

# **Best Practices When Going to Market for SOW Services**

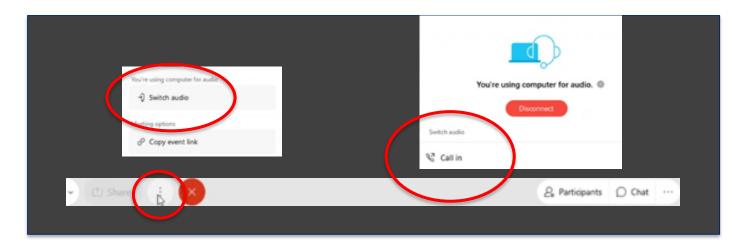
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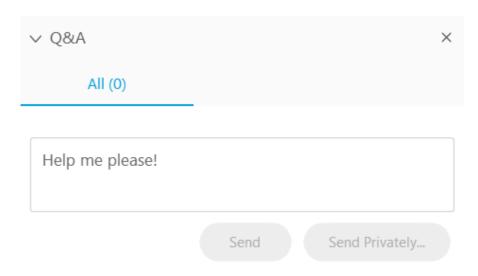
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#### **Staffing Industry Analysts Product Overview**



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Editorial	Staffing Industry Review DAIL	GLOBAL CWS 3.0 CONTINGENT WORKFORCE STRATEGIES				
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Solutions 30





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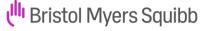








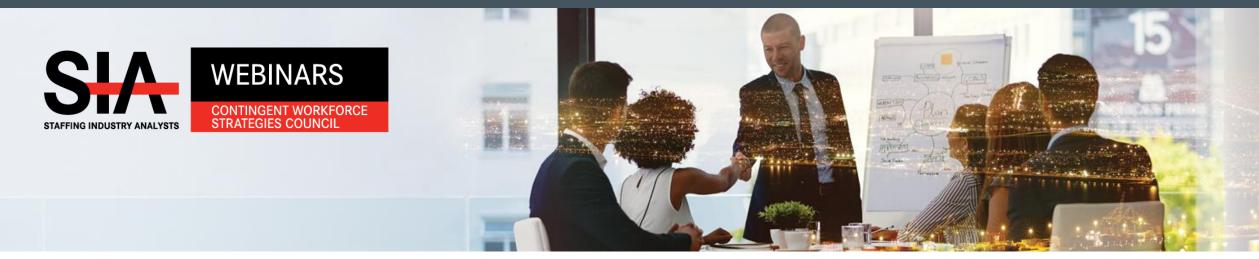












#### Speakers:

 Gary Jones, Executive Vice President, Business Development—EMEA, Workforce Logiq

Paul Travers, Program Director,
 Workforce Logiq







Peter Reagan, Sr. Director, CWS & Research, CCWP, SOW Mgmt. Expert, SIA How Will the Following Employee Types Change as a Share of Your Total Labour Force Over the Next 10

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STAFFING INDU	ISTRY ANALYST	S

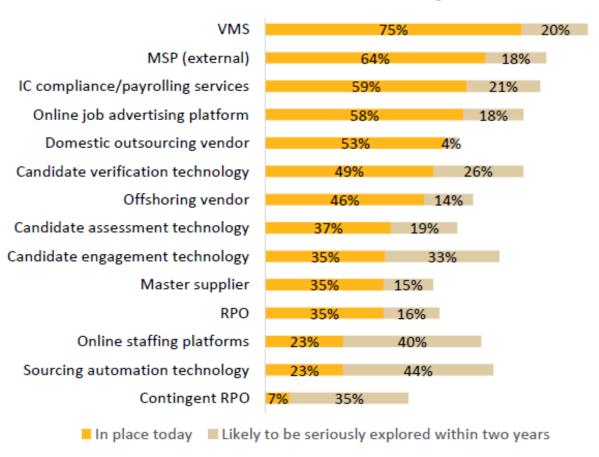
Years?	
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icais:	Regular/ permanent employees	Agency temporary workers	Temporary workers (sourced internally)	Statement-of- work (SOW) consultants	Other independent contractors/ consultants	Workers operating via entirely outsourced vendors on an ongoing basis	Freelancers sourced via internal pool or online staffing platform	
Significant decrease in share	11%	2%	4%	4%	6%	4%	4%	
Moderate decrease in share	44%	24%	15%	7%	19%	11%	8%	
About the same	25%	27%	62%	38%	35%	35%	42%	
Moderate increase in share	15%	40%	16%	35%	37%	41%	42%	
Significant increase in share	5%	7%	4%	16%	4%	9%	6%	
	n = 55	n = 55	5 n = 55 n =		n = 54	n = 54	n = 53	
(% "increase") - (% "decrease")	-35%	22%	2%	40%	17%	35%	36%	

# **Supplier Management Strategies 2020**



#### Use of Services/Technologies



#### Use of Workforce Strategies



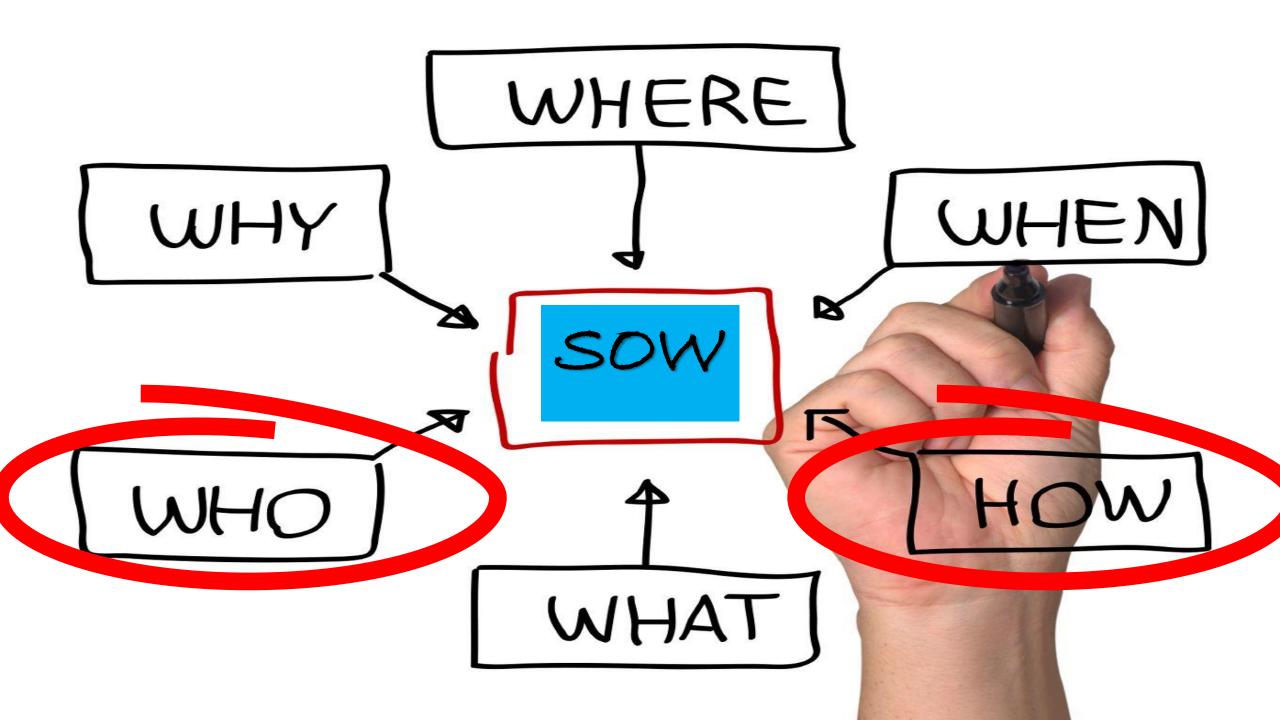
SIA: Workforce Solutions Buyer Survey 2020 (EMEA)

#### How are SOW arrangements managed?



	Response %
Managed by external MSP (don't know funding, or funded differently from percent of spend or fixed fee)	4%
Managed by external MSP (funded by percent of spend)	16%
Managed by internal CW program	19%
Managed internally by other department or decentralized	61%
	n = 57

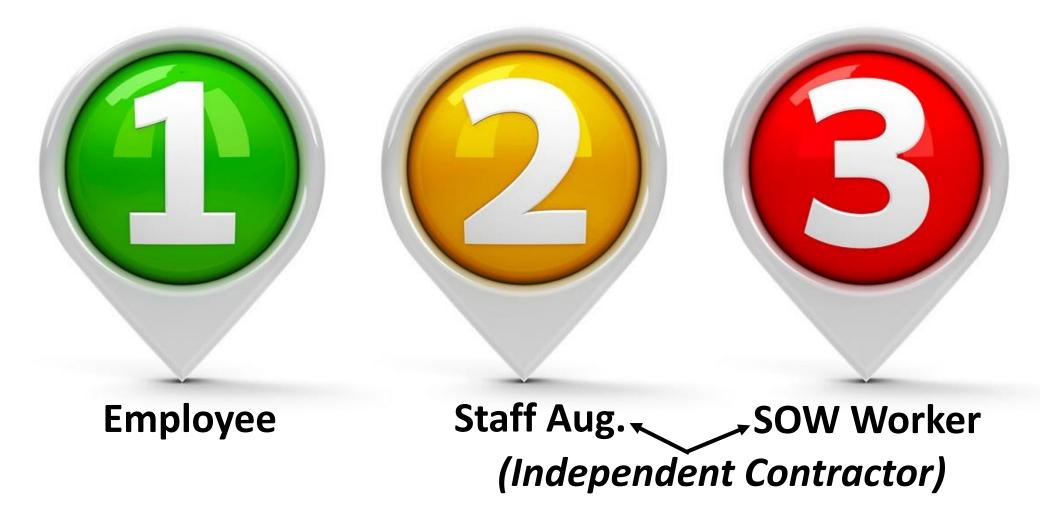
SIA: Workforce Solutions Buyer Survey 2020 (EMEA)



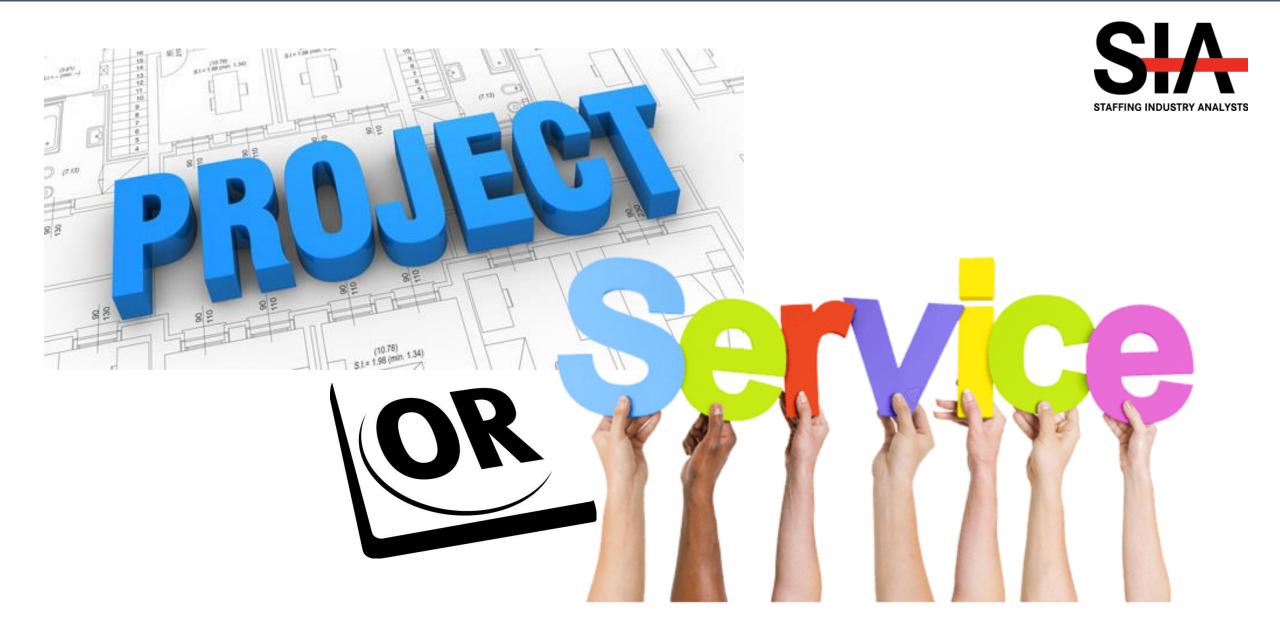


# 4 Types of Worker...









# **Talent Sourcing Channel Mix**



"The transition in a CW program's Talent Sourcing Channel Mix is going to accelerate, making it an imperative to understand, define and assertively manage the primary sourcing channels of one's CW talent."

- Stephen M. Clancy





# SOW Spend: Tracking Vs Full Cycle Procurement

What's in Scope?





#### Shared Responsibility in a Procurement Outsourcing Model



Purchasing Process								
	Strategic Sou	ircing activities		<b>Transaction</b>	•			
Demand & Specification Management	Strategic sourcing	Supplier Management	Sourcing Support	Operational Purchasing	Procurement Admin	Accounts Payable Processing	Technology & Support systems	

#### Shared Responsibility in a Procurement Outsourcing Model

**Purchasing Process** 

Auction Support

Strategic Sourcing activities



5	Demand & Specification Management		itrategic ourcing		upplier Management		ourcing Support		Operational Purchasing		rocurement Admin	F	Accounts Payable Processing	8	echnology Support ystems
	Specification Development Policies/Processes	•	Developing & implementing category strategy	•	Vendor Performance Management	•	Spend Analytics Market Analysis		Requisition Processing Purchase Orders	•	Performance Monitoring (Vendor Financial)	•	Vendor Master File set-up and administration	•	Vendor Management System (VMS)
	development & implementation	•	Vendor Selection RFx	•	Contract Management	•	Data Analytics Vendor Profiling		Processing & Expediting	•	Compliance Monitoring (policies	•	Processing Invoice& Payment	•	Help Desk Catalog
•	Change Management	•	Negotiations	•	Vendor Relationship Management	•	Contract Administration	•	Materials & Services Receipt Recording	•	& contracts) Reporting	•	Bill Auditing Time & Expense		Management eProcurement
	•	Contracting	•	Vendor Development	•	Risk Management Spot Buy						Auditing	•	Solution Hosting	

Transactional (Procure to Pay) activities

#### **SOW Outsourced Support**







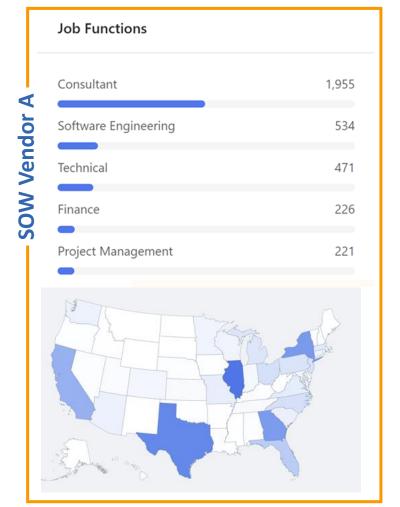


Purchasing Process											
	Strategic Sou	urcing activities		Transaction	Transactional (Procure to Pay) activities						
Demand & Specification Management	Strategic sourcing	Supplier Management	Sourcing Support	Operational Purchasing	Procurement Admin	Accounts Payable Processing	Technology & Support systems				
	*	*	*	*	*	*	*				
		*				*					
	*						*				

#### Service Providers: Proprietary Insights



Building a bench of high-performing service providers – leveraging predictive, Al-powered insights.





#### Service Providers: Proprietary Insights

- SOW Supplier B is much stronger in Software Engineering bench.
- But, the majority of their staff population is based on the West Coast.

## Negotiation consideration:

- Depth and access to broader talent pool.
- Budget for travel expenses in their SOWs if the roles are not remote,

Building a bench of high-performing service providers – leveraging predictive, Al-powered insights.

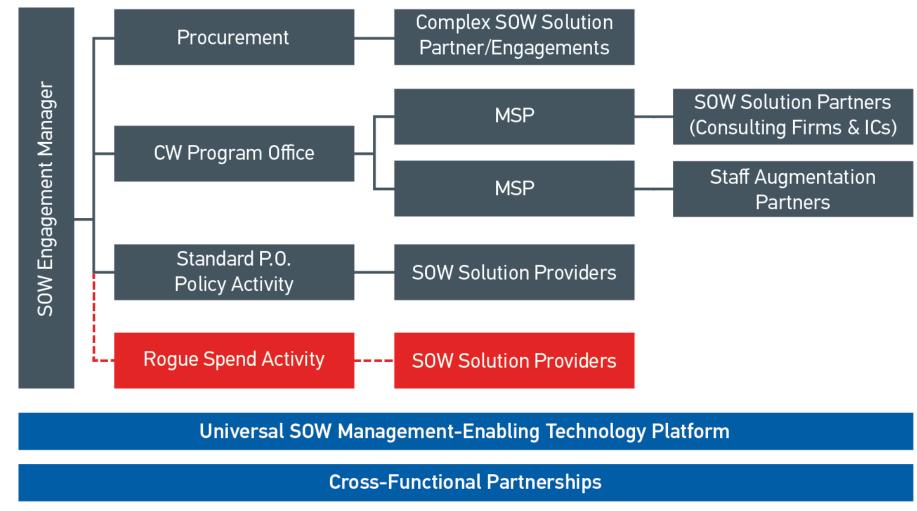




# **Example SOW Partner Management**



**Structure** 



#### What SOW Processes Can Be Automated



- Sourcing and Bidding
- SOW Agreement Development
- Milestone Approvals
- Financial Management and Control
- Final Completion Acceptance





# **Learnings & Best Practice for Adoption**



- Using data analytics and reporting on spend, headcount, pricing & projects for decision making and insight
- Having a scalable solution for growth/contraction
- Commitment/buy-in from leadership
- Education of business managers on established clear SOW policies, process, risks and established gates (Legal, HR, AP, Finance, etc.) to catch misclassified business



# **Summary and Recommendations**



- Easy-to-use technology that facilitates collaboration, management and oversight, and data collection
- Choose to partner with an outsourced provider that aligns to your sourcing strategy and compliments internal experts to build the program to be a competitive differentiator
- Success: Proven regulatory and financial benefits provide important internal case studies for further adoption
- Map all areas of spend that is SOW and assess growth and usage over the next 2-5 years

#### Time for your questions...







CCWP Statement of Work Expert

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SOW Management Expert Class will help you:

- Control costs and enhance SOW project/services quality
- Establish and optimise SOW programme management capabilities
- Elevate your knowledge and career

**Register Today!** 

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#### **RESOURCES**

SIA

- SIA Workforce Solutions Buyer Survey (EMEA)
- SIA Lexicon of Terms (complimentary)
- CWS 3.0 Article on Worker Types
- Ten Steps to Designing an SOW Mgmt. Strategy
- SOW Maturity by Geography

#### **Workforce Logiq Resources**

- Workforce Management Benchmark Report
- Workforce Management Al-Powered Diversity Benchmark Report

Not an SIA member...Contact the SIA Council team: <a href="mailto:enterpriseservices@staffingindustry.com">enterpriseservices@staffingindustry.com</a>





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Known for our award-winning content, data, support tools, publications, executive conferences and events, we help both suppliers and buyers of workforce solutions make better-informed decisions that improve business results and minimize risk. As a division of the international business media company, Crain Communications Inc., SIA is headquartered in Mountain View, California, with offices in London, England.

For more information: <u>www.staffingindustry.com</u>

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