Vendor Consolidation and Cost Savings with Procom's Contractor Payroll Program

Industry: Professional Services

Our client is a multinational professional services firm with headquarters in London, United Kingdom. It ranks as the second largest professional services firm in the world and is one of the "Big Four" global providers in this sector. With $41.3 billion in revenue in 2018, our client employs over 276,000 workers in 158 countries.

The Challenge at a Glance

After years of growth and reliance on its contingent workforce, the client's contingent workforce management practices were not able to sufficiently protect the organization from risk and optimize costs and processes.

- Their hiring was performed by hiring managers whose focus was predominantly the quality of the resource and not necessarily ensuring that compliance and cost savings were given the proper prioritization.
- The client's internal contingent program office (PMO) was not involved in the hiring process and had no visibility into activity until after a hiring decision was made.
- Hiring managers were reluctant to adopt a different strategy because of concerns that a change in process would cause business disruption and impact their ability to deliver client engagements.

Quick Facts

- Onboarded 500 pre-identified contractors in the first nine months.
- Generated $1.5 million in savings in the first year.
- Averaging $1 million in savings each following year.

The Bottom Line

Our client required a strategy that would continue to enable the hiring of top talent while at the same time, provide visibility into enterprise hiring practices, improve its talent acquisition process and deploy strategies to mitigate contingent worker risk.

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The Solution

Procom recommended the implementation of our Vendor Management System (VMS) and our industry leading Contractor Payroll Program to provide the client the visibility into its hiring activities and the processes and expertise required to ensure that visibility, cost savings and compliance were given the proper focus and attention.

Introduced a Rate Management and Negotiation Process

A client audit discovered that vendors were charging inconsistent rates for similar resources without providing any transparency into markups. Our market insights and access to national hiring data helped our client develope a market rate card that could be used to guide hiring efforts and negotiate with vendors to add cost integrity to their sourcing program.

Streamlined and Standardized Contractor Engagements

The cost of turnover for the client was deemed to be a large risk, both from a financial perspective but also from an intellectual property viewpoint. Procom's target was to convert 100% of the client's contingent workforce to our program within 6 months of launch, with a focus on retaining the workforce.

Noise Free Transition

To minimize any concerns from key stakeholders in the client, we created a customized transition plan with a focus on personal communication with all parties involved in the process, ensuring they were successfully guided through each step.

Extended Rate Negotiation to Pre-Identified Contractors

A rate card for payrolled contractors was created to support the efforts of the Procom team for their negotiation efforts and to ensure that the rates being paid were aligned to the market. The introduction to our contractor rate negotiation service was one of the most significant components of the new program.

Documented Compliance

Procom introduced proper worker classification governance to mitigate any co-employment risk, confirmed the correct business status for all engaged Independent Contractors and used appropriate burden costs to minimize compliance and other employment

Key Improvements

Procom's Contractor Payroll Program and Vendor Management System successfully streamlined our client's business and hiring processes within nine months of launching, providing the client with a supply chain while reducing their exposure to co-employment and misclassification risk.

Within the first nine months of launch, we successfully onboarded 500 net new and existing contingent workers. Through our VMS implementation, our client was also able to uncover and manage over 150 additional contingent workers in their program.

Procom's Contractor Payroll Program and VMS saved our client $1.5 million within the first year of launch, and currently generates cost savings of approximately $1 million on an annual basis.

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.

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