

Improving Contingent Worker Program Integrity while Reducing Costs

Industry: Telecommunications





Our client is a publicly traded, global telecom and data networking equipment manufacturer. It was one of North America's first established technology companies, producing large volumes of equipment for the telecommunications industry. At their peak, they were the ninth most valuable corporation in the world and employing over 94,000 people.

The Challenge at a Glance

Our client was using multiple processes and workflows to manage more than 10,000 contractors through hundreds of suppliers:

-  They had visibility into less than 10% of their actual spend.
-  They had no clear understanding of the risks.
-  They had a lack of centralized processes for procuring these services.
-  Restricted reporting for SOW spend.
-  Limited consistent competition among vendors.
-  No formal rate management strategy.
-  Intensive manual processes, absence of a single system for tracking external services labour.

Quick Facts

-  Achieved a 15% savings on addressable spend.
-  Configured the VMS to accommodate both work streams.
-  Provided visibility across both the contingent workforce and Statement of Work.
-  Introduced a SOW audit function to the organization.

The Bottom Line

Our client needed a model with proven efficiencies in order to categorize staff augmentation spend, identify opportunities for cost savings and cost avoidance, as well as to capture rogue spend through statement of work (SOW) sourcing optimization.

The Solution

To reach these goals, Procom implemented a full-service Managed Service Provider (MSP) as well as a Vendor Management System (VMS) solution. By doing so, Procom addressed gaps in SOW visibility, uncontrolled spending, governance, contractor management security, as well as in supplier engagement.

After the initial full-service MSP support model implementation, the framework for SOW optimization, review processes, and policy governance were established.

Procom managed all the client's external labor force through a tailored and effective SOW module and developed strategies tailored specifically to increase SOW spend visibility and SOW sourcing optimization processes, driving down costs significantly.

In addition, Procom provided the client with a customized service to support the ongoing and adopted business operations of the program.

Cost Savings and Rate Card Management

By leveraging our contractor rate negotiation services, our client gained insights into competitive pricing information with visibility into rate cards to negotiate a better price with selected vendors. This helped to achieve double-digit cost savings.

Effective Procurement Capabilities and Transitional Guidance

Guidance was provided on transitioning Time & Materials SOWs to staff augmentation by realizing SOW and contingent talent cost savings and ROI. Furthermore, effective procurement capabilities and guidance was provided for business owners who transitioned SOWs to staff augmentation.

Enhanced Cataloguing

Our solution provided increased prospects for master service agreements, deliverables, and rate card analytics by redirecting SOW-based agreements into proper contingent categories.

Key Improvements

Through our SOW service, we were able to establish a single, centralized platform to manage all of the client's SOW engagements in conjunction with its contingent workforce.



Provided the visibility required to drive results with easier identification of potential cost savings.



Improved the management and control of SOW talent procurement processes.



Reduced risk by providing a full line of sight to all non-employees to ensure they are tied to active Master Service Agreement and SOWs.



Provided proper categorization of external labour spend.



Increased workforce visibility and compliance to processes.



Achieved more competitive supplier rates.



Generated 15% on addressable spend.

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.