How a Progressive Program including Self-Sourcing Delivered Millions in Savings over Two Years

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How a Progressive Program Including Self-Sourcing Delivered Millions in Savings over 2 Years
Featured Speakers

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What We’ll Cover Today:
• Reasons to implement a self-sourcing strategy
• CDK global achieves significant cost-savings in months: How did we do it?
• Key wins

Key Takeaways:
• Build, implement, & curate a private talent network
• Realize significantly lower mark-ups with self-sourcing than staffing agency-supplied workers (capture savings as high as 20% or more)
• Reduce time to fill & realize higher worker & hiring manager satisfaction
• Leverage strong client brand in local areas
CDK Global is the leading global provider of integrated information technology and digital marketing solutions for the automotive retail and adjacent industries.

With more than $2B in revenue, CDK Global’s solutions automate and integrate all parts of the dealership and buying process from targeted digital advertising and marketing campaigns to the sale, financing, insurance, parts supply, repair and maintenance of vehicles.

CDK Global serves over 28,000 auto, heavy truck, agriculture, construction, power sports, marine and RV dealerships throughout North America, Europe, the Middle East, Africa, Asia Pacific and South America.

CDK Procurement has global responsibility for strategic sourcing, spend management, vendor management and procurement operations.

CDK Human Resources works to drive a values-based culture that is focused on learning, connectedness, diversity and inclusion, and rewards.
About PRO Unlimited

• PRO has helped organizations address the costs, risks and quality issues associated with managing a contingent workforce since 1991.

• World’s largest purely vendor-neutral and integrated MSP and VMS (Wand) solution.

• Wand received highest score for “Contingent Workforce Management” by Gartner in 2017.

• PRO offers solutions for e-procurement and management of contingent labor, 1099/co-employment risk management and third-party payrolling services for client-sourced contract talent.
Reasons to Implement a Self-Sourcing Strategy
44% of overall talent spend at large corporations is on external workers.

71% of companies who consider contingent labor their largest indirect spend.

70% of companies that list self-identified talent as their largest spend category within contingent labor.

6% of companies looking at self-identified talent proactively as a cost-savings opportunity.
4 Reasons to Self-Source Talent

1. **COST**
   Self-sourced talent costs 15% to 30% less than staffing supplier-sourced talent

2. **SPEED**
   2x to 10x faster time to fill for self-sourced talent versus staffing supplier-sourced talent

3. **QUALITY**
   Better talent quality ("known" and "proven" workers)

4. **FEES**
   No contract-to-hire staffing agency fees; higher % of successful contract-to-hire ratio than staffing-sourced contractors
How CDK Achieved Significant Cost-Savings within 6 Months
CDK Global Before Self-Sourcing Talent

State of Program

- 6% of CDK’s contingent workforce was comprised of payrolled workers. *Best in Class organizations were 25-30%.*
- Vendors flooding Hiring Managers with resumes vs. submitting targeted candidate resumes
- Client surveys revealed current program was not efficient/user friendly
- CDK temp labor was supplier driven, not CDK driven
- Limited supplier oversight provided
- Limited competition among temp labor suppliers
- Hard to use technology platform
- Minimal cost savings achieved in program

Challenges

- Agency mark-ups and conversion costs
- Improve the user client experience
- Improve the quality of workers
- Hiring Managers going direct to Vendors vs. utilizing appropriate process to request resources
- Need easier to use tech platform
- Looking to drive initial cost savings with continued cost reduction focus
- Drive adoption of labor management program
- Desire to have SLA based managed service
Key Drivers for CDK Global to Self-Source Talent

✓ Save significantly on the margins imposed when sourcing through staffing companies

✓ 19% of Hiring Managers utilized Try vs. Buy resulting in Agency conversion costs

✓ Increase the quality of the talent being hired

✓ Dramatically reduce the time required to identify talent for new requisitions
CDK Deploys a Self-Sourcing Talent Solution

Expand your talent pool 10X faster by recruiting through employees’ networks.
# Key Wins in Six Critical Categories

<table>
<thead>
<tr>
<th>VISIBILITY</th>
<th>GOVERNANCE</th>
<th>QUALITY</th>
<th>COST-SAVINGS</th>
<th>COMPLIANCE</th>
<th>RISK REDUCTION</th>
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<tbody>
<tr>
<td>Defined cost-savings metrics and monthly reporting</td>
<td>Created a single point of contact</td>
<td>Vendor-neutral competitive bidding for contract labor</td>
<td>Self-sourcing savings for first 6 months: $381,099</td>
<td>Business validation screening of 1099 consultants</td>
<td>Process to ensure contingent workers meet corporate and legislative standards</td>
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<td>Transited 240 resources to optimize through business intelligence</td>
<td>Conducted over 100 meetings with hiring managers to deliver the program</td>
<td>Executed multiple standardized contracts</td>
<td>Self-sourcing savings for 18 months: $642,868</td>
<td>Independent Contractor screening with sub-contracted vendors</td>
<td>Standardized employment classification for workers</td>
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<td>Filled 103 staffing desk orders – time-to-fill ~18 days</td>
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<td>Overall program for 18 months (savings alone): $3M</td>
<td>Overall program for 18 months (savings, avoidance &amp; rebate): $6.9M</td>
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**Self-sourcing savings for 18 months:** $642,868

**Overall program for 18 months (savings alone):** $3M

**Overall program for 18 months (savings, avoidance & rebate):** $6.9M

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What’s Next?

• Implement Talent Network

• Global Expansion

• Add SOW to program
  • Eliminate staff augmentation disguised as SOW
  • Expand to cover true Fixed cost delivery

• Monitor competitive metrics and cost savings levers
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