



WEBINARS

**CONTINGENT WORKFORCE
STRATEGIES COUNCIL**



Risk is Growing in Contingent Workforce Programs:

Do you have a problem?

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April 25, 2024

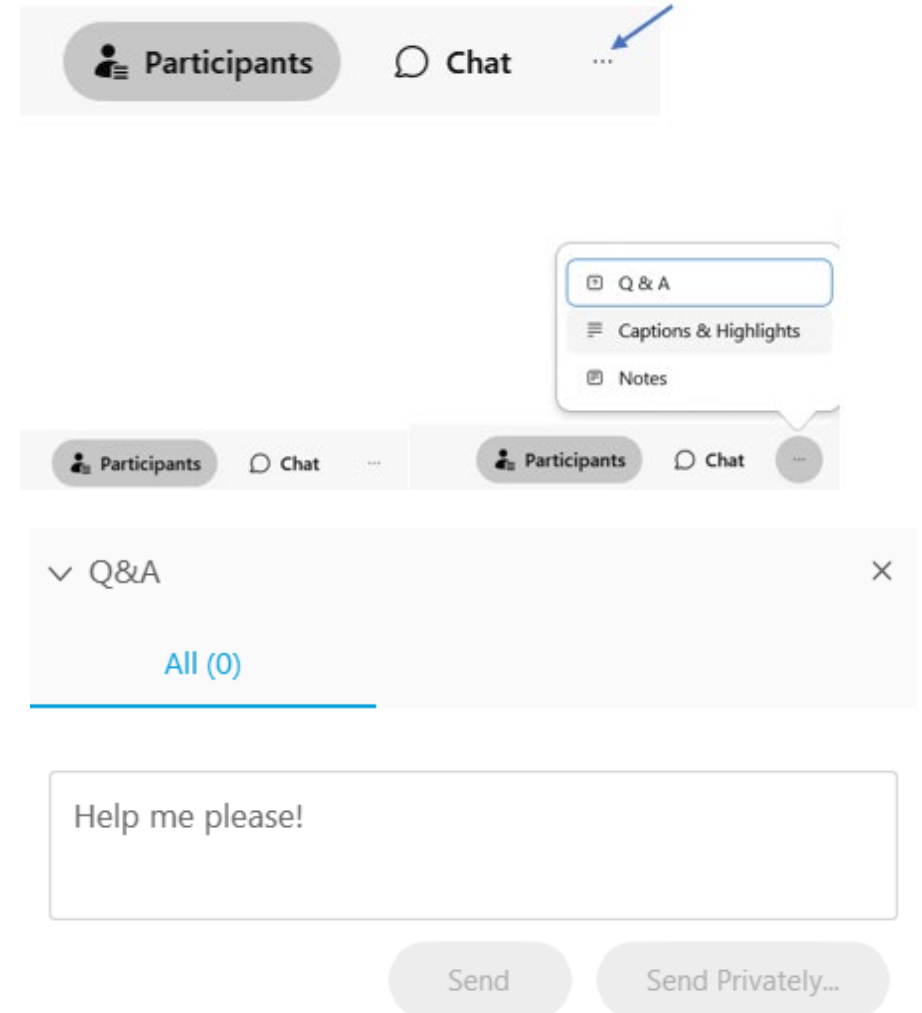
Logistics

Questions

- Questions may be submitted at any time.
- **Click on the 3 dots on the lower right to open the Q&A window.**
- Type your question into the small dialog box and click the Send Button.

Audio

- **Listen on your computer** through your speakers after you log into the event.
- **Want to change your audio?** Click **Audio** options, click **Switch audio**, and then choose the option that you want to use.
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CWS SUMMIT EUROPE

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CWS Council (partial list)



Today's speakers:



- **Fiona Coombe,**
Director, Legal &
Regulatory Research,
SIA



- **Brian McCourt,**
Senior Client
Relationship
Manager, Beeline



Moderator

- **Dawn McCartney,**
Senior Vice President,
Contingent Workforce
Strategies, SIA

Agenda

- Growth of risk in contingent workforce programs
- Consequences
- How to mitigate risk
- Where to look for support
- What you need to do now

Polling question #1

How aware are you of the types of risks associated with managing a Contingent Workforce program?

- A. Very aware. We know all the risks our program faces.
- B. Moderately aware. We have a pretty good understanding of the risks we must deal with.
- C. Somewhat aware. It would be good to learn more.
- D. Unaware. Risk is an area we need to study in more detail.

Lowell In-Home Care Company Faces Racketeering Lawsuit for Alleged **Workforce Misclassification**

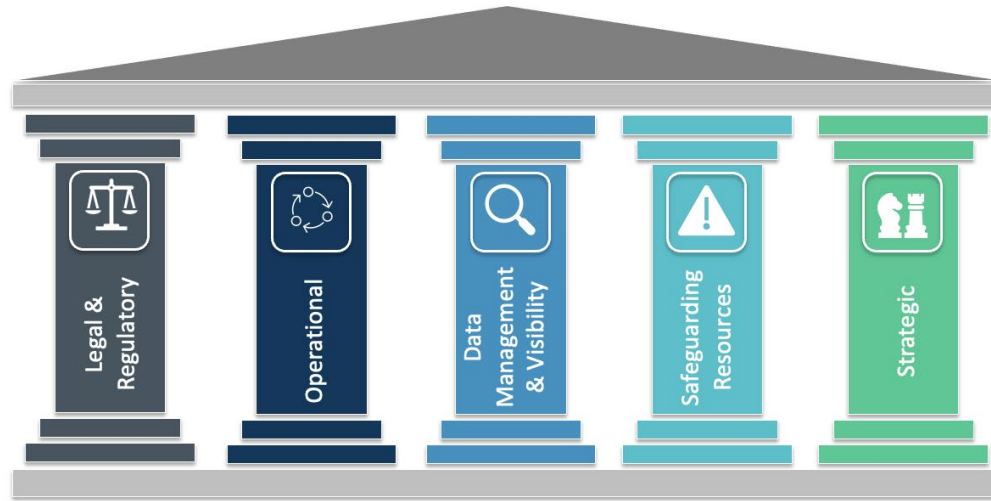
European Council Takes on **Misclassification of Platform Workers**

New Jersey AG Files First **Worker Misclassification** Lawsuit Under New Law

Employees Not 'Independent Contractors': Labor Department Cracks Down on Bosses' **Misclassification Abuse**

Sportswear Company Could be Fined Over \$530m for **Misclassifying Thousands of Workers**

Misclassification is not the only risk



- **Compliance/Legal:** Risk arising for non-compliance with applicable laws and regulations
- **Operational:** Risk associated with effective and efficient use of resources
- **Reporting:** Risk associated with reliability of program data or reporting and monitoring mechanisms
- **Safeguarding Resources:** Risk associated with protection of the organization's physical, intellectual & human capital
- **Strategic:** Risk associated with achievement of high-level goals; support of organizational mission

Consequences of failure to address risks

- Litigation and compensation
- Fines, back-payments and penalties
- Brand reputation
- Adverse response from stakeholders
 - e.g. customers, staff, investors
- Loss of competitive advantage
- Business disruption

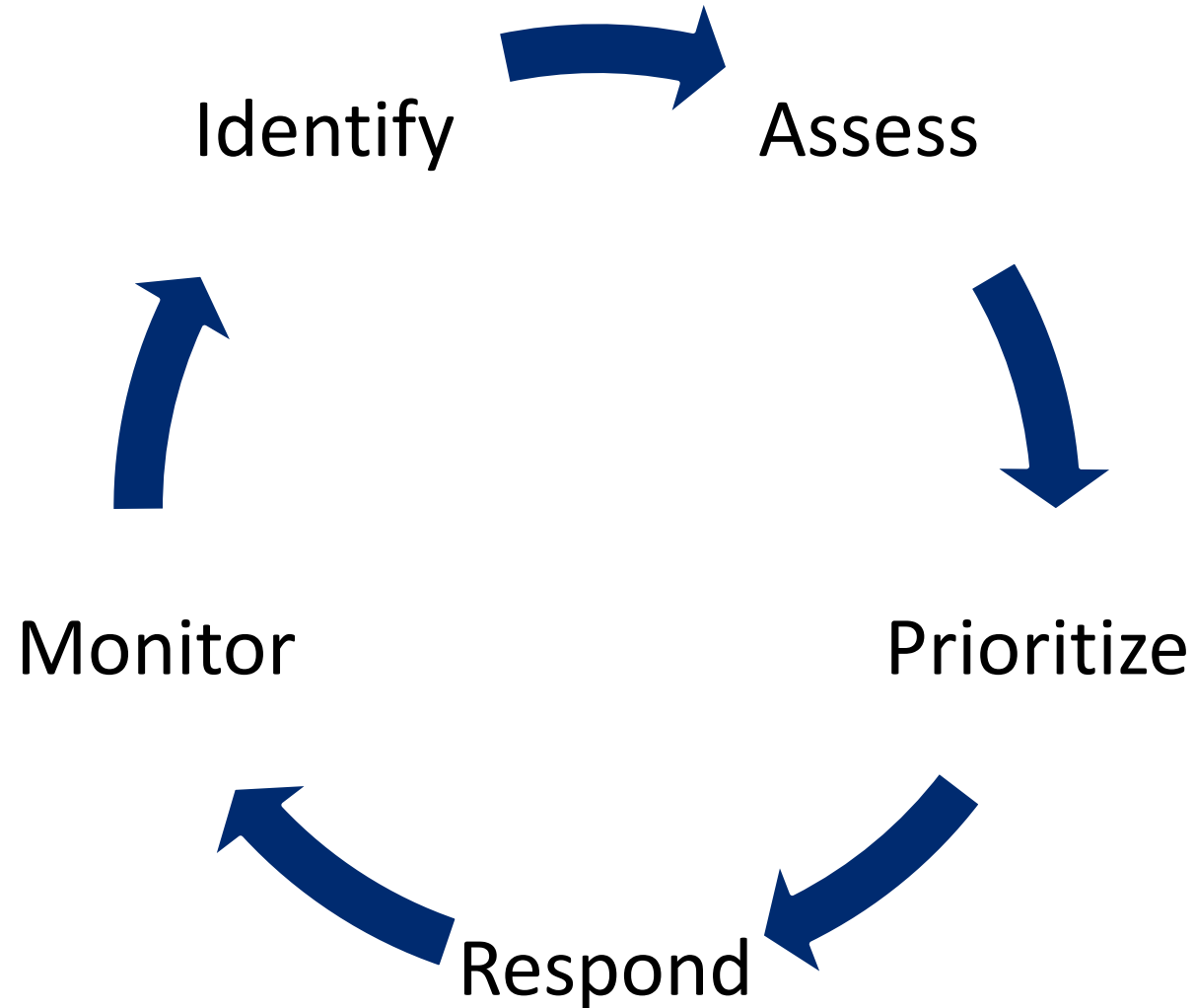


Polling question #2

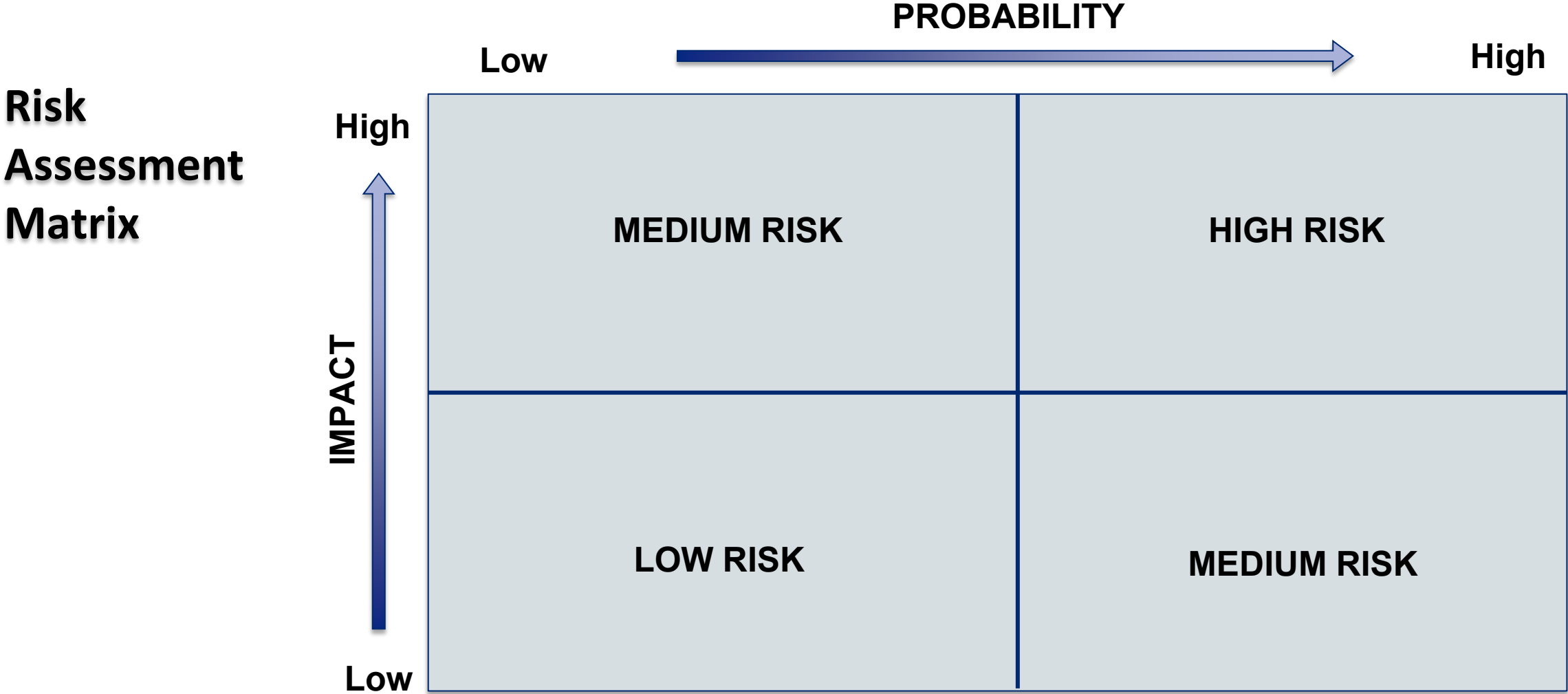
What are you doing to mitigate your program risks?

- A. Complete visibility of all categories of external labor – temp staff, independent contractors, consultants, outsourced service providers
- B. Strict compliance procedures backed by internal audits
- C. Formal training on workforce misclassification, financial management, security, and other potential risks.
- D. Monitor changes to labor laws & regulations
- E. All of the above

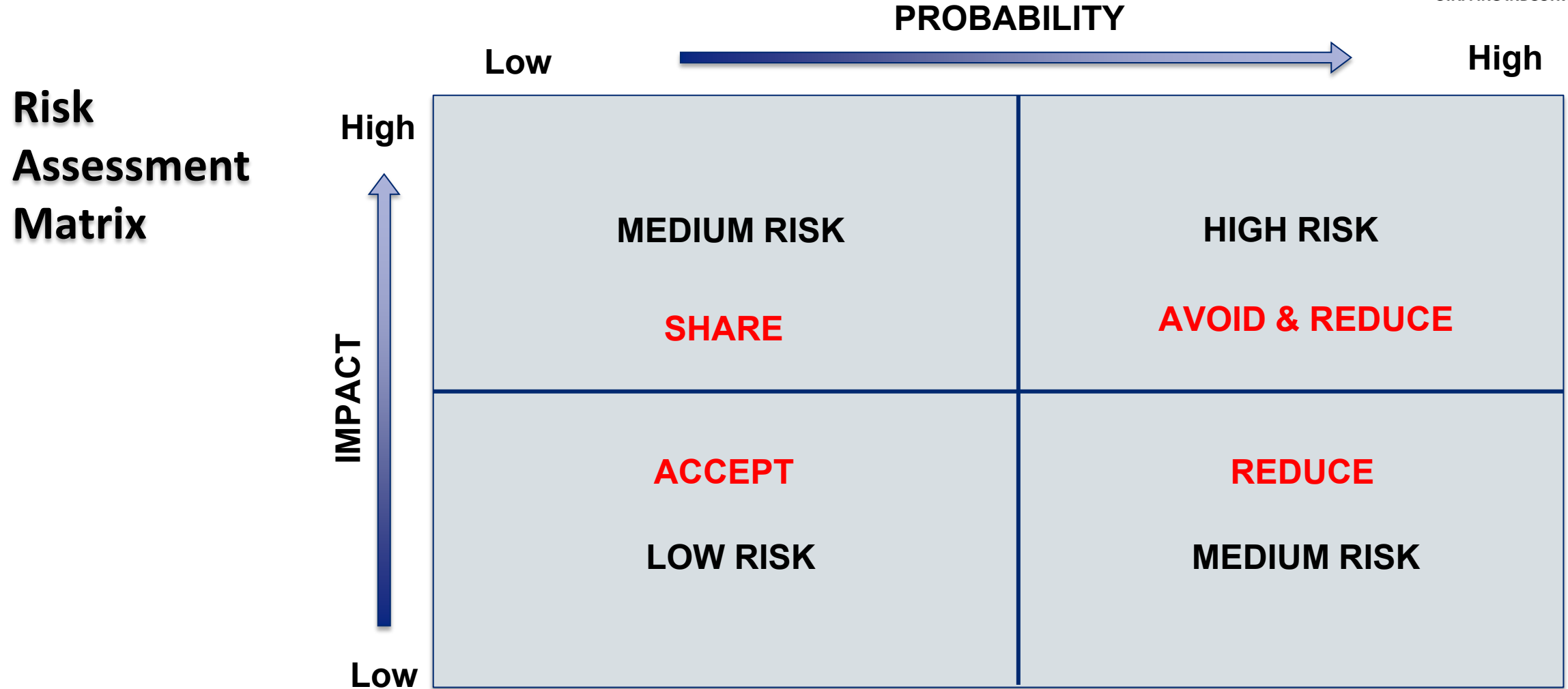
Risk Management Lifecycle



Risk management: Assess the risk



Risk management: Mitigate the risk



Mitigating risk

- **Acceptance** – an active decision to do nothing, accept as the cost of doing business
- **Avoidance** – take action to avoid the risk or stop doing something
- **Reduction/Mitigation** – take action to reduce the probability of the risk occurring and its impact if it does
- **Sharing/Transferring** – share or offload the risk to a third party

If you are like most companies...

you have a problem.



Where to start

- **Clearly define categories of extended workers and distinctions between employees and non-employees**
- **Establish processes and procedures to bolster financial management, protect company resources, and correctly classify external workers**
- **Train and educate program staff and hiring managers**
- **Invest in technology to automate processes for efficiency, accuracy, and consistency**

We can tell you stories

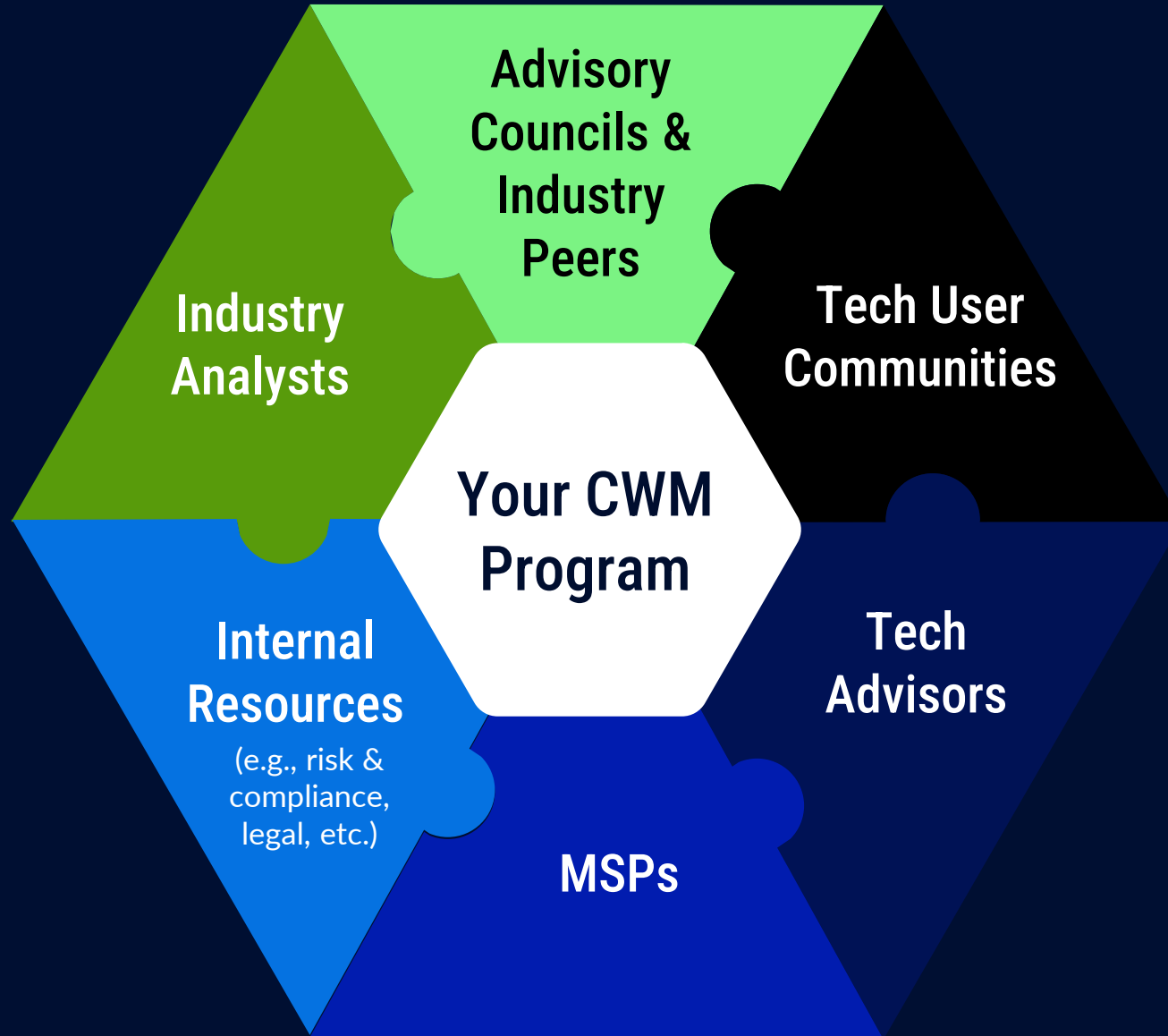
Biotech company tracked **only 15%** of its contingent workforce. Then came COVID....

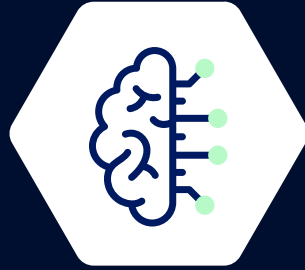
Managers use SOWs to circumvent staff augmentation policies....

Managing T&M workers or ICs in violation of “ABC test” and other standards....

and more....

Where to find help & support





What you need to know NOW

- Ensure you have full visibility of your contingent workforce
- Ensure your program complies with all laws, regulations, and company policies
- Create specific processes and procedures to identify and mitigate risks
- Wherever possible, automate risk notification processes and mitigation workflows
- Establish and maintain a record of compliance and risk mitigation actions taken in case of audit, inspection, or review

Time for your questions...




Thank you for your sponsorship...




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For more information

FACT SHEET

 beeline®
Acuity



The first compliance and analytics engine designed to uncover vital workforce statistics, diminish risks, and drive workforce strategies.

Most companies have an incomplete picture of their extended, non-employee workforce, which can result in:

- An inaccurate view of their total workforce (employees and non-employees)
- Missing essential data about external workers and third-party suppliers
- Paying higher rates for workers miscategorized on statements of work (SOWs)
- Failing compliance audits due to misclassified contractors or missing data
- Managers bypassing controls for engaging external workers and outsourced service providers
- Depending heavily on human intervention to monitor compliance with constantly evolving legal and regulatory requirements regarding the external workforce
- No centralized source of truth for total workforce statistics, compliance traceability, and insights to facilitate strategic workforce planning
- Lack of relevant data to build alignment and collaboration between siloed business functions such as procurement, risk, finance, and HR

What you can't see creates significant risk

What cannot be seen carries significant financial, operational, regulatory, and reputational risk. Today, nearly 50% of the extended workforce (non-employee) is not in a single system of record like a vendor management system (VMS). This means for most companies, the value of extended workforce visibility and compliance has yet to be fully actualized – much less total workforce visibility and compliance.

What you can see can be optimized with the right visibility and data resources.

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Download a complimentary
copy of our Beeline Acuity
fact sheet today at
<https://bit.ly/3u110HB>

TOP RESEARCH OF 2023



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- [Global Pay Transparency Laws](#)
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- [MSP Global Landscape 2023](#)
- [RPO Global Landscape 2023](#)
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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.

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