# How to Launch a Thriving Direct Sourcing Program

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SIG Global Executive Summit

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# How to Launch a Thriving Direct Sourcing Program

*SIG Summit, March 2018*

# Linda Mann, MBO Partners

*SVP, Direct and Connect Business Units*

Linda Mann joined MBO in 2017 and leads MBO's direct-to-independent sales program and MBO Connect® business units.

Prior to MBO, Mann spent seven years as a director at PricewaterhouseCoopers (PwC), responsible for leading several enterprise-wide initiatives. She oversaw the design, development, and launch of the PwC Talent Exchange, a marketplace connecting top independent talent with work opportunities at PwC. Before PwC, Mann spent 15 years as a management consultant.

# About MBO Partners

MBO Partners makes it safer and easier for independent professionals and their clients to do business together.

### Independents want:

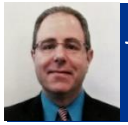
Opportunities. Control. Value.

### Enterprises want:

Compliance. Efficiency. Talent Access.

## MBO Partners delivers.

# John Henkel, KPMG



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- Risk Consulting
- Management Consulting
- Deal Advisory
- Strategy
- Federal Advisory
- Self Sourcing

As National Director of Experienced Hire Recruitment for KPMG's US Advisory Practice, since 2010 John has been responsible for executing against the firm's aggressive growth priorities and strategic business needs through talent sourcing and acquisition. Additionally, John is a leader on KPMG's Acquisition team with experience in over 15 domestic and international acquisitions.

He brings experience in the following areas of recruitment to KPMG's Human Capital organization: strategy, operations, diversity, contingent self-sourcing, domestic & international RPO, ATS & contingent system implementation, financials, marketing and social media. John's recruitment leadership in professional services/consulting is diverse with depth across the following disciplines and industries:

- Technology
- Operations
- Risk
- Cybersecurity
- Strategy
- Transactions
- Data Analytics
- Intelligent Automation
- Digital
- Financial Services
- Insurance
- Healthcare
- Consumer Products
- Automotive
- Government
- Entertainment
- Energy
- Telecommunications

In 2008, John rejoined KPMG as the Director of Experienced Hire Recruitment for the US Tax and Audit practices.

Previous experience includes leading Executive Recruitment at a Fortune 200 bank as well as a recruitment leadership role with a KPMG funded technology start-up. Earlier in his career includes a stint as a recruiter supporting KPMG's Financial Services Consulting practice. John's initial role after graduation was as a recruiter/HR manager with a global entertainment company.

# About KPMG

KPMG operates in **152 countries on six continents**, and is one of the few firms in the world that can envision and implement integrated, large-scale global business transformations. KPMG is **responsible for seven of the 10 largest multifunction transformations in the world.**

KPMG helps align business strategy, enhance service delivery, improve technology, and use data and analytics proactively to help organizations run better.

Combining wide-ranging skills across industries and functions with deep knowledge and experience in risk management and regulatory, tax and M&A issues, KPMG helps clients seize and sustain competitive advantage.

| Tax | Audit | Advisory |
|---|---|---|

| | Around the world | In the United States |
|---|---|---|
| Partners | 10,100 | 2,100 |
| Offices | 700 | 100 |
| Professionals | 200,000 | 35,000 |
| Operational | 154 countries | 50 states |
| Revenue | $26.4 B | $9.0 B |

KPMG International (KPMG) is a global network of professional firms providing audit, tax, and advisory services

Around the world

152 Countries

700+ Offices

MBO partners

# The War for Talent is Escalating

**As high-quality talent moves increasingly to working independently, a program to effectively engage with them is critical to a firm's overall talent strategy.**

Access to highest-quality independent talent requires being a Client of Choice

- That means:
  - Recognizing independent talent's value
  - Providing independent-friendly policies and procedures
  - Offering opportunities for new engagements
  - Being a great communicator

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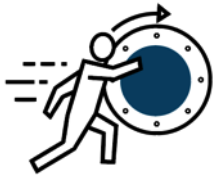
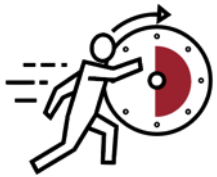
# The New Reality

## The Changing American Workforce

- Today, there are nearly **41 million** independents
- The independent workforce is expanding **5x faster** than general employment
- By 2022, **over 50% of the US workforce** will have done some kind of independent work



16.2 million
Full Time Independents



11.8 million
Part Time Independents

12.9 million
Occasional Independents

*Source: MBO Partners State of Independence 2017*

# The New Reality

## The Changing American Workforce

In 2017, 74% of Full Time Independents reported they were **very satisfied,** the **highest level** in seven years of the survey and up sharply from 65% in 2016

20% of independents used an **online marketplace** to find a project, up from 3% in 2012

19.8% of Full Time Independents earn **more than $100,000**, up from 13.1% in 2012

# Effective Use of Independent Talent Drives Many Economic Benefits

Decrease cost of talent

- Hire fewer FTEs, decreasing overhead costs
- Hire FTEs for strategic roles rather than occasional, ad hoc, commodity, or needs

Avoid high-priced staffing markups

- Get the best rate for an open need by filing it with the right sized and priced independent resource, vs. a potentially overqualified available FTE

# KPMG's Rationale for Self Sourcing

## Advisory's approach to the contingent workforce

**Purpose – What is Advisory trying to accomplish?**

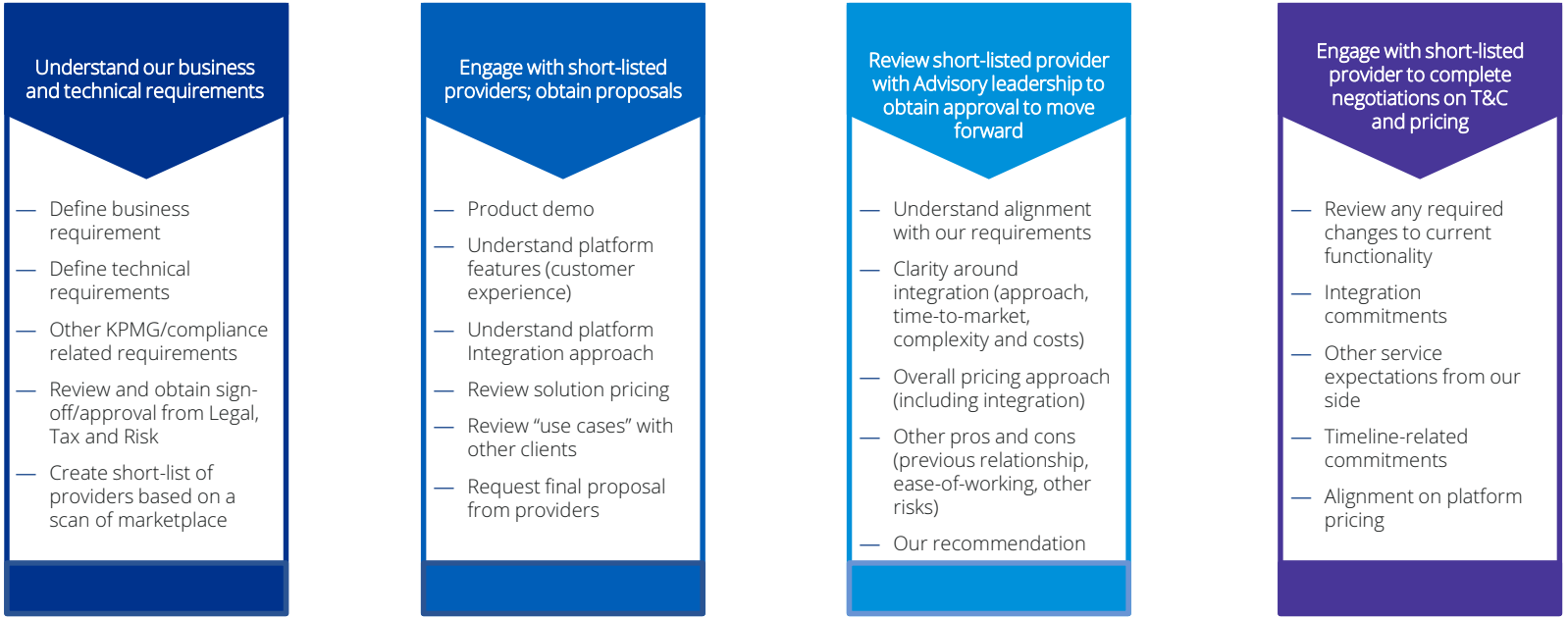
Create contingent workforce management framework – strategic approach to the contingent workforce

- Increase variability of Advisory's workforce structure - reduce overall workforce costs
- Better respond to client peak demands
- Maintain KPMG's brand in the marketplace
- Increase Advisory's ability to leverage the "Gig Economy"

## Rationale for enhancing our current contractor/CLO model

- Further cost savings as a result of disintermediation
- Our ability to access quality talent directly
- Ability to grow a known, experienced, loyal pool of talent consisting of alumni, referrals, and others who may have worked with us on past projects
- Tap into growing "freelance" economy - growing marketplace of resources who prefer contracting
- Competition is deploying similar models
- Self sourcing offers enhanced speed and agility to meet the needs of engagement teams

# KPMG's Approach to Selecting a Self Sourcing Solution



# PwC – Talent Exchange

## Why?

- Leadership recognized the changes happening in the workforce and the need to have an effective way to engage, both in terms of experience and cost

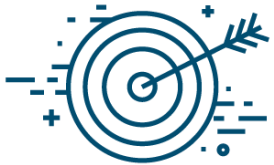
## Approach to the platform(s)

- Created custom platform
  - Marketplace where the talent and open needs are visible
  - Ability to search, sort, filter and align talent to an open need (e.g., extend an offer)
  - Workflow to onboard talent
  - Workflow to capture and approve time and expenses
- Purchased tool to handle the parsing, searching and matching

# Keys to Success

# The RIGHT Leadership Support and Sponsorship is Key

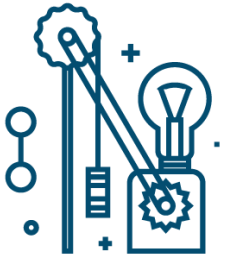
Ensure leaders with influence step up and show support



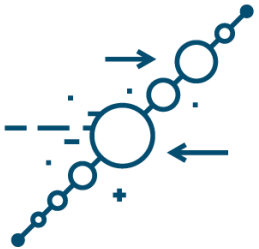
Set specific targets with meaningful incentives

Ensure everyone has visibility into progress towards targets

# Make It Easy for Your Managers

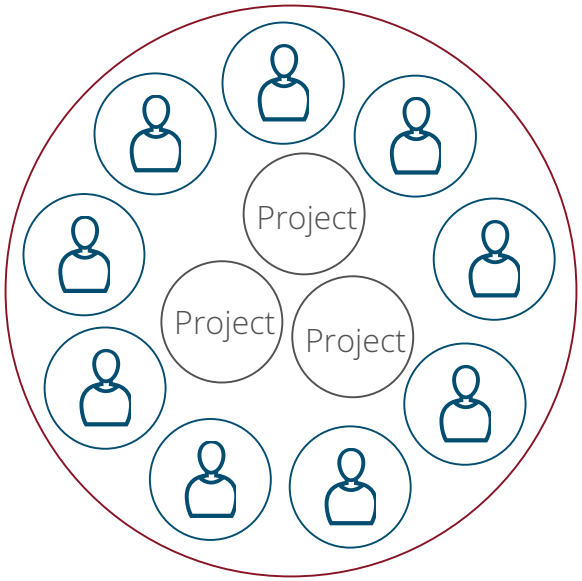


Don’t make managers navigate multiple systems, processes, groups, etc. to meet their talent needs



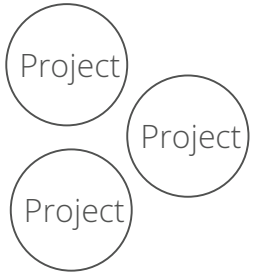
Ensure reporting identifies bottlenecks and holes in the process that inhibit adoption and then remove these hurdles

# Which Came First, the Chicken or the Egg?



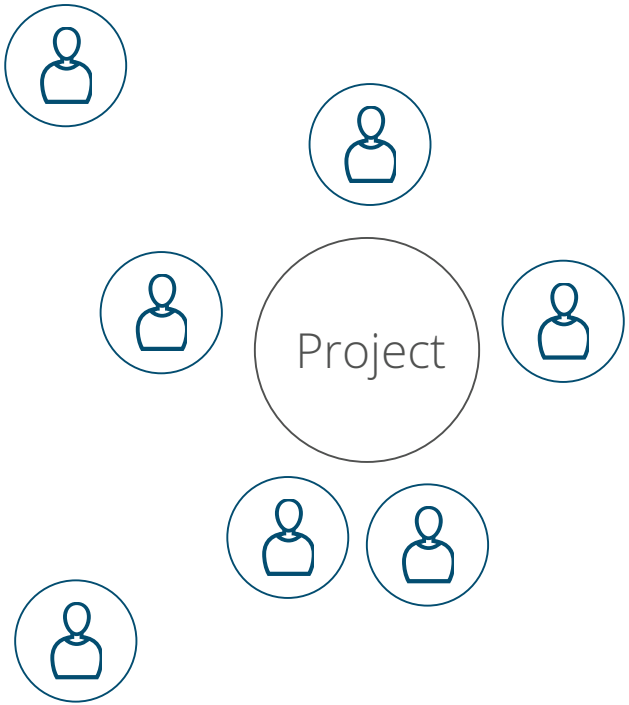

- Attract the talent first, and then the open needs/projects will follow
- Proactively stock the marketplace with qualified talent using recruiters who know where to find and how to interact with independent talent
- Use a pool of high-caliber talent to attract open needs

# Matching Talent to an Open Need is More Art than Science



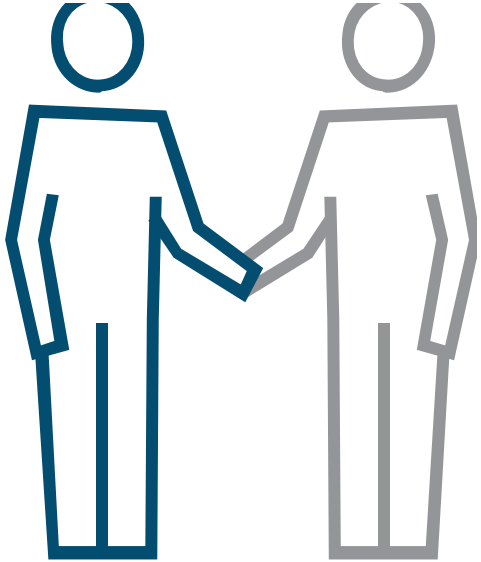

Matching algorithms narrow the pool of talent, but a specialized person connects open needs with talent and provides the right number of qualified candidates.

# Let the Talent Come to You




- Ensure talent has a way to search for open needs/projects they are qualified to fill
- Recognize talent is motivated to search for open needs
- Remember there are fewer open needs than independent talent
- Attract talent with the lure of working for premiere brands that provide great learning experiences and bolster their resume

# This Is a New Kind of Relationship that Requires Nurturing



- Build on talents' interest in developing relationships with your managers
- Set expectations with managers to own relationships with talent
- Ensure recruiters set the right tone and expectations
- Keep talent "warm" when they are not working on a project

# Start Small, Win Big

- Start with a few areas where you believe you can successfully drive adoption
- Actively support these groups and learn what works for your organization when filling the first open needs
- Celebrate and publicize your successes

# Contact Information

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SIG Global Executive Summit

Session # 4

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