

Case Study: Contingent Workforce Management Cost Savings

Client Objective:

A large Bartech Workforce Management (BWM) client was experiencing significant cost pressures from its customers as a direct result of declining volume. Our client's Supply Chain and Human Resources departments were given a directive to either reduce contingent employee headcount or find other means to achieve cost savings objectives.

Approach:

- BWM worked with the client to proactively and strategically manage the contingent workforce in an effort to meet the objective of cost savings while preserving talent and experience in the contingent population and headcount. BWM counseled the client regarding the implications of talent loss and worked with the client to achieve its cost savings objectives.
- We employed tactics to achieve optimal worker classification, a significant source of cost savings.
- BWM assessed the rates of a representative group of contingent workers, analyzing and identifying the sources of unacceptable deviations. These deviations were the result of managers selecting candidates above the requested skill set and established market rates.
- BWM applied its rate management methodology which employs a proprietary bill rate calculator – Accu-Rate® - as part of a competitive bid process. This calculator captures the costs of wages, employment, and supplier overhead, providing full visibility into the bill rate. Accu-Rate® also applies a benchmarked and acceptable multiplier for selling, general, and administrative expenses and profit.
- After a comprehensive study of all bill rates, BWM developed a plan to reclassify workers and make appropriate rate adjustments based on the market. The team recommended worker reclassification and rate adjustments necessary to achieve the client's desired costs savings objectives.
- The client performed a comprehensive review of the analyses and recommendations and approved execution.

Results:

- Achieved optimal worker classification.
- Realized 3% reduction in consolidated contingent staffing spend.
- Retained 100% of contingent workforce during spend reduction while maintaining a consistent level of productivity.
- Implemented contingent worker rates that consistently reflect market rates.
- Accu-Rate® continues to be applied on an on-going basis drive additional savings.