

Thought Leadership Series

Contingent Workforce Benchmarking and Rate Management

Moderator:

Bryan Pena, *Vice President,
Contingent Workforce Strategies and Research,
Staffing Industry Analysts*

Speaker:

Jack Miles, *Managing Partner;
MainSpring Advisors LLC; Chief Procurement Officer Emeritus
PeopleTicker, LLC*

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Welcome to the Staffing Industry Analysts 2013
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 views expressed in this webinar are those of the sponsor and not necessarily that of Staffing Industry Analysts.

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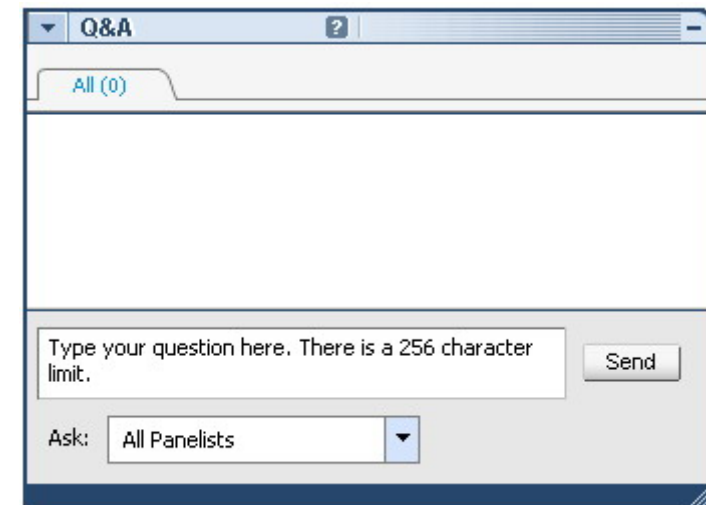


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- **Slides:** Copies of the slides used will be distributed to all attendees within 24 hours following the webinar
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Q&A icon



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October 17, 2013
10 am PT / 1 pm ET

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Sponsored by
PeopleTicker

Moderator: Megan Pavia, Vice President, Contingent Workforce Strategies and Research, Staffing Industry Analysts
Speaker: Jack Miller, Senior Recruitment Advisor, PeopleTicker, LLC

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About Staffing Industry Analysts

Staffing Industry Analysts is the global advisor on contingent work

- Over 100 times better than your internal or research sources
- 1% of the world's top experts coming from our members
- Over 40 layers of computer data and members of our 120+ Councils, representing over 1000 billion in annual contingent workforce spend
- Database is more than 60 years old

Founded in 1949

- Inspired by Leon Frankel, Chairman (S&P500 member) in 1968
- Headquartered in Manhattan, New York and London, highest industry and advisory revenue for the world's contingent workforce services industry

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Our Speakers Today

Agenda:
Jack Miller, Senior Recruitment Advisor, PeopleTicker, LLC

Moderator:
Megan Pavia, COO, Vice President, Contingent Workforce Strategies and Research, Staffing Industry Analysts

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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

CONFERENCES



RESEARCH



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Contingent Workforce Strategies Summit
13-14 November 2013 | Shangri-La Hotel Singapore

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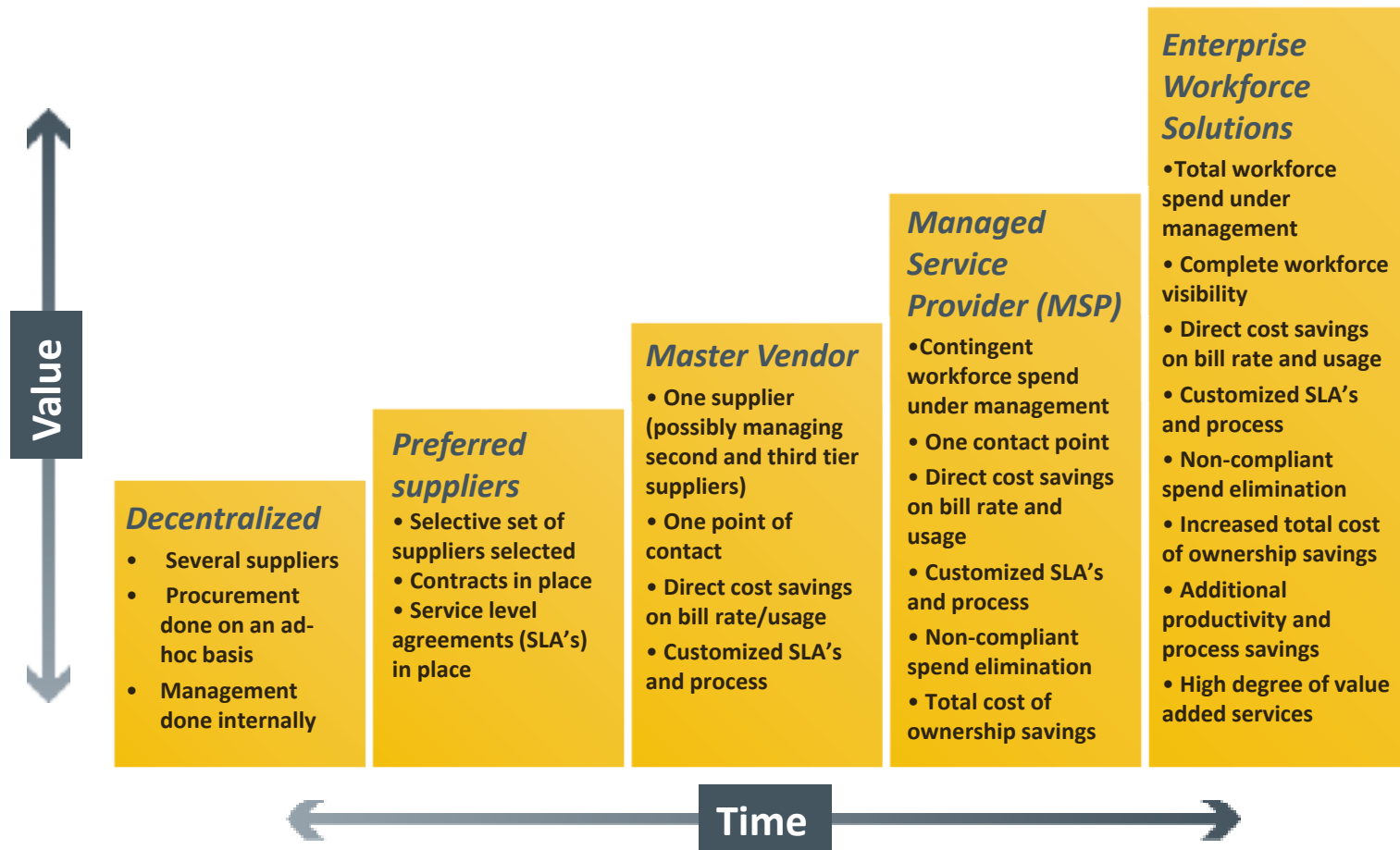


Speaker:
Jack Miles,
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LLC;
Chief Procurement
Officer Emeritus
PeopleTicker, LLC



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

Where to Next? Contingent Workforce Management Models Continue to Evolve



Where to Next?



Programs are evolving....

Contingent Workforce Program Maturity Model

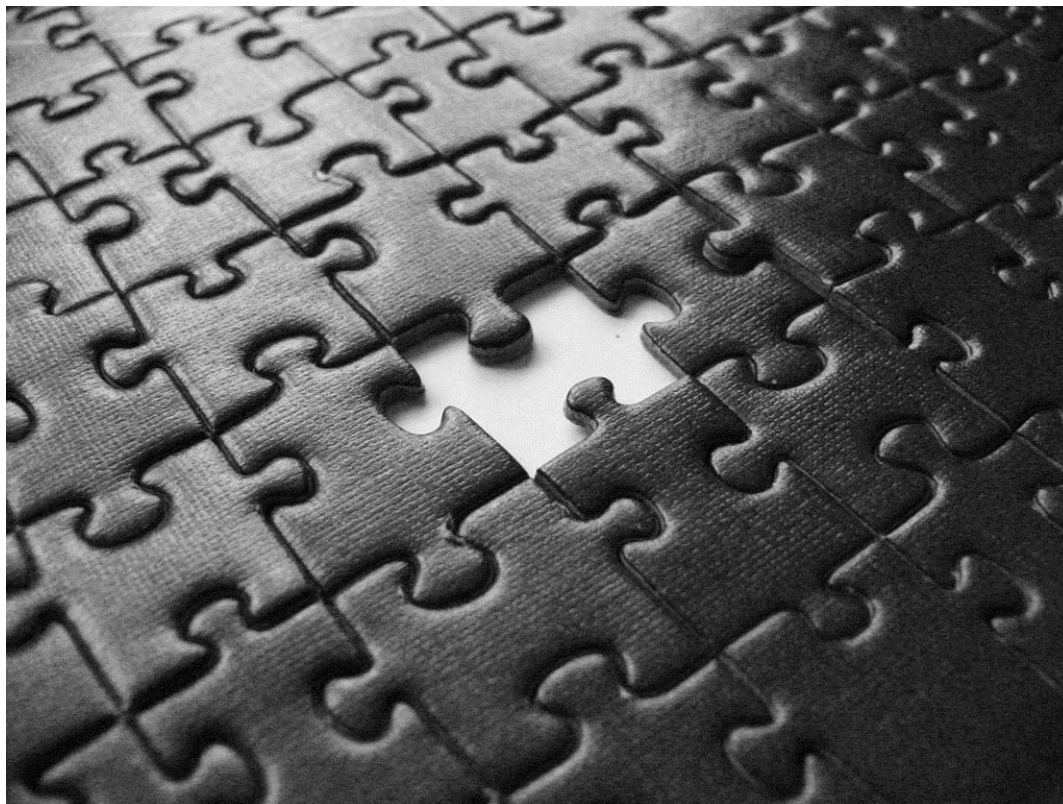
| Dimensions <small>Attributes</small> | Level I Informal & Decentralized | Level II Limited Visibility & Management | Level III Managed & Controlled | Level IV Optimized | Level V Competitive Differentiator |
|---|---|---|--|--|--|
| Comprehensive Worker Classifications, Process Breadth, Geographic Coverage | Undefined Classification & Disjointed Process | Partially Defined Classification Policy | Repeatable, Management Practices in Limited Markets | Standardized Operations with Multi-Regional Adoption | Complete Coverage Across all Worker Types & Desired Locations w/ End-to-End Management |
| Strategic Aligned with Needs of Business, Forward-Looking | Unplanned & Reactive | Tactical Focus on Basic Cost Savings, Efficiency & Compliance | Strategic Focus on Value of CW to Needs of Program Constituents | Fully Aligned to Short & Long-Term Strategic Business Goals | CW Incorporated in Holistic Strategic Workforce Planning |
| Governed Compliance Framework, Communications Plan | Lacks Standards and Rules of Engagement | Some Basic Policies & Processes | Mandated Processes & Policies w/ Decentralized Enforcement & Communication | Comprehensive & Market Compatible Policies w/ Formal Communication | Coordinated Program Stewardship Across All Stakeholders, Skills & Markets |
| Measurable Comprehensive & Representative, Integrity & Conformity, Available & Accessible | Limited to No Visibility of Data | Formal Data Collection & Visibility | Established Data Management & Performance Measurement Systems | Real-time Metrics Optimizing Customer Satisfaction | Granular Visibility Across Program Operations that Enables Actionable Decision Support |
| Sustainable Consistent, Adaptable | Lacks Repeatability and Scalability | Basic Elements of Backup & Redundancy | Formal Program-Level Business Continuity Planning Established | Responsive to Changes in Organizational Requirements While Maintaining Core Program Values | Repeatable & Scalable CW Management that is Flexible to Internal & External Change |

PROGRAM CAPABILITIES

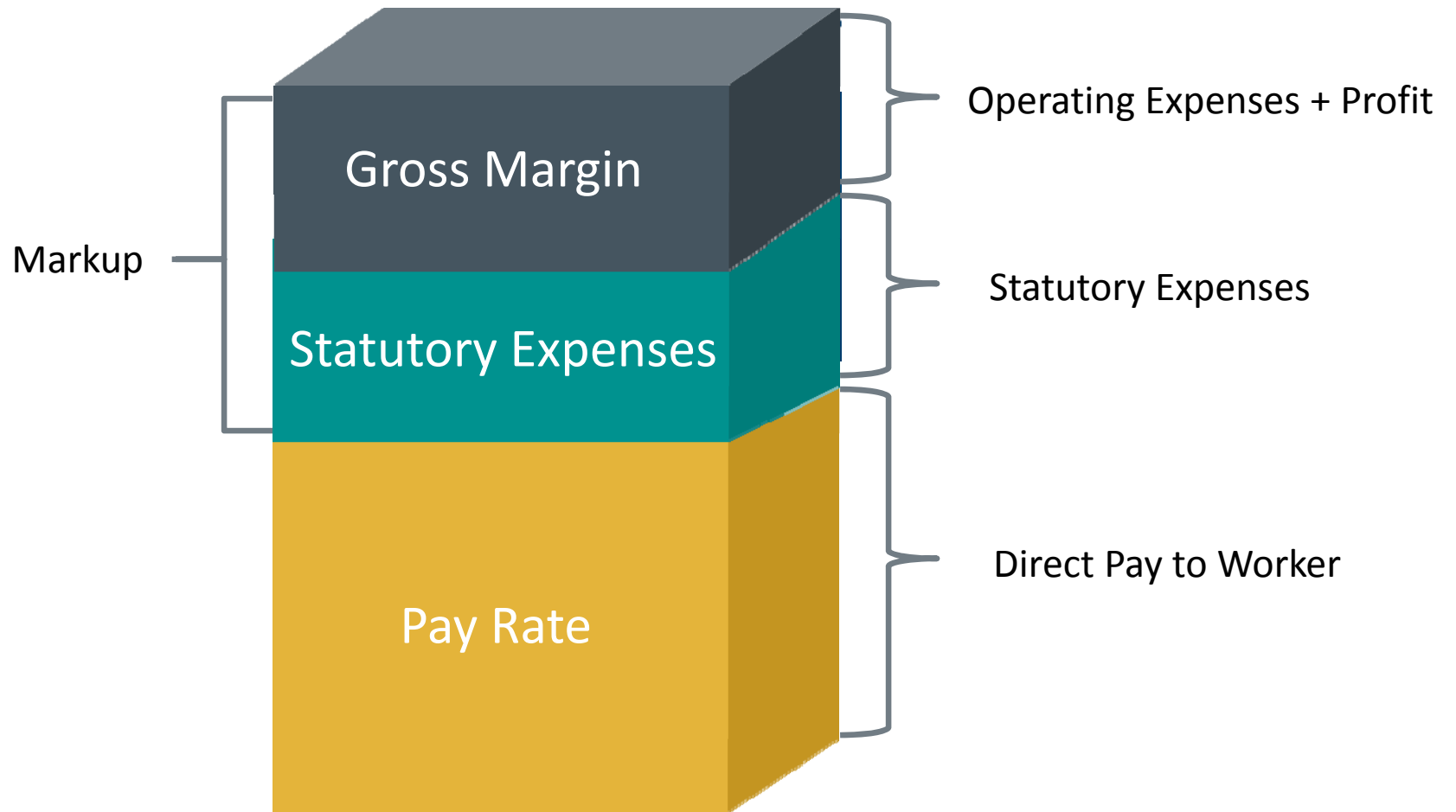
So are Buyers....

| | Traditional Buyers | Contingent Workforce Professional |
|-----------------------------|---------------------------|--|
| Core Focus | Cost Savings/Efficiency | Value Creation/Sustainability |
| Negotiation Approach | Win-Lose | Win-Win |
| Frame of Reference | Immediate Impact | Strategic Vision |
| Sourcing Strategy | RFx/Reverse Auction | RFx, Full data transparency |
| Collaboration Model | Client Input | Client Decision Involvement |
| Time Frame | 12-24 months | 3-7 years |
| Alignment | Annual Business Plan | Five Year Strategic Plan |
| Core Client Focus | Line/BU Management | Senior Executive/"C" Level |
| Provider Focus | Means to an End | Valued Strategic Partner |
| Value Focus | Cost Savings | Competitive Advantage |

Pieces to the Puzzle



What Goes into the Bill Rate?

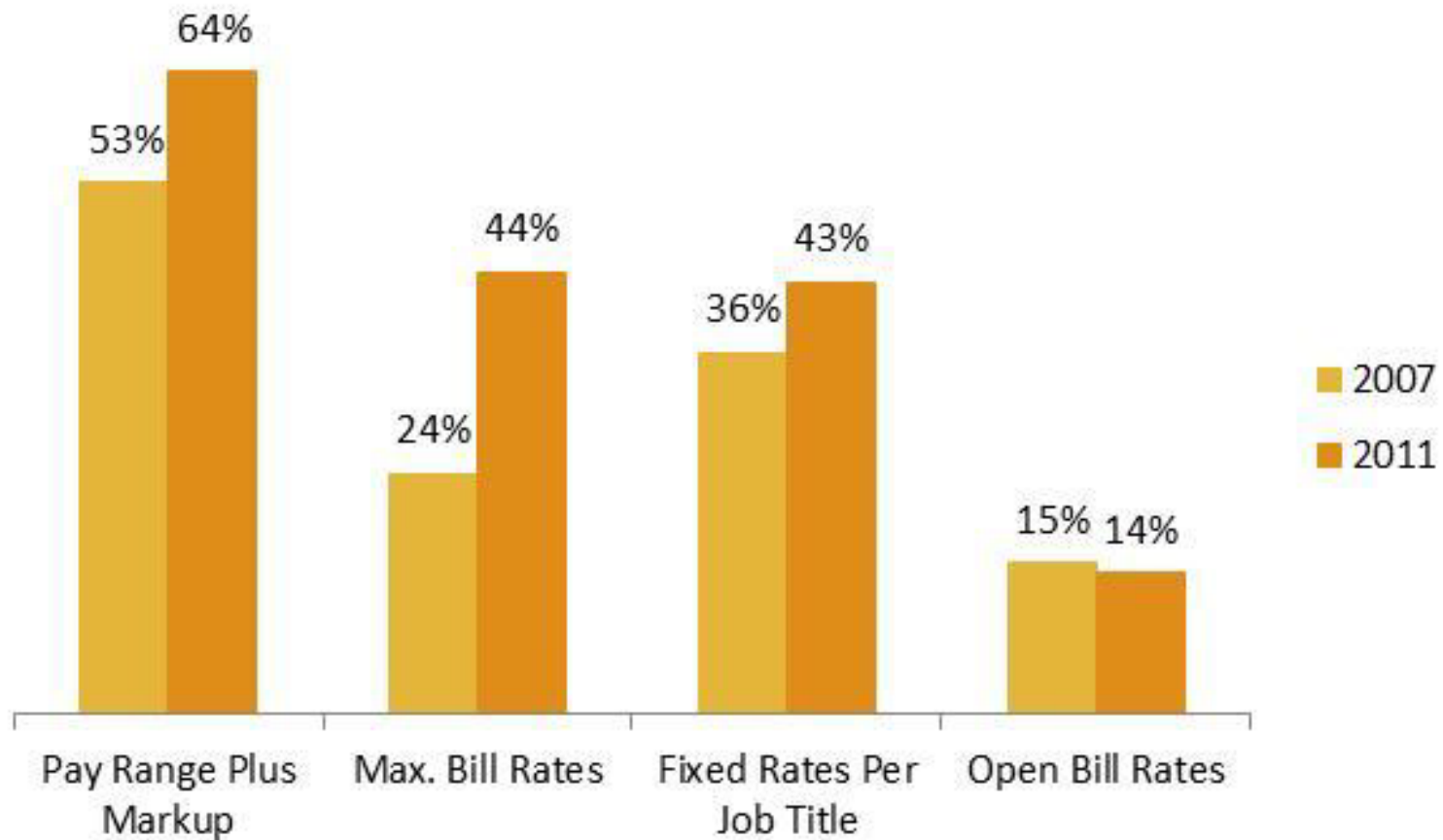


What pricing strategies are there?

- **Bill rate-Open/Fixed/Max**
- **Pay Rate Plus Mark up**
- **But some others are...**
 - Fixed \$ per unit/output
 - Fixed \$ per unit/time
 - Flat rate per day/week
 - Deliverable based rates
 - Gross margin based pricing
 - Etc



What are other buyers doing?



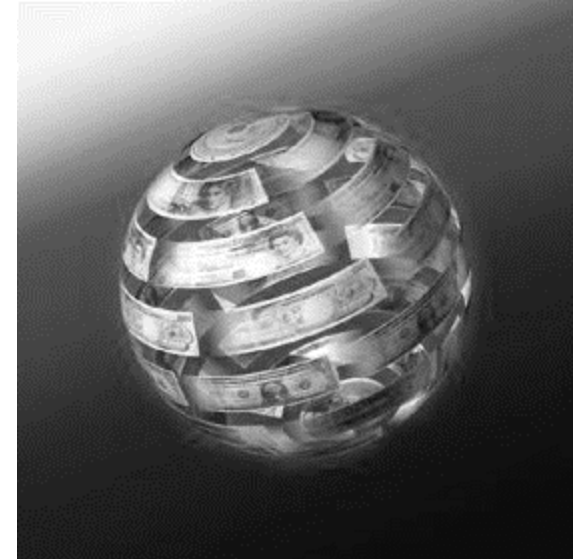
Source: SIA 2011 Buyers Survey

Pro /Con of Bill Rate vs. Mark Up

| Pricing Strategy | Pro | Con |
|-------------------|--------------------------------------|--|
| Fixed Bill Rate | Ceiling Protection Predictability | Job Category Specificity Less Downside Misclassified Candidates Recruiters Not Incented |
| Max Bill Rate | Ceiling Protection | Misclassified Positions Recruiters Not Incented Possible fill rate issues |
| Open Bill Rate | Market Rate | No rate protections Volatility |
| Pay Rate /Mark UP | Pay Parity | Pay rates may edge upward Misclassified Candidates |

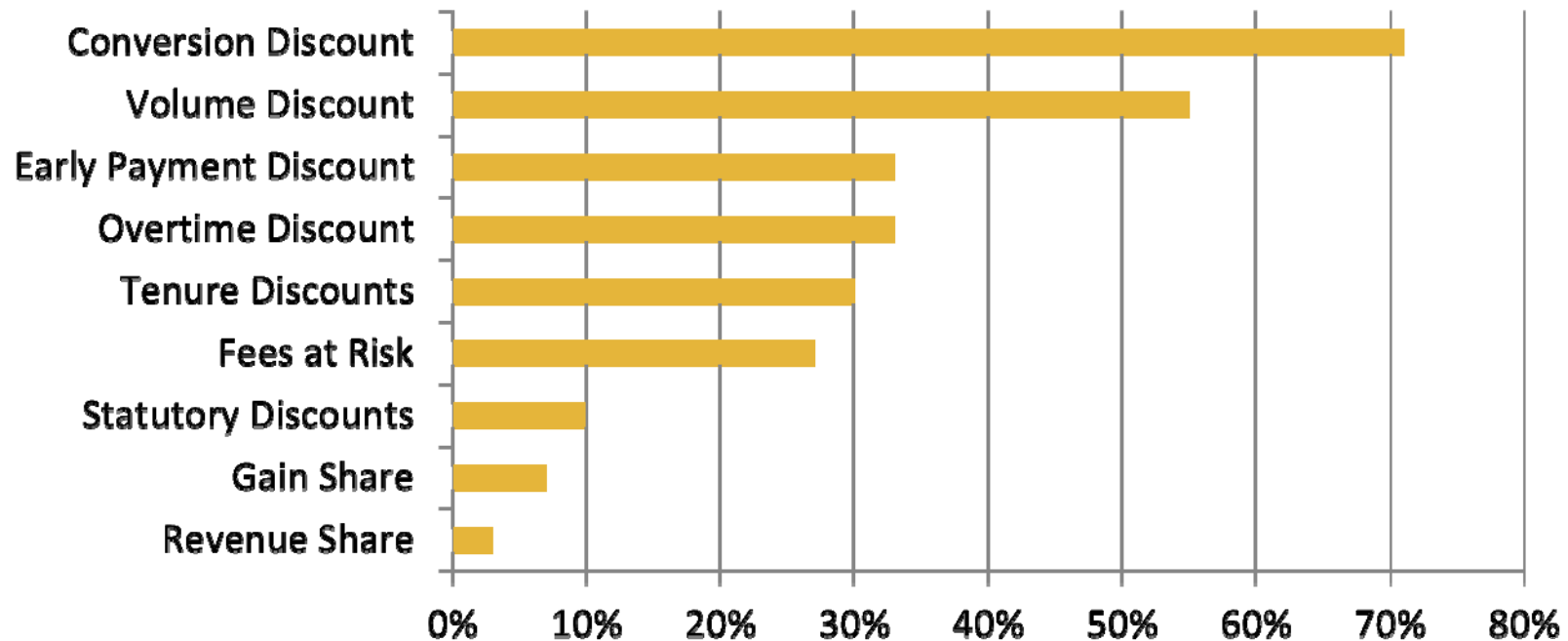
Incentives and Discounts

- Conversion discount
- Spend volume discount
- Early payment discount
- Overtime discount
- Tenure discounts
- Fees at risk
- Statutory rebates/Discounts
- Gain share
- Revenue share



Incentives and Discounts (cont'd.)

Percent of Buyers Reporting Use of Selected Discounts/Incentives with Suppliers/MSPs



Source: SIA, Buyers Survey.

Real Issue is: Cost Correction

- Is it or isn't it?
- Getting the right value for your money
 - Discussion of Degrees



Weakest Link....

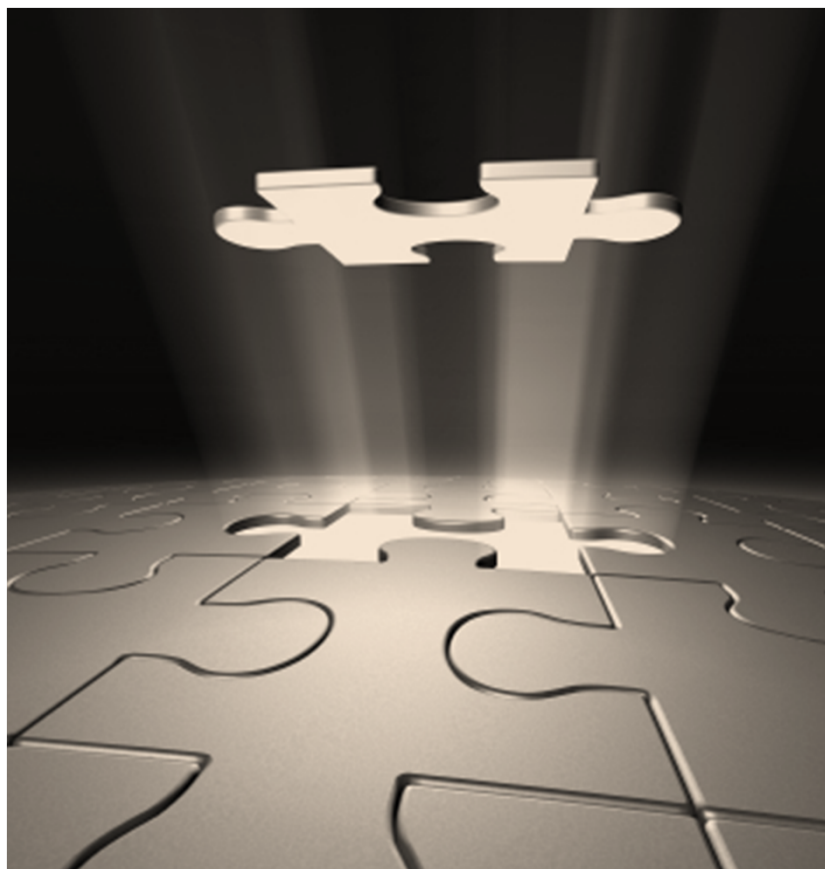
- Job Descriptions
- Supplier Understanding
- Hiring Manager Buy In



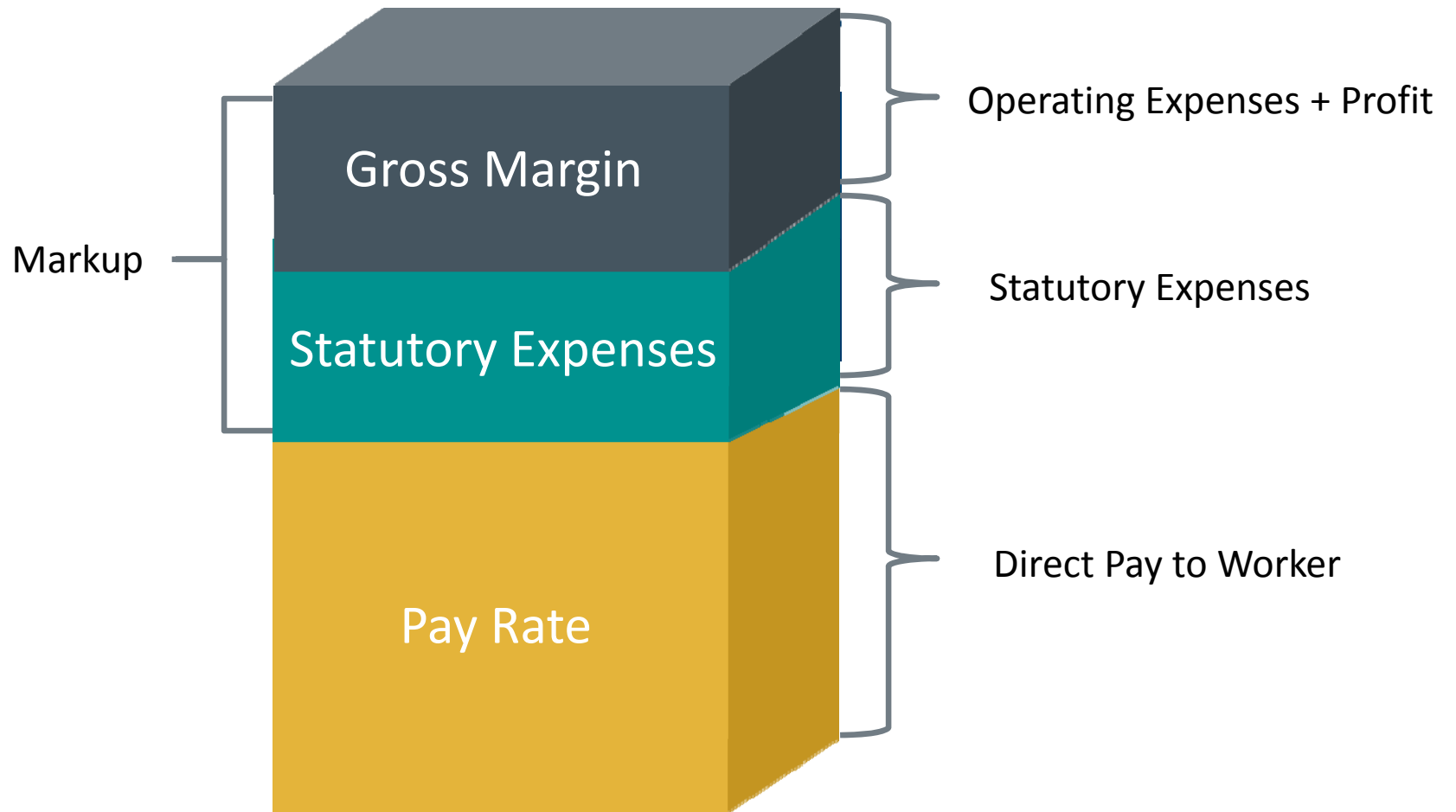
Building a Rate Card or Rate Strategy?



How do you put it together?



Remember?



What do you need to know/apply/understand?

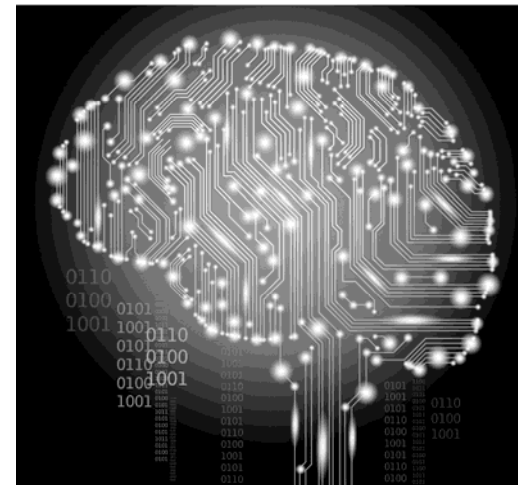
- Data elements required for rate card
 - Volume
 - Types of roles
 - Tenure
 - Turnover?
 - Service expectations
 - Local Talent Draws
 - Market Power
 - MSP/VMS strategy
 - Contract Terms



What are Corporations doing today?



or



- Obtaining data Through RFPs from **Suppliers**
- Reverse Auctions- **Suppliers**
- Developing **Supplier** Rate Cards
- Commit **Suppliers** to Both Bill Rates & Markups (Caps)
- Conduct Periodic Audits of **Suppliers** & Incorporate

How to work with suppliers.....



Difference between Success and Failure



- Control the Negotiation vs. Supplier control
 - Focus on mutual success
- Create Market Based/ Vendor Rate Card
 - Look at your own data as a starting point

The Right Information at the Right Time



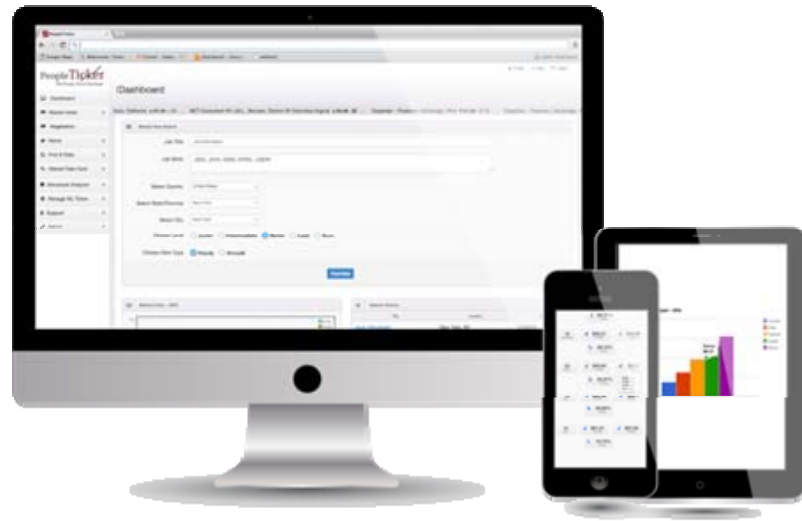
- Quality market intelligence vs. Quantity of stagnant data
 - How do you know if the rates are current or accurate?
 - Market rates vs. supplier bill rates
 - Include Pay Rate/Mark-up/ Bill rate Intelligence
 - Data based on your job description

A better way...



People **Ticker**™

The People Stock Exchange





- Simple Web-based wage tool
- Vendor Neutrality-100% Non-MSP/VMS/Staffing Supplier
- Empowered decisions-Create Market/Vendor Rate Card
- Timely and Accurate-Information at your fingertips
- Secured Data Management for your Rate and Salary Intelligence
- Search on National, State, or Municipal levels
- Global Reach- Americas, EMEA, APAC
- SOW-Estimate Project costs through Global SOW Worksheets
- Faster Information, Smarter Negotiations, Better Decisions
- Successful Results

PeopleTicker LLC

www.peopleticker.com

561-278-8383

Achievable ROI



- Negotiation Worksheets
- Create and standardize your corporate Job descriptions
- Define your specific SOW parameters-Build Out Labor Costs
- Internal Rate Card/Market Rate-What you should be paying
- Negotiate based on Market knowledge

Example Bill Rate Savings: Java/J2EE Application Architect-Florida-Jacksonville, Orlando, Tampa

- Agency Submitted a **Bill Rate of \$91.50/hour** Sr. level
 - Using the People Ticker, we identified a savings opportunity in the Bill Rate
 - Leveraging the People Ticker, a new **Bill Rate of \$86.25 is negotiated (Savings of \$5.25/hour)**
 - Agency billed **3,575** hours for **6** contractors
- ❖ **Savings of \$18,768.75- Based on only 6 engagements**

"The Ticker averages over 10% savings on your contingent labor spend"

PeopleTicker delivers the technology, data related insight and expertise necessary for our clients to make informed, intelligent buying decisions, every day.

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The logo for PeopleTicker features the word "People" in a grey serif font, followed by "Ticker" in a red serif font. A black line graph with an upward-pointing arrow is superimposed over the "Ticker" text. A trademark symbol (TM) is located to the right of the word "Ticker". Below the main logo, the tagline "The People Stock Exchange" is written in a smaller, grey sans-serif font.



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| <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 |
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THANK YOU!