STAFFING INDUSTRY ANALYSTS

Thought Leadership Series

Breaking Down Benchmarking for Real Contingent Workforce Program Value

Speakers:

Arjun Dutt, *Lead Consultant, Strategic Consulting Services*
Fieldglass

Dan Khublall, *Director, Global Professional, Services Sourcing*
Thomson Reuters

Moderator:

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

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Welcome to the Staffing Industry Analysts 2014
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.

- 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

STAFFING INDUSTRY ANALYSTS

Over 1000 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

Founded in 1989

- Acquired by Crain Communications ($200M media conglomerate) in 2008

- Headquartered in Mountain View, California and London, England

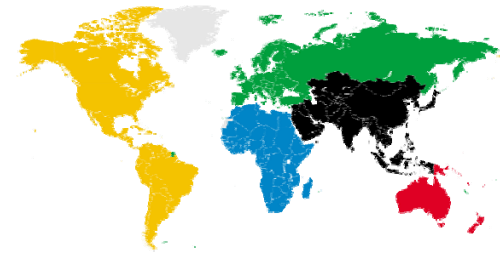- 80+ years of industry and advisory service experience among executive team

80%/50

Thought Leadership Series

Thought Leadership Series

Save the Dates

October 6-7, 2014 |Mirage Resort & Casino | Las Vegas, NV

CWS Council Meeting October, 6th
CCWP Class October 6-7th

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

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Thank you to our sponsor and Thought Leader

Today's Speakers

Dan Khublall
Director, Global Professional Services Sourcing

Arjun Dutt,
Lead Consultant, Strategic Consulting Services

Bryan Pena
VP, Contingent Workforce Strategies & Research

Poll!

Contingent Workforce Program Maturity Model

Dimensions Attributes	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

Why?

- Make sure your benchmarking strategy starts with:
    - What areas are of the greatest "Pain"
    - The greatest risk
    - Costing resources
    - Creating complaints
    - Hindering adoption and growth
    - Are of strategic importance to topline revenue

Be sure you are benchmarking for the right reasons.

What are some benchmarks that can apply to the client?

- Time to respond
- Time to pay
- Job Description Accuracy
- Onboarding efficiency
- Issue escalation and resolution

"If a measurement matters at all, it is because it must have some conceivable effect on decisions and behaviour.

If we can't identify a decision that could be affected by a proposed measurement and how it could change those decisions, then the measurement <u>simply has no value</u>"

Douglas W. Hubbard, *How to Measure Anything: Finding the Value of "Intangibles" in Business*

Measure and Improve, Don't Compare

- The underlying driver is program improvement

- Don't try to compare your program metrics to others – difficult to do, if not impossible

- Gather program data related to performance

- Understand overall trends in the market

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Common Benchmarking Practices

- Set annual goals and objectives

- Define performance measurements in relation to business goals

- Set a baseline and measure apples to apples

- Communicate the standard you are trying to achieve with your managers, suppliers and partners

- Understand the difference between best practices and benchmarked data

- Perform internal benchmarks within your organization

Question:

Which metrics do you consider to be the most crucial benchmarks for a program?
   a. Market Rates Intelligence
   b. Efficiency Metrics (time to fill, etc)
   c. Quality Metrics
   d. Cost Metrics
   e. Other

Comparison

Best Practices	Benchmark Data
Improve time to fill - Identify business processes ripe for improvement	**Market rate data** - Paying the best rates
Improve candidate quality - SLAs vs. KPIs	**Preventing candidate loss** - Time to make a hiring decision
Supplier discounts - Volume and tenure discounts	**Retaining talent** - Attrition and turnover rates
Reduce approval times - Email and mobile approvals	

Common Benchmark Requests

- Speed
  - Cycle time efficiency
  - Time to fill positions
  - Typical onboarding time
  - Time to get the best candidate
- Cost
  - Market rates
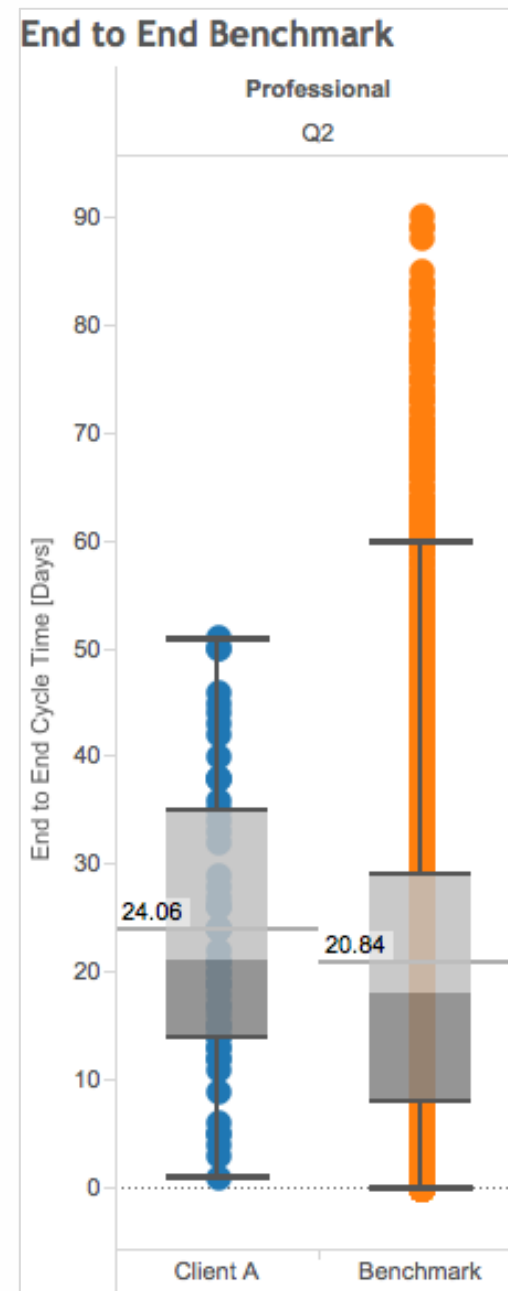- Quality
  - Turnover and attrition
  - Fill rates
  - Tenure

>80%
of all requests

Example of a Comparison

- For Client A, the average time to fill last quarter was 24 days

- The benchmarked average time to fill for the previous quarter was 20 days

- Therefore, Client A is underperforming against the benchmark

NOT QUITE …

While the average cycle time for Client A was higher, when looking at the entire data set, most of the client data resided within a reasonable range, as compared to the benchmark.

End to End Benchmark

Professional

Q2

24.06

20.84

End to End Cycle Time [Days]

Client A   Benchmark

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Measure more than one metric

The results of single metrics alone don't always tell a story.

Metrics need to be leveraged in conjunction with each other to get a fuller picture.
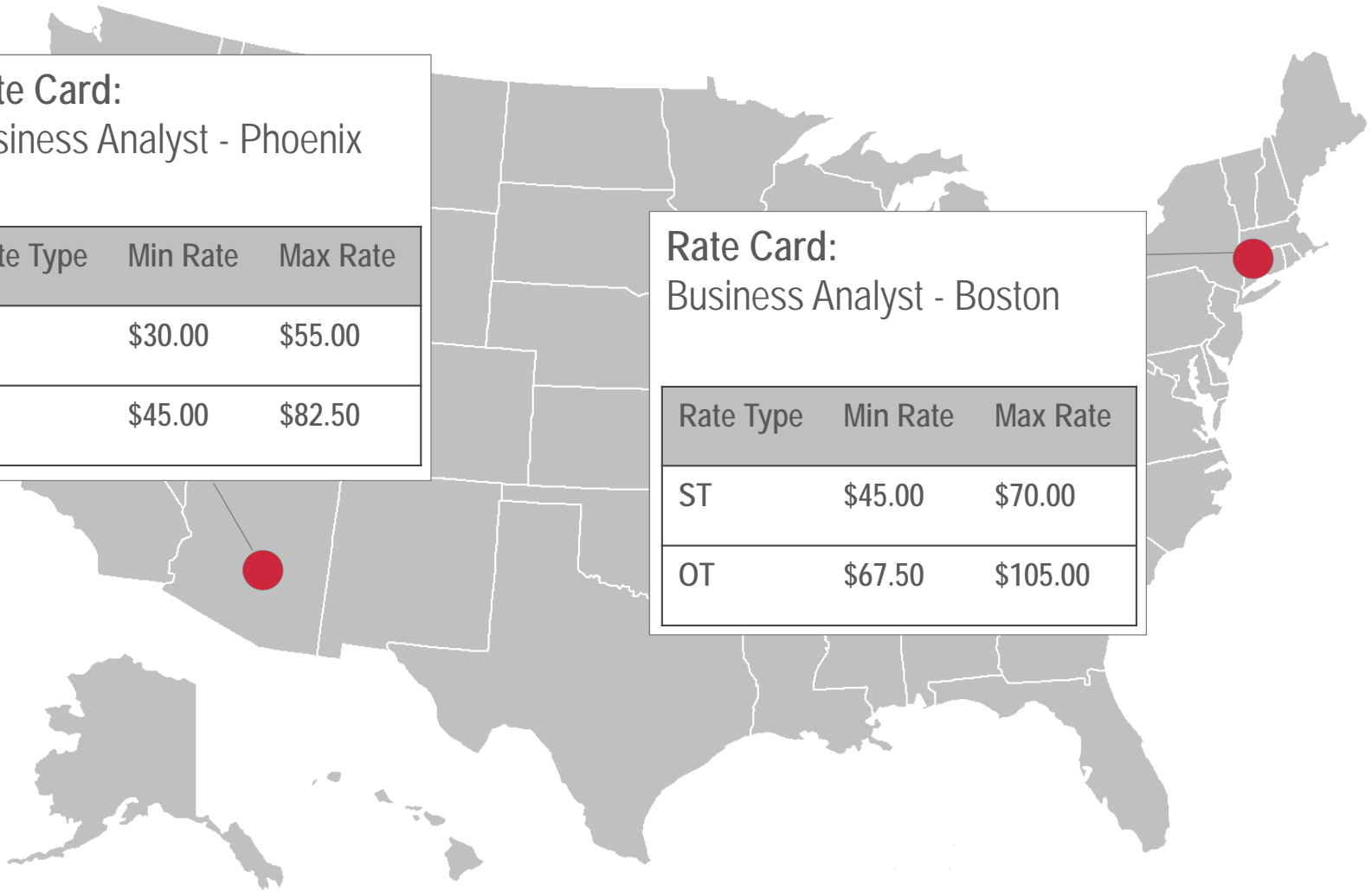
Rate Card:
Business Analyst

Rate Type	Min Rate	Max Rate
ST	$25.00	$100.00
OT	$37.50	$150.00

Rate Card:
Business Analyst - Phoenix

Rate Type	Min Rate	Max Rate
ST	$30.00	$55.00
OT	$45.00	$82.50

Rate Card:
Business Analyst - Boston

Rate Type	Min Rate	Max Rate
ST	$45.00	$70.00
OT	$67.50	$105.00

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Rate Card:
Business Analyst – Phoenix

Rate Type	Min Rate	Max Rate
ST	$30.00	$55.00
OT	$45.00	$82.50

Satisfaction: 60%
Fill Rate: 50%
Avg. Tenure: 90 days

Rate Card:
Business Analyst – Boston

Rate Type	Min Rate	Max Rate
ST	$45.00	$70.00
OT	$67.50	$105.00

Satisfaction: 80%
Fill Rate: 65%
Avg. Tenure: 60 days

Visualize Data

Supplier	Response %	Submissions	Short-listed Candidates	Interviews	Hires	Average # submissions per response	Average # of responses per Hire	Average # of submissions per Interview	Average # of submissions per Hire	Average # of Submissions per Shortlisted	Average # of shortlisted per Interview	Average # of interviews per Hire	Average # of shortlisted per Hire
Supplier A	91%	235	167	23	46	2.6	2.0	10.2	5.1	1.4	7.3	0.5	3.6
Supplier B	81%	229	140.5	14	18.83	3.2	6.7	19.2	19.8	1.6	11.9	1.1	12.1
Supplier C	78%	274	200	18	55	2.8	1.8	15.2	5.0	1.4	11.1	0.3	3.6
Supplier D	74%	269	191	21	22	3.1	5.4	13.8	16.0	1.4	9.3	1.3	11.3
Supplier E	78%	241	182	12	25	2.6	3.8	20.1	9.6	1.3	15.2	0.5	7.3
Supplier F	74%	290	217	14	20	3.0	5.1	20.7	14.5	1.3	15.5	0.7	10.9

Visualize Data

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Supplier Performance
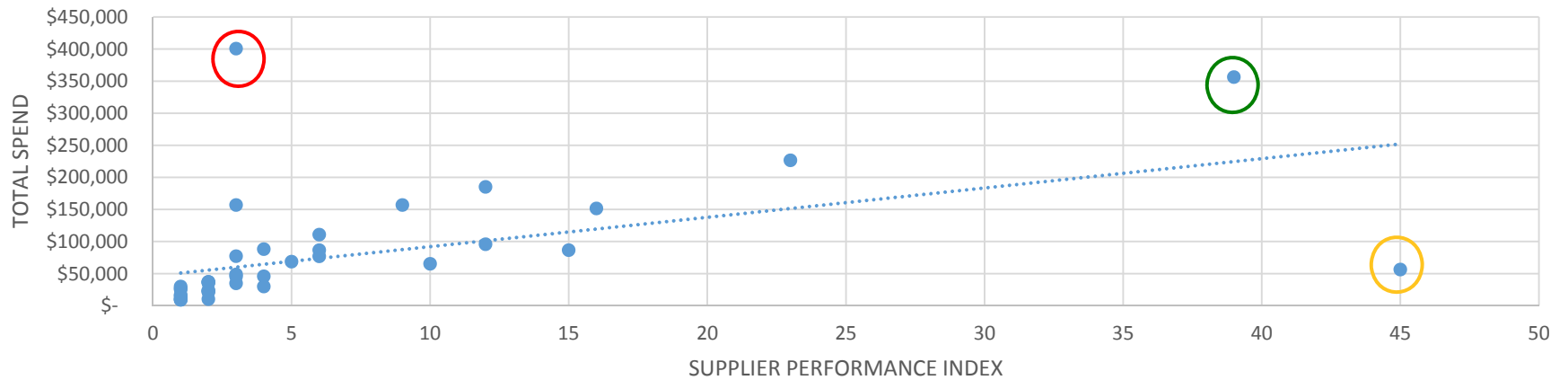
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65 MILLION

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Program Goals

- Attract the top talent in the market

- Ensure the program is set up for success

- Have the right mix of suppliers

Attract Top Talent

- Cycle time metrics

  - Time to fill – crucial to ensure that talent isn't lost

- Compare bill rates and margins against the skill sets being hired

  - Robust rate card in place across four markets

  - Leverage market rate intelligence from Fieldglass, MSP and other sources
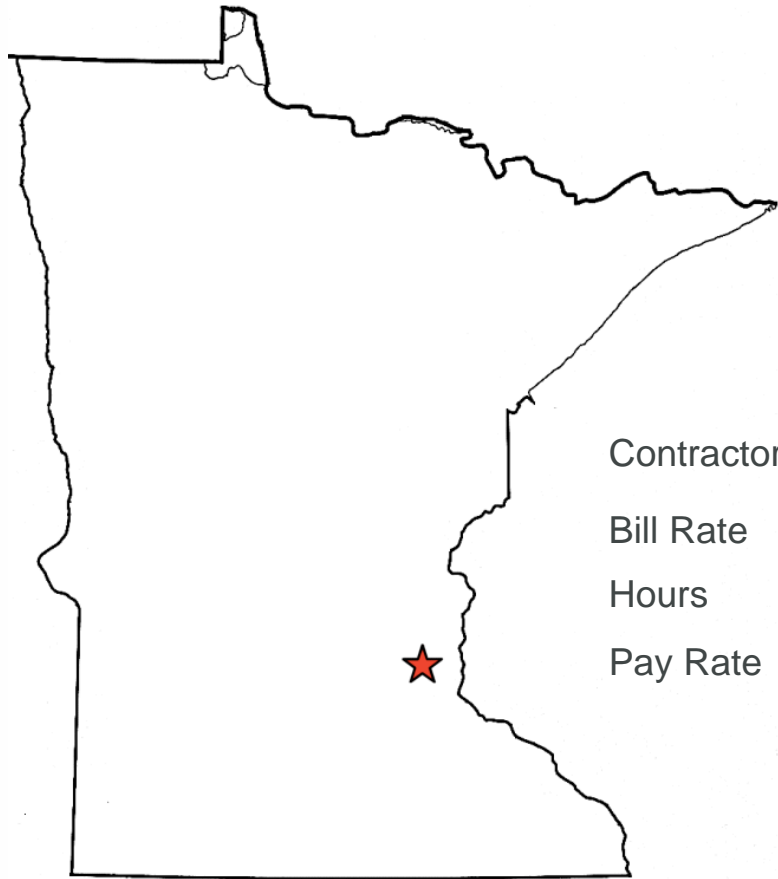
Contractor	A	B	C	D
Bill Rate	$90	$90	$90	$90
Hours	1000	1100	1350	1100
Pay Rate	$69.66	$72.37	$50.62	$71.56

Last Poll

- Does your program have a formal program scorecard or supplier scorecard in place?

    - No

    - Yes, but it's used for internal purposes only

    - Yes, and we share the results with our suppliers and partners

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Ensure the Program Is Set Up For Success

- Minimizing internal hurdles to ensure a more efficient process

    - Parallel workflow to ensure suppliers get requisitions while approvals are occurring

- User satisfaction and adoption

    - Measure how often managers source outside the program versus through it

Supplier Performance

- ## Supplier scorecard

  - Used to evaluate supplier performance across the program

  - Useful for looking at behavior for your internal PMO or MSP

- ## Key metrics

  - Response rates

  - Time to submit candidates

  - Submittal to hire ratios

  - Attrition

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THANK YOU!