The Talent Forward MSP:
A Fresh Approach in a Stagnant Market

Hays Talent Solutions

Craig Huntley
Sales Development Manager

Kris Norris
Director Sales and Solutions
THE TALENT FORWARD MSP
A FRESH APPROACH IN A STAGNANT MARKET

2018 SIG Fall Summit
October 2018
AGENDA FOR TODAY’S SESSION

- The world of work has changed
- The current approach is broken
- A vision for the future
- Making it real
- Conclusion
HAYS TALENT SOLUTIONS: POWERING THE WORLD OF WORK, INTELLIGENTLY

Experience
We have 24 years of experience in providing outsourced (RPO/MSP) solutions to our clients. Managing 35,000 Contractors working in MSP programs.

Global Expertise
Our 10,000 expert employees deliver services from 250 offices across 33 markets.

Flexible, Scalable
We operate seven integrated international sourcing centres.

Technology
Investing over £60m in CRM and integrated tech and owning a multi-lingual, multi-currency VMS company managing 3.2 billion spend.

Solutions
Our ‘Talent Forward’ approach delivers the right talent at the right time at a fair price.
We offer clients:
• MSP
• RPO
• Direct Sourcing
• CMO
• SOW
• VMS

MSP/RPO EMPLOYEES WORLDWIDE
1,462

GLOBAL MSP/RPO CLIENTS
120+

SUPPLIER PARTNERS
1,000+

MSP MANAGED SPEND
$3.9 billion+
The World of Work Has Fundamentally Changed
4 DISRUPTIVE MEGA TRENDS
RE-SHAPING HOW WORK GETS DONE

More, and varied, ways of building a career
Skills shortages and businesses’ demands for flexibility
Structural market growth and evolving client demands
Emergence of new, and evolving, technologies
Today’s Contingent Workforce Procurement Model is Outdated and Inefficient
COMMAND AND CONTROL – “GATEKEEPERS”
MSP 1.0

Human Resources
Procurement

MSP
Payroll, IC and vendor admin
Vendor Management System

Staffing Providers

Work to be done
Managers
Imagine…

…a new world of work – one where companies get the best talent, at the right time and place, for a fair price – regardless of worker classification, or source.

All managed on an outsource basis by an enlightened MSP partner that supports and enables the supply chain to deliver talent rather than just controlling it.

Talent Forward
TIME FOR A NEW APPROACH – “ENABLING, NOT CONTROLLING”
TALENT FORWARD MSP

- Human Resources
- Procurement
- Talent Acquisition

MSP and services procurement
Payroll, IC and vendor admin
Vendor Management System
Direct Sourcing

Extended Supply Chain
Services Providers
Staffing Providers
Marketplaces
Awareness, Find, Engage and Acquire
New technology and data science

Work to be done
Managers
Talent
How Will You Get There?
FUNDAMENTAL STRATEGY QUESTIONS

1. What is the work that needs to be done?
2. Who is best suited to perform the work?
3. Where will the worker(s) come from?
4. How will you manage it and evaluate success?
TALENT FORWAR

Supplier Partners

Direct Sourcing

Extended Supply Chain

SOW
Services
Cloud
Outsource

Talentlytics
DIRECT SOURCING

Sometimes referred to as “Contingent RPO” – Direct sourcing leverages your employer brand to attract contingent talent directly to projects and assignments thereby reducing your reliance on staffing suppliers.

Benefits: Reduced costs, improved talent quality & engagement, quicker deployment
DIRECT SOURCING
AWARENESS, FIND, ENGAGE AND ACQUIRE

**AWARENESS**

Long term
Increased the breadth of potential candidates aware of the brand
One way communication
E.g. Online banners, ambient and print media advertising

**FIND**

Medium term
Increased the depth of relationships with potential candidates
Two way communication
E.g. Talent communities/social media/networking and events

**ENGAGE**

Ongoing
Aim to build trust over time
Two way multiple channel communication
E.g. Content based marketing, talent communities

**MATCH**

Short term
Achieve increased number of individual candidate relationships
One and two way communication
E.g. Referral/direct approach/job board
WHAT DOES GOOD LOOK LIKE?
REDUCING AGENCY RELIANCE OVER TIME

Being selective will allow you to demonstrate success to justify further investment.
Retain vendors for niche or specialist roles only.
**WHAT GOOD LOOKS LIKE**

**CURRENT STATE EXAMPLE**

- **Agency Markup** of 45%

<table>
<thead>
<tr>
<th>Yr0</th>
<th>100%</th>
<th>90%</th>
<th>80%</th>
<th>70%</th>
<th>60%</th>
<th>50%</th>
<th>40%</th>
<th>30%</th>
<th>20%</th>
<th>10%</th>
<th>0%</th>
</tr>
</thead>
</table>

**Assumptions:**
- 500 contractors
- $50/hour pay rate
- 2,000 hours/yr
- % = markup (includes profit, overhead, and worker statutory costs)

- $50,000,000 paid to Agency workers
- $22,500,000 Agency markup
- $72,500,000 total Temp spend
WHAT GOOD LOOKS LIKE
POTENTIAL COST SAVINGS

$30,000,000 paid to Agency workers
$13,500,000 Agency markup
$20,000,000 paid to Direct workers
$6,500,000 Direct Source markup
$70,000,000 total Temp spend
Total Savings of $2,500,000

60% agency spend
45% markup
40% Direct Source
32.5% markup

0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
DIRECT SOURCING IN ACTION
GLOBAL FINANCIAL SERVICES CLIENT

Direct Sourcing

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Direct Sourcing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Qtr</td>
<td>100%</td>
</tr>
<tr>
<td>2nd Qtr</td>
<td>95%</td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>81%</td>
</tr>
<tr>
<td>4th Qtr</td>
<td>90%</td>
</tr>
</tbody>
</table>
DIRECT SOURCING IN ACTION
GLOBAL PHARMA CLIENT

“Lead”

“Equal”

Manufacturing  Administration  Life Sciences A  Life Sciences B  Professional  IT

Direct Sourced  Supplier Sourced
TALENT FORWARD
SUPPLIER ENGAGEMENT
TALENT FORWARD
EXTENDED SUPPLY CHAIN
SERVICES PROCUREMENT
SOW AND RESOURCE TRACKING

Source
Sourcing of SOW services in a controlled way

Contract
Contracting with vendors for SOW services

Manage
Monitor and manage SOW engagements

Pay/Bill
Consolidated vendor payment and invoicing

Measure
Measure and Improve SOW engagement quality

Program Management Office / Reporting
<table>
<thead>
<tr>
<th>Visibility &amp; Control</th>
<th>Value</th>
<th>Risk Mitigation</th>
<th>Quality</th>
<th>Efficiency</th>
<th>Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A single process, technology and reporting solution provides you with visibility to 100% of your contingent workforce population, spend, rates and mark ups.</td>
<td>Benchmark rates, manage long term volume and tenure discounts, drive cost savings with direct sourcing and alternative talent suppliers.</td>
<td>Policy enhancements, standardized process, and checks for screening and compliance, along with complete audit trail.</td>
<td>Drive program adoption and achieve cost/quality/service performance targets across the entire service and population.</td>
<td>Streamline and automate processes for requisitions, authorizations, sourcing, on-boarding, timesheets and invoicing.</td>
<td>Build a program that attracts and retains the talent you need - when you need it – and benefit from a client-of-choice brand awareness.</td>
</tr>
</tbody>
</table>
The World of Work Has Changed. Are You Ready?!

Q&A
Presenters

Hays Talent Solutions

Craig Huntley
craig.huntley@hays.com

Kris Norris
kris.norris@hays.com
Session information and evaluation how-to’s

Why?
- Your feedback drives SIG Event content
- By signing and submitting your evaluation, you are automatically entered into a prize drawing

How?
From the App:
1. Select Sessions
2. Select Day
3. Select Session
4. Click on Clipboard Icon
5. Complete and submit evaluation

This was session # 28
Download the App:
sig.org/app
Join the dialogue!

Tweet and mention #SIGfall18!