

# Driving Cost Savings in an Established Contractor Payrolling Program

## Industry: Oil & Gas

Our client is one of the seven global oil and gas "supermajors" operating throughout Europe, North and South America, Australia, Asia and Africa. It produces 3.7 million barrels of oil equivalent per day in 78 countries through the efforts of 73,000 workers.

### The Challenge at a Glance



After a prolonged depression in the price of oil, our client was looking to find opportunities to drive savings in its contingent workforce program in support of an organizational push to reduce its operating costs.



Our client evaluated every part of its supply chain, conducting a formal review of all the individual services that comprised its contingent workforce program. The client conducted formal RFPs to determine whether it was possible to reduce costs yet maintain service levels.



During consideration of the payrolling service, the client was presented with a number of proposals that showed potential cost savings, however, many of them failed to address the client's implementation and ongoing operational concerns.

### Quick Facts

The client was seeking cost savings in its Contractor Payroll Program without causing any compromise to existing service levels. The client selected Procom's rate negotiation service for this project and transitioned their workforce to our program.

#### Working with Procom, the client was able to:



Achieve 7% average savings on bill rate.



Enjoy a 'noise-free' transition.



Establish a standard of rate negotiation for all contract hires moving forward.



Preserve critical knowledge and skills within its contingent workforce resources.

### The Bottom Line

Our client's incumbent supplier was performing at a satisfactory level and there was a reluctance to adopt a new provider for fear of the organization's resistance to change, the potential noise caused by a transition and the ability of a new supplier to deliver on its promise.

# The Solution

After careful consideration, the client chose Procom to implement our Contractor Payroll Program and Subvendor Management Program with the added benefit of contractor rate negotiation services.



**Introduced rate negotiation**



**7% average savings on bill rate**



**Noise free transition**

## Collaboration with the MSP

Throughout the transition, the continuity of the contractor experience was considered to be a top priority. As such, Procom worked with the client's MSP to ensure that all work orders were seamlessly transitioned within the VMS to remove any interruptions to time reporting and contractor payment.

## Reduced Fee Compared to the Previous Supplier

Procom also provided the client with a transparent approach to W2 burdens, which helped to recognize an immediate fee savings when compared to its outgoing supplier.

## Noise Free Transition

Recognizing our client's concerns surrounding the transition and the potential for unwanted noise, Procom developed a customized transition plan with a focus on personal communication with all of the affected parties to ensure they were successfully guided through the process.

## Introduced a Rate Negotiation Process

The introduction to our contractor rate negotiation service was one of the most significant components of the new program – a service proven to have saved our clients on costs in every program it's been adopted into.

## Key Improvements

Procom was selected through a competitive RFP process to provide our industry-leading Contractor Payroll Program service with a rate negotiation feature to help drive savings and support of our client's goals.



After a seven-week transition period, Procom successfully migrated over 200 contractors from the client's previous supplier to our program, with zero attrition and negligible noise for our key stakeholders.



For all new hires after the transition, Procom negotiated rates with the resources to ensure that our client was not overpaying.



In the first three years, Procom has successfully negotiated with 43% of the payrolled workers, resulting in an average savings of 7% of the average bill rate.

## About Procom

Procom is one of North America's leading staffing and contingent workforce management providers. Our business succeeds because we are reliable, our clients trust us, and we work hard to earn that trust by providing key insights and a commitment to transparency.