McClure

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Moderated Q&A Discussion Topics

- Best practices for defining SOW v staff augmentation
- Risks of IC's "hiding" in SOW spend
- SOW usage for worker time tracking
- Project accounting (capital v. expense)
- MSP usage
- Reporting & transparency



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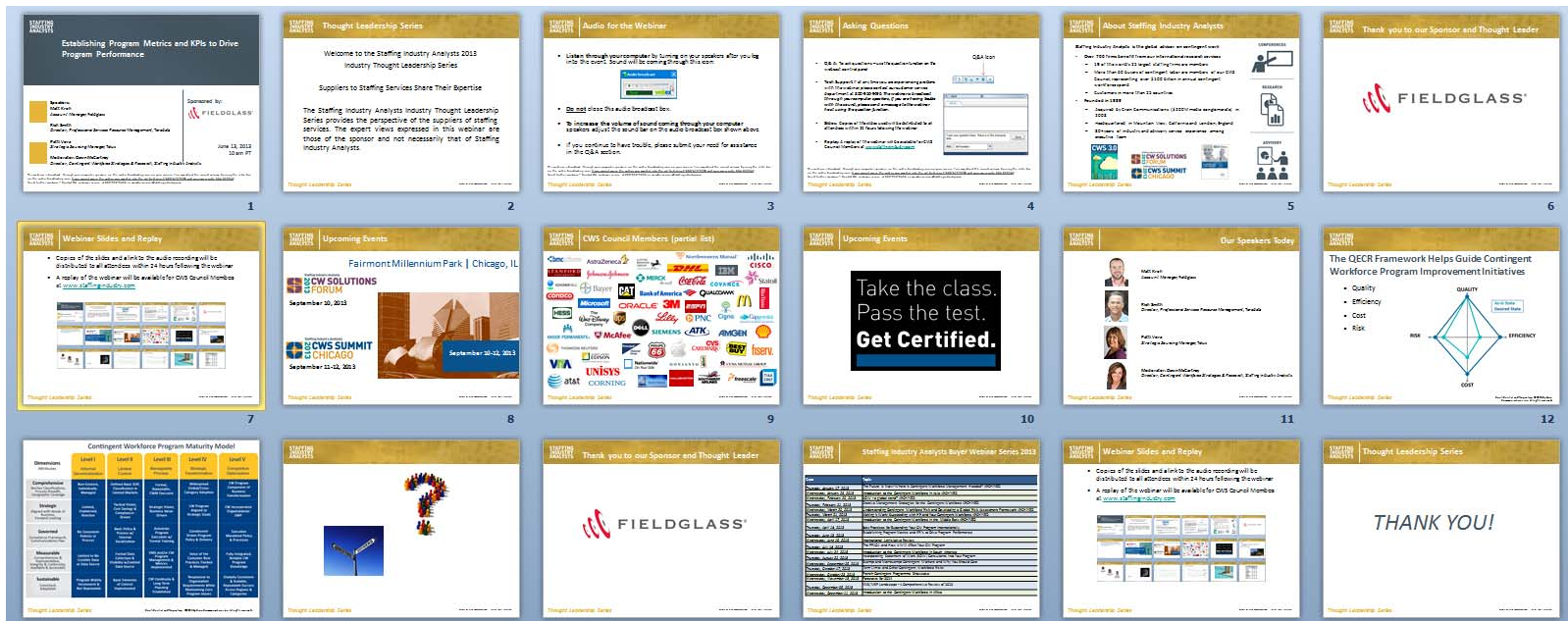


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Date	Topic
<i>Thursday, January 17, 2013</i>	The Future is Now- Where is Contingent Workforce Management Headed? ARCHIVED
<i>Wednesday, January 23, 2013</i>	Introduction to the Contingent Workforce in Asia ARCHIVED
<i>Wednesday, February 20, 2013</i>	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>	The emergence of VMS and MSP outside North America
<i>Thursday, August 22, 2013</i>	Incorporating Statement of Work (SOW) Consultants Into Your Program
<i>Thursday, October 17, 2013</i>	Contingent Workforce Benchmarking and Rate Management
<i>Wednesday, October 23, 2013</i>	French Contingent Programme Showcase
<i>Wednesday, November 13, 2013</i>	Forecasts for 2014
<i>Wednesday, November 20, 2013</i>	Exempt and Non-exempt Contingent Workers and Why You Should Care
<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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