

# How HR Can Make the Most of Your Contingent Workforce Program

Presented by:

Bryan Pena, VP, Contingent Workforce Strategies and Research,  
Staffing Industry Analysts

Ed Hidalgo, Sr. Director of Staffing, QUALCOMM

Greg Muccio, Manager, People Department, Southwest Airlines



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May 29, 2014  
10 am PT/ 1 pm ET

# Who We Are

## Over 700 client organizations benefit from our international research services

- 80% of the largest 50 U.S. staffing firms and 60% of the world's 25 largest staffing firms are corporate members
- Over 70 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

80%  
50

## Founded in 1989

- Acquired by Crain Communications (\$200M media conglomerate) in 2008
- Headquartered in Mountain View, California and London, England
- 80+ years of industry and advisory service experience among executive team



Today's webinar is brought to you by:



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**June 17-18<sup>th</sup>  
Chicago, IL**

**&**

**August 19-20<sup>th</sup>  
Atlanta, GA**

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Take the class.  
Pass the test.  
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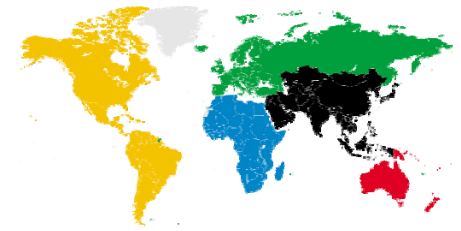
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# CWS Council Members (partial public list)

STAFFING  
INDUSTRY  
ANALYSTS



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October 6-7, 2014 | Mirage Resort & Casino | Las Vegas, NV  
CWS Council Meeting October 6th



October 8-9, 2014 | Mirage Resort & Casino | Las Vegas, NV

# Our speakers today...



Ed Hidalgo, Sr. Director of Staffing, QUALCOMM



Bryan Pena, VP, Contingent Workforce Strategies and Research, Staffing Industry Analysts



Greg Muccio, Manager, People Department, Southwest Airlines





## Time for a poll



## What functional group are you a part of?

- Procurement
- Human Resources
- IT
- Finance
- Other



## Definitions: Procurement

- The process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment. It commonly involves (1) purchase planning, (2) standards determination, (3) specifications development, (4) supplier research and selection, (5) value analysis, (6) financing, (7) price negotiation, (8) making the purchase, (9) supply contract administration, (10) inventory control and stores, and (11) disposals and other related functions.

Source: BusinessDictionary.com

## Definitions: Human Resources

- The administrative discipline of hiring and developing human capital so that they become more valuable to the organization. Human Resource management includes (1) conducting job analyses, (2) planning personnel needs, and recruitment, (3) selecting the right people for the job, (4) orienting and training, (5) determining and managing wages and salaries, (6) providing benefits and incentives, (7) appraising performance, (8) resolving disputes, (9) communicating with all employees at all levels.

Source: BusinessDictionary.com

# Buyers are changing....

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

	<b>Operational Approach</b>	<b>Strategic Approach</b>
<b>Need</b>	Accurately forecast hiring and/or training needs	Develop the best talent strategies for longer-term success
<b>Timeline/Planning Horizon</b>	Usually 12 months with a quarterly focus matches the yearly business plan	Usually 3 years or longer – matches the organizational strategic plan
<b>Integrated with</b>	Annual or quarterly financial/budgeting process	Strategic planning process
<b>Inputs</b>	Mostly internal data, some management decisions	Wide range of internal and external information including demographics, business strategies, global trends, etc.
<b>Outputs</b>	Staffing plans, skill gaps	Human Resource/People Strategies
<b>Scenario Planning Approach</b>	Uses variables to explore different models of staffing	Uses futuring techniques to question current paradigms and explore alternative futures
<b>Forecasting</b>	Key focus	Only part of the process
<b>Segmentation Focus</b>	Internal demand	Internal and external, demand and supply are all segmented
<b>Skills</b>	Competencies may be audited or gathered at an individual level	Strategic Capabilities analyzed and gathered at the group level
<b>Performed by</b>	HR or staffing organization with input from the business	Business, facilitated by HR
<b>Focus</b>	Operational Management – Line and BU Managers	Strategic Management – Executive and Board
<b>Aligns to</b>	Business Plan	Strategic Plan
<b>Terms used</b>	“Predict”, “Calculate”	“Explore”, “Design”

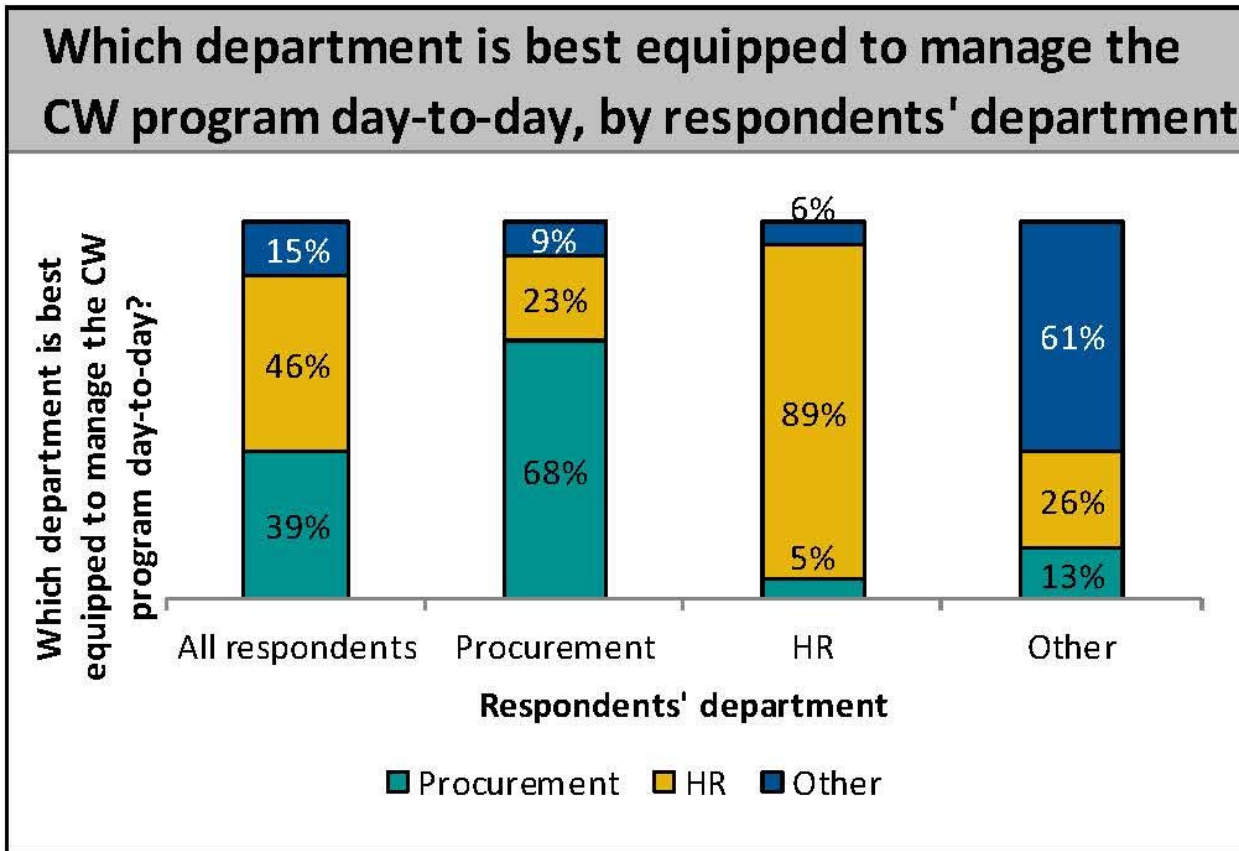
## Which department manages your CW program?

Industry	Procurement	HR	Other
Finance/insurance	63%	34%	3%
Manufacturing	48%	45%	6%
Mining, extraction and utilities	60%	40%	0%
Transport/warehousing	36%	36%	27%
Pharma/biotech/med	53%	47%	0%
Tech/telecom	44%	52%	4%
Number of employees			
1,000-4,999 employees	39%	57%	4%
5,000-9,999 employees	38%	55%	7%
10,000-19,999 employees	43%	46%	11%
20,000-49,999 employees	54%	41%	5%
50,000-99,999 employees	46%	39%	14%
100,000+ employees	59%	34%	7%
<b>All respondents</b>	<b>48%</b>	<b>45%</b>	<b>8%</b>

*n=185*

2013 Staffing Industry Analysts Buyers Survey





Source: Staffing Industry Analysts

2013 Staffing Industry Analysts Buyers Survey

# The Big Question: Where to Next?



# The Big Question: Where to Next?





## People Dept—SWA Staffers

- **Team of 12 including myself**
- **Internally run program that oversees all contingent labor**
- **Utilizes a VMS—system of record for all non-employees**
- **Over 7,000 contingent workers in program**



## Why HR?

**At Southwest Airlines, we purchase over 20,000 “items” per month. Only one of them can change their mind about when they will arrive or for how long, have personal issues, performance issues, etc. and it’s the hardest to replace. It’s about People not product.**



## Why HR?

**It's about finding the right staffing solution to solve a problem. The ability to discuss FTE, Intern, Temp, Managed Service, Professional Service. To ultimately view your total workforce and make decisions with that information. Does Procurement handle FTE at your company?**



## Why HR?

**"Our people are our single greatest strength and most enduring longterm competitive advantage." Gary Kelly, CEO Southwest Airlines**

**At SWA, Culture is very important to us and it is involved in every hiring decision. It is why our program is managed in HR and why it is an internal Team.**



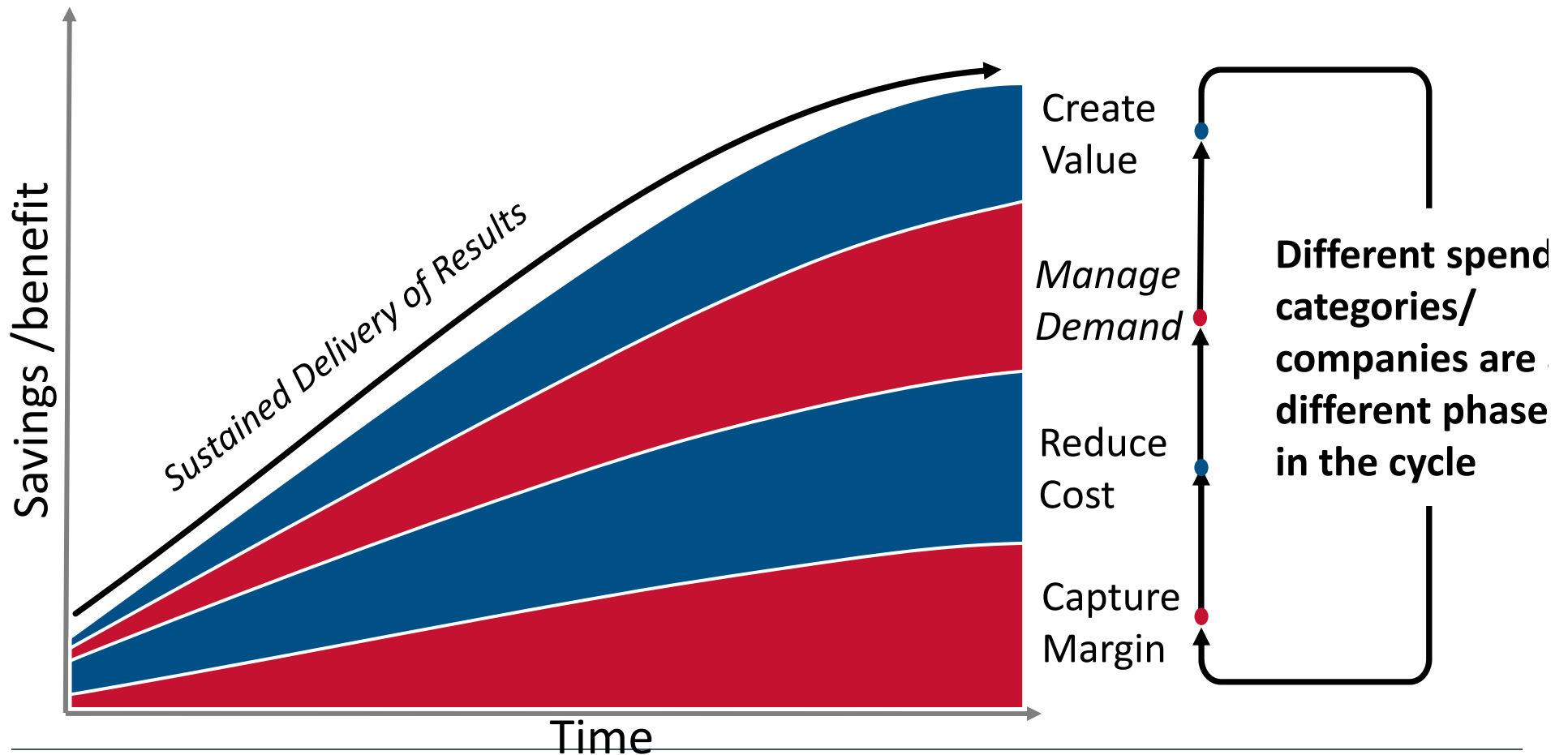
## Why HR?

**HR needs to step up to the plate when it comes to managing the contingent workforce. HR needs to build relationships to support Procurement and the business in their mission.**



# Cyclical Process

Sourcing Negotiation is a cyclical process . . . with four distinct phases

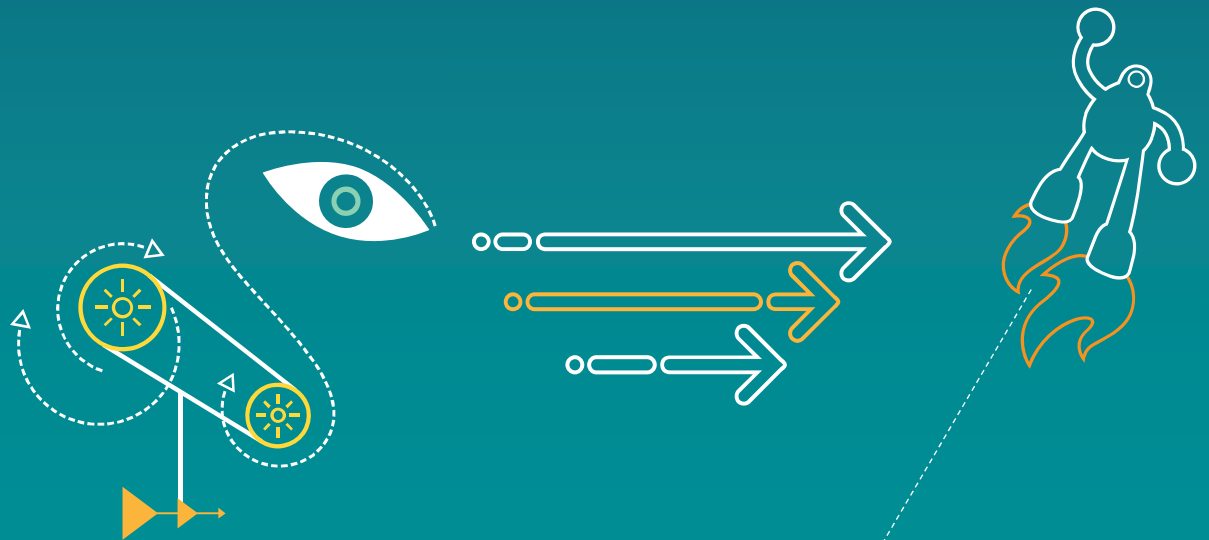


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# CWF/Staffing

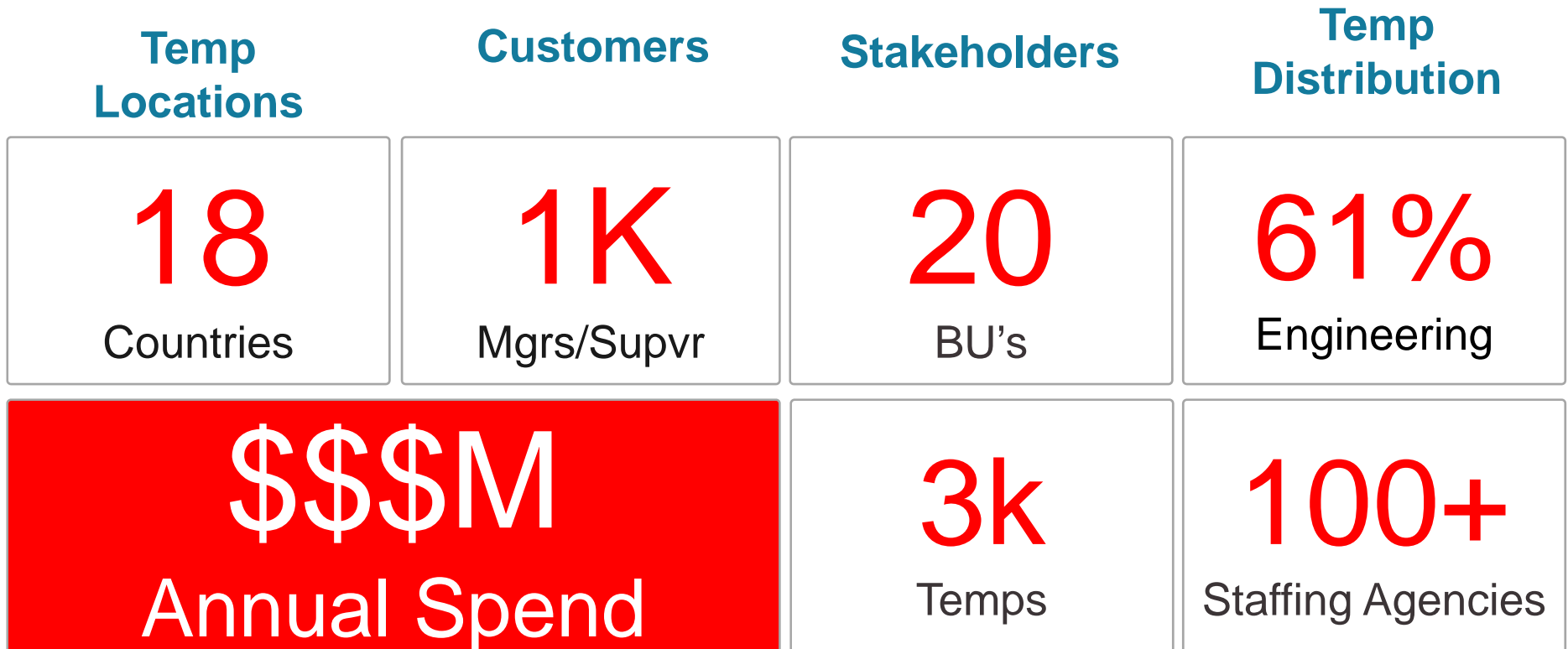
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QUALCOMM®



# The CWF Footprint

Our Journey began in 2006. Today, the internally managed CWF team has grown to support Qualcomm's CWF temp program via a dedicated team and custom built VMS connected to our custom ATS. In addition, every request to on-board a non-employee is vetted by CWF in a process that is closely aligned with Procurement.



United States



Netherlands



Taiwan



Switzerland



Canada



United Kingdom



Germany



India



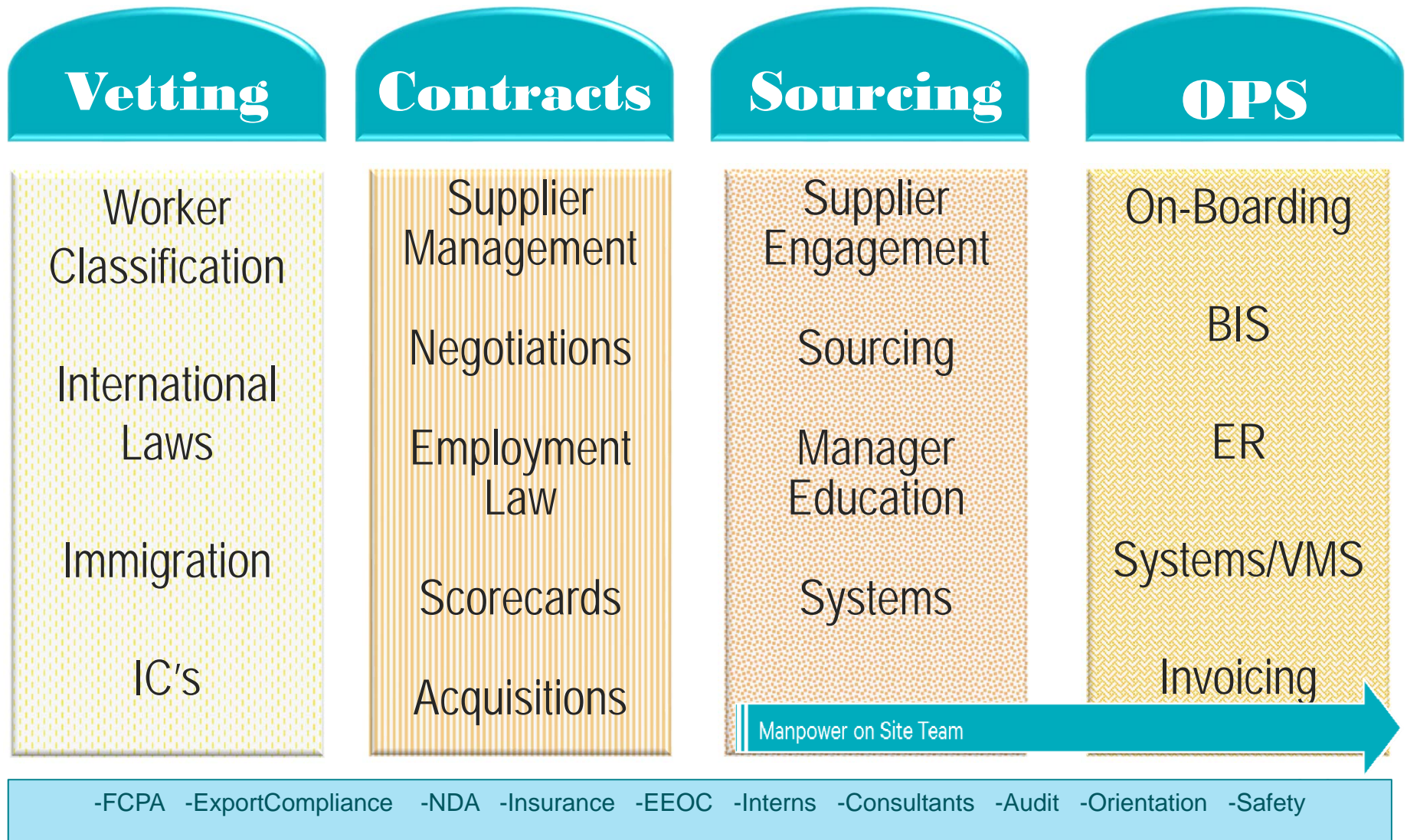
Korea



Singapore

# Contingent Workforce Program

Our end-to-end program mission to offer value across the continuum



Top 5 StrengthsFinder Themes: Responsibility, Achiever, Learner, Positivity, Strategic

**Why  
Internally  
Managed  
works for  
Qualcomm?**

**[Inclusive]**

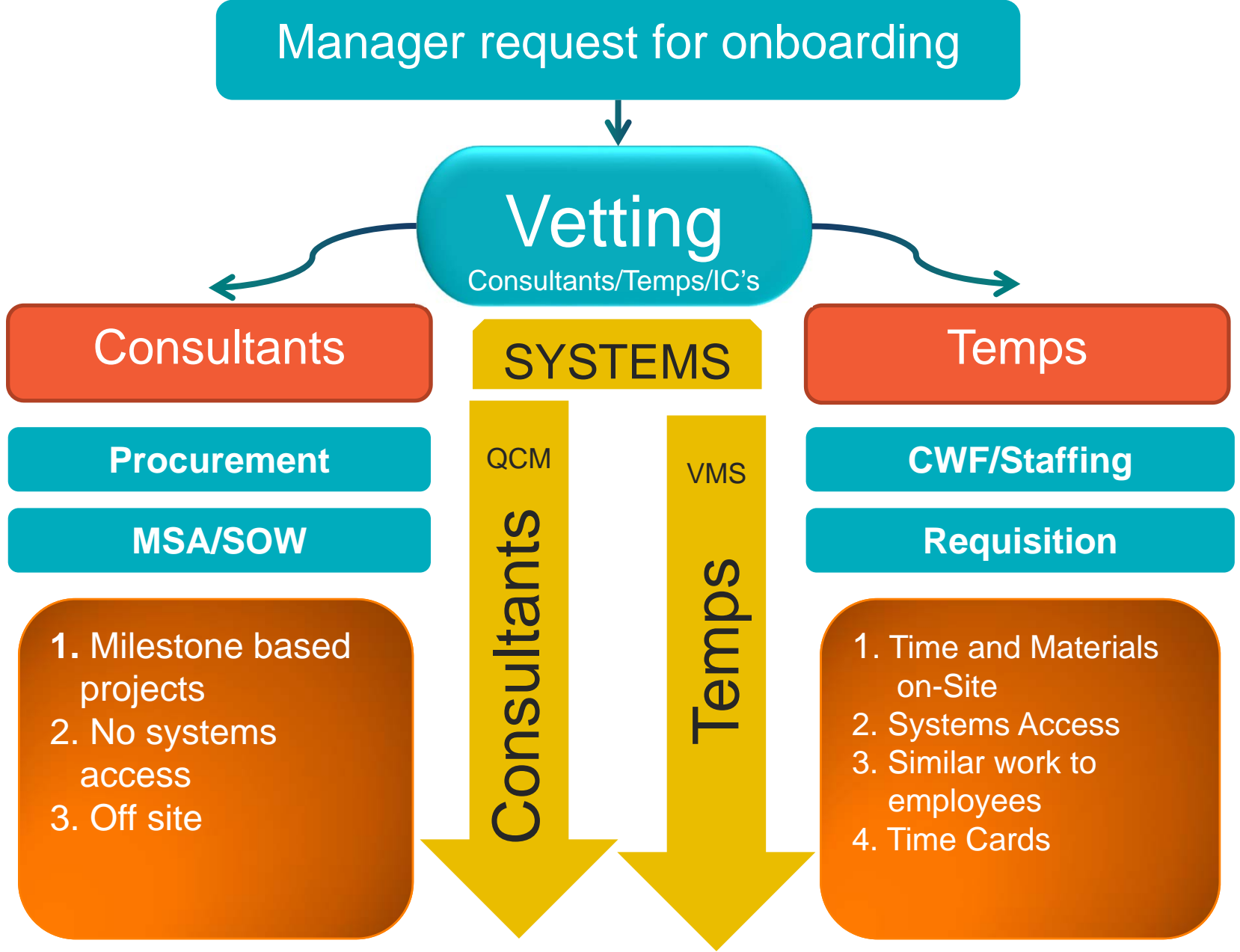
- Engagement
- Relationship

**[Business  
Partnerships]**

- Service
- Investment

**[Risk]**

- Talent
- Assignment Length



**AGREEMENT  
AMENDMENT/CHANGE ORDER  
BEST VALUE  
BLANKET ORDER  
COMMODITY  
COMPREHENSIVE PROCUREMENT  
GUIDELINES  
CONTRACT ADMINISTRATION  
DEALER,  
DELIVERY  
DESIGN SPECIFICATION  
ESCALATION CLAUSE  
GOODS  
LEAD TIME  
LEASE  
LIFE CYCLE COSTING  
LINE ITEM  
LIQUIDATED DAMAGES  
LIST PRICE  
MANUFACTURER  
MATERIAL VARIANCE/MATERIAL  
DEVIATION  
PREPAID  
SERVICES  
SPECIFICATION  
TERMS AND CONDITIONS  
UNIT PRICE  
VALUE ANALYSIS**

**APPLICANT  
BENEFITS  
BONUS  
CANDIDATE  
COMPENSATION  
COST-PER-HIRE  
DIRECT PLACEMENT  
EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION EXECUTIVE SEARCH  
FLSA(FAIR LABOR STANDARDS ACT)  
FORM I9  
IMMIGRATION  
INTERVIEW  
JOB DESCRIPTION  
LEAVE OF ABSENCE  
OFFER  
ORIENTATION  
PRE-EMPLOYMENT SCREENING  
QUALITY OF HIRE  
REFERRAL  
REQUISITION  
SKILLSET  
TELECOMMUTING  
TIME-TO-HIRE  
TURNOVER  
VACANCY COST  
WORK SHARING**

## **We have a program that is Talent based with Cost second:**

- Our temps perform well
- Still, we love to negotiate

## **If You are Struggling to build a case:**

- Leverage legal: FLSA, immigration, terminations, training, orientation/onboarding, employee relations, security
- Workforce Planning: The full picture(sow,temp, perm, intern)
- Try before you buy works
- One to Many relationship: Value= cost, service/time, talent

Right Temp - Right Price - Right Time



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# Thank you

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Time for another poll:

GOT AN  
OPINION?



## Which functional role should be in charge of CW?

- Procurement
- Human Resources
- IT
- Finance
- Other

# The Big Question: Where to Next?



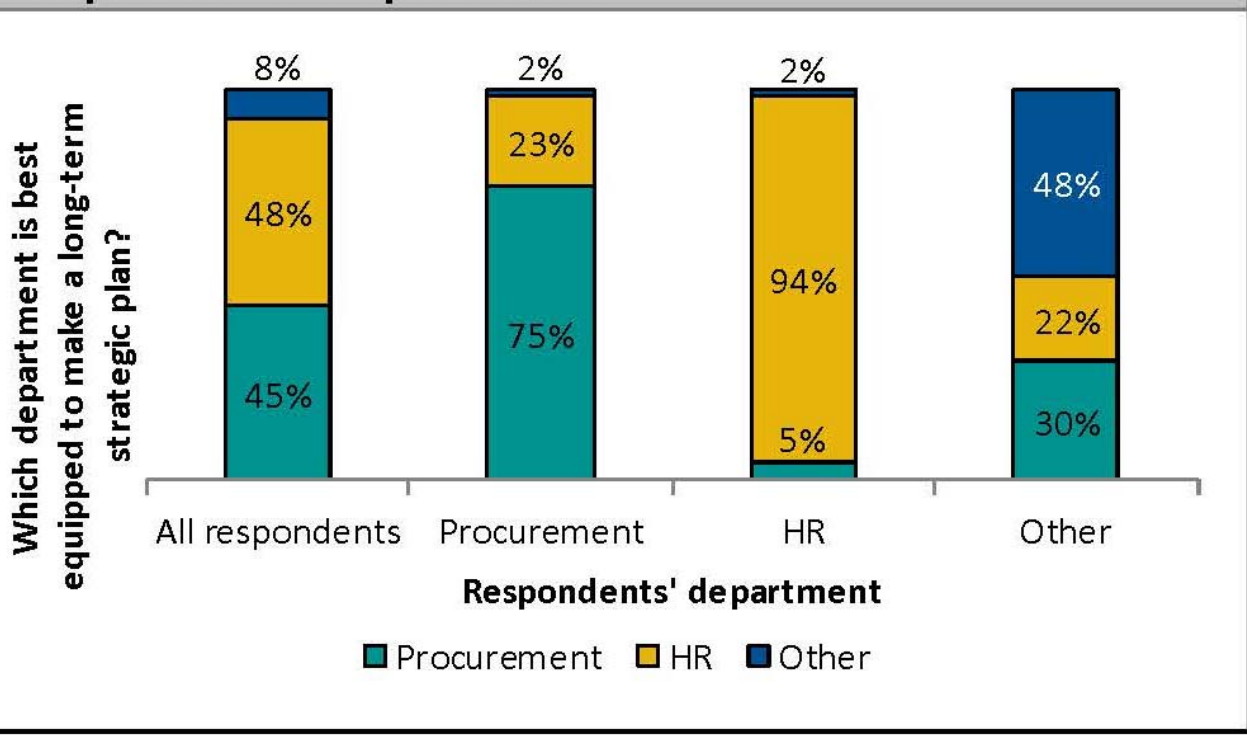
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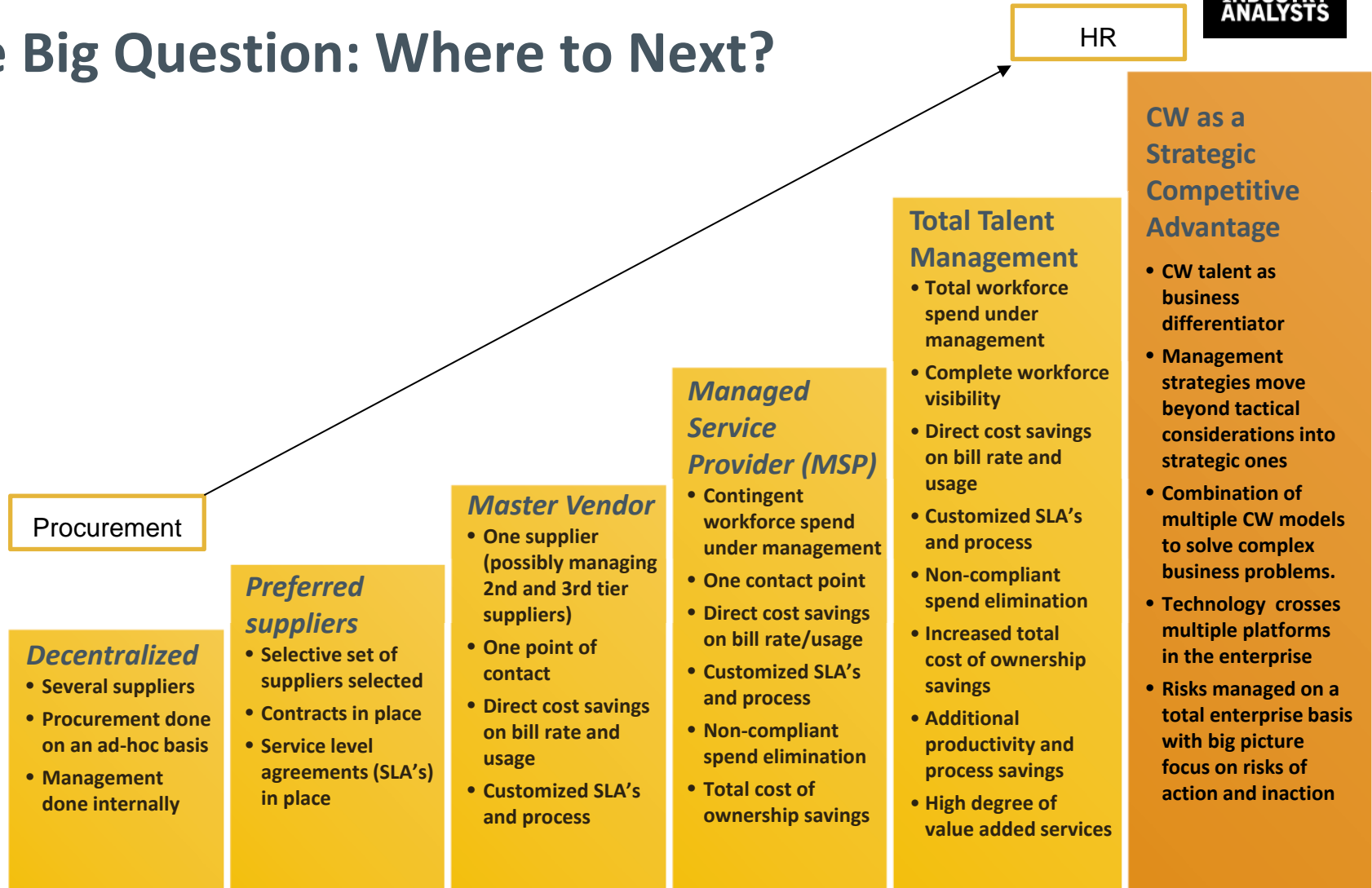
**Which department is best equipped to make a long-term strategic plan for your CW program, by respondents' department**



Source: Staffing Industry Analysts

2013 Staffing Industry Analysts Buyers Survey

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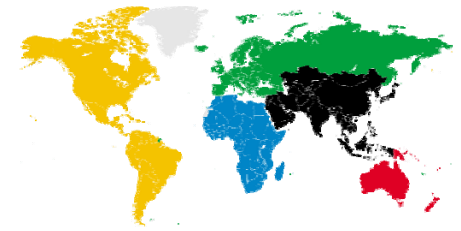
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- Next webinar June 26 , 2014 10 am PT: The Evolution and Promise of Integrated Talent Acquisition Management Solutions
- Copies of the slides and a link to the audio recording will be distributed to all attendees within 24 hours following the webinar
- A replay of the webinar will be available for CWS Council Members at [www.staffingindustry.com](http://www.staffingindustry.com)



# Thank You!