

# Regaining Control over Contingent Workforce Costs and Compliance with Subvendor Management.

## Industry: Banking and Financial Services

Our client is a broker that offers an electronic trading platform for the trade of financial assets including common stocks, preferred stocks, futures contracts, exchange-traded funds, forex, options, cryptocurrency, mutual funds, fixed income investments, margin lending and cash management services. Founded in 1975, our client has over 8,000 employees in more than 250 locations around the world.

### The Challenge at a Glance

Our client was operating a decentralized supply chain that lacked the standardized terms and conditions required to ensure contingent workforce program compliance. The client also had limited visibility into expensive supplier costs and wanted to consolidate their contingent resources.



Our client lacked proper worker classification controls and the appropriate steps required to minimize exposure to contingent worker risk with pre-identified W2 contractors.



Lacking any formal Subvendor Management, our client wanted to consolidate both their pre-identified W2 contractors and non-preferred vendor resources under one Master Services Agreement (MSA) and provide an enterprise view of its contingent workforce spending patterns.



Our client was concerned over any disruption that would result from the transition of 150 pre-identified W2 contractors and non-preferred vendor resources into a new payroll program. They also had concerns over incurring any additional program costs.

### Quick Facts



Established a formal process for 150 pre-identified W2 contractors and non-preferred vendor resources to ensure compliance through proper classification.



Achieved 7% savings on addressable spend within first month.



Transitioned all 150 non-employee workers into new Contractor Payroll Program with zero loss of financial or intellectual property.



Provided visibility across the entire contingent workforce program.



Negotiated rates with pre-identified W2 contractors and non-preferred vendors to rate card.



Our client's Managed Service Provider (MSP) used the partnership with Procom and our client as one of their accomplishments 'proof point.'

### The Bottom Line

Our client had no confidence that proper worker classification controls were in place with their pre-identified W2 contractors and non-preferred vendor resources and feared their vulnerability to risk. Our client also lacked a formal Subvendor Management Program and was overspending on vendor costs.

# The Solution

Our client implemented Procom's Contractor Payroll Program to mitigate its Independent Contractor risk and leveraged our Subvendor Management capabilities to consolidate, streamline and standardize their vendor relationships.

## Enforced Contingent Workforce Compliance Controls

Our Contractor Payroll Program reduced risk and achieved 100% compliance for our client by providing a full line of sight to all non-employees. The program provided proper categorization of external labor spend and increased workforce visibility and compliance to processes.

## Reduced Fee Compared to Previous Supplier

Procom also provided the client with a transparent approach to W2 burdens, which helped to recognize an immediate fee savings of 7% when compared to its outgoing supplier.

## Competitive Pricing

Our client leveraged our industry expertise to gain competitive pricing information with visibility into rate cards to negotiate a better price with selected vendors.

## Noise-Free Transition

The client's current supplier was resistant to full cooperation during the transition, and the cost of turnover for the client was also recognized as a large risk, both from a financial perspective but also from an intellectual property viewpoint. However, within one month's time, Procom successfully transitioned all 150 pre-identified W2 contractors and non-preferred vendor resources with zero disruption.

# Key Improvements

Through Procom's Contractor Payroll and Subvendor Management Program, we were able to establish a centralized platform to address all our client's compliance and process concerns, while achieving immediate cost savings within the first month of implementing our services.

- Procom successfully migrated all non-employee workers from outgoing supplier to the new program with zero attrition and negligible noise for our key stakeholders.
- Provided proper classification of external labor to ensure 100% compliance.
- Increased workforce visibility across the entire contingent workforce program.
- Achieved more competitive supplier rates.
- Generated 7% on addressable spend within first month.

## 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.