



MANAGED DIRECT SOURCING

THE ULTIMATE GUIDE TO TAKING
YOUR TALENT SOURCING ONLINE



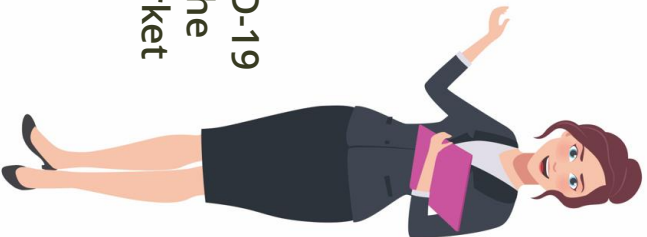
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GUIDE TO MANAGED DIRECT SOURCING

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How COVID-19
Changed the
Talent Market
Forever



What is
Managed
Direct
Sourcing?



How our
Service Works



Building a
Business Case
to Change
Hearts and
Minds



SECTION 1

HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

- > Talent - the start-point
- > A new world of risk
- > Employer perspective
- > Workforce perspective
- > New horizons



SECTION 1

HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

> Talent - the start-point

There is a shortage of talent, globally.

Talent shortage is viewed as the top emerging risk facing large enterprises.

Source: **Gartner US centered survey of 137 senior executives in 4Q18**

The US unemployment rate is at a record **50-year low**, and the **US economy** had **7.6 million** unfilled jobs.

Source: **US Department of Labor**

Already, organizations have responded to the skills shortfall by sourcing more work through contractors.

A 2018 survey of 6,500 executives worldwide found roughly 40% of respondents expected freelance workers to account for an increased share of their organization's workforce over the coming five years.

Source: **BCG survey in partnership with Harvard Business School's Managing the Future of Work Initiative**

Increased indirect employment has skyrocketed staffing costs and agency fees.

The latest industry research suggests that the total cost of hiring one new employee can be as high as \$5,000, or more, in a professional or manufacturing industry. Even hiring a new employee in a services-related industry typically costs more than \$1,000.

Source: **Recruiterbox research**



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SECTION 1

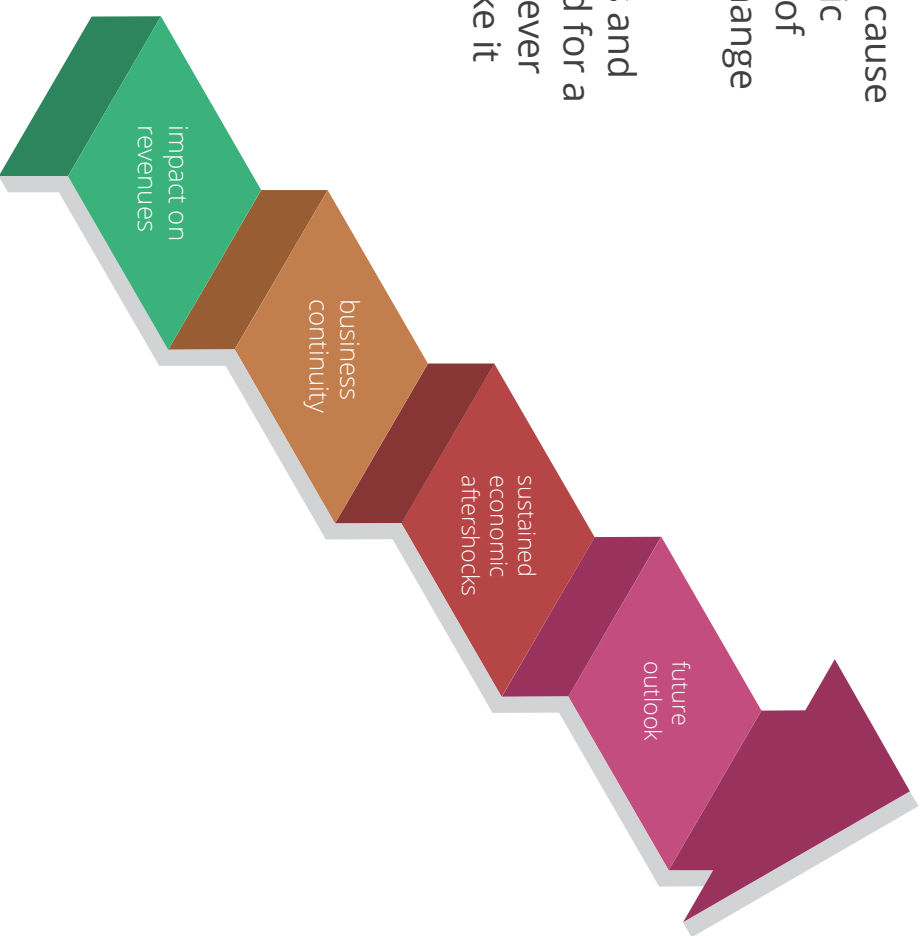
HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

> A new world of risk

It's known that COVID-19 will cause a short-term blip on economic output, but new perceptions of employment risks will also change talent sourcing forever.

The psychology of employers and workers has inevitably shifted for a working generation who've never experienced a global event like it before.

RISK PROFILE



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SECTION 1

HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

> Employer perspective

Employers will re-think their talent sourcing priorities and approach in light of first-hand experience of a global health and economic event.

Desirables

- Increase agility by lowering FTEs % in the event of another global economic event
- Attract the best talent by leveraging our brand appeal online

Undesirables

- Employment costs and necessity of agency spend to source talent
- Employment (and tax) risks of contracting individuals directly by reducing contractors



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SECTION 1

HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

> Workforce perspective

Expect them to:

- Worry more about similar freak global events happening again
- Seek full-time employment
- Look for employment with brands able to survive 'shocks' in the
- Reflect on how they save for their future

More than ever, workers will seek the security of **full-time employment** with brands **able to survive** through the tumultuous behaviors of markets.



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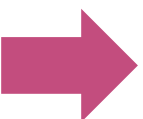
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SECTION 1

HOW COVID-19 CHANGED THE TALENT MARKET FOREVER

> New horizons

What we see, as the result, is a meteoric rise in solutions that offer the best-fit to a new employment market reality.



More responsive
resourcing models
better able to cope
with unpredictable
market shocks

A move away
from FTE, its
inflexibility, risks
and overheads



Less use of
agencies
and ad-hoc
contracting



Greater use of
online platforms
offering direct
access to talent



More use of task
and project-based
SOW



Increased contracting
through 'Master'
Employer of Record
relationships



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SECTION 2

WHAT IS MANAGED DIRECT SOURCING?

- > Direct Sourcing
- > Employer of Record
- > Why a Hybrid Works
- > Obstacles
- > Benefits

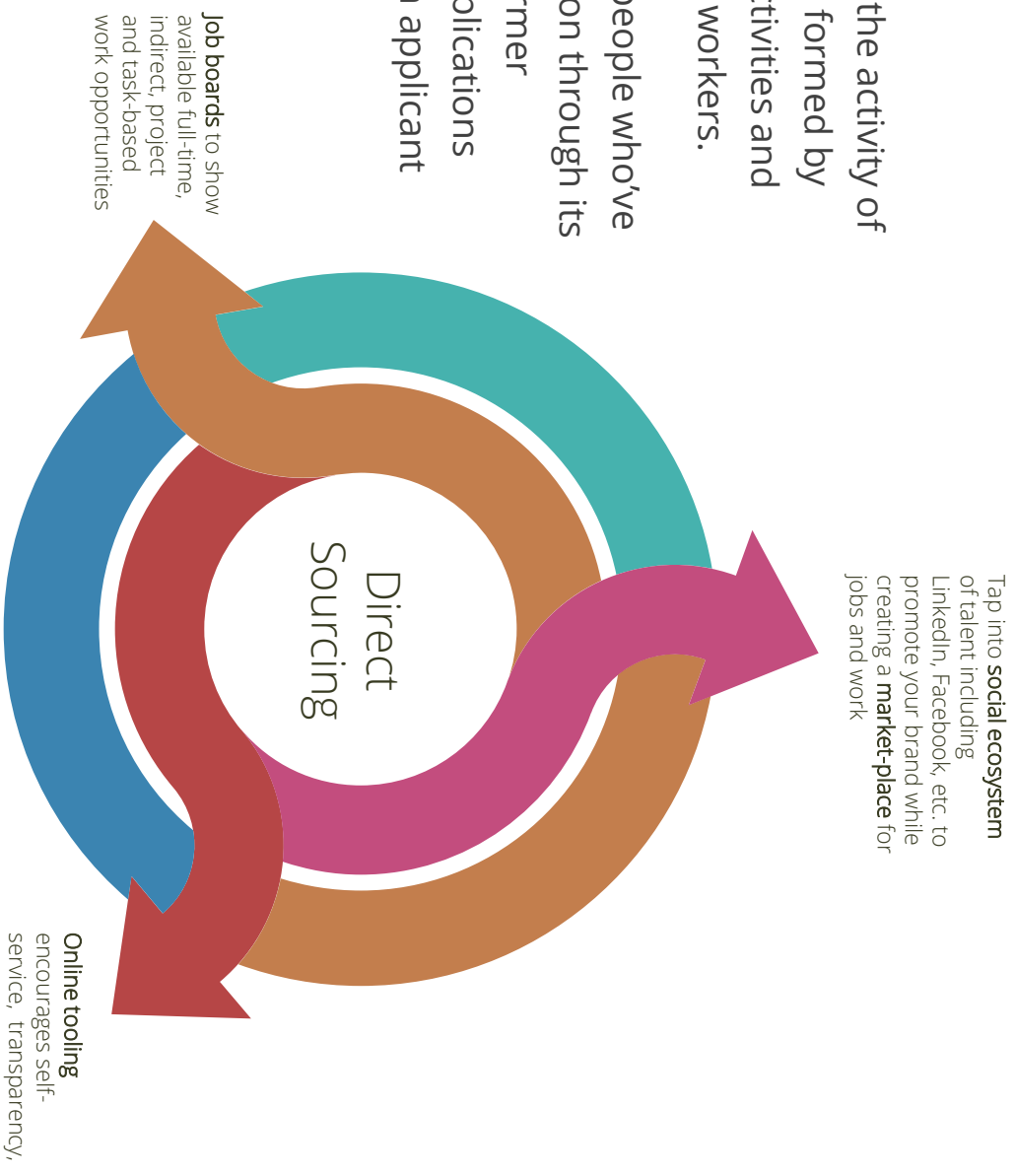
> **Direct Sourcing (DS)**

Direct Sourcing describes the activity of harvesting the talent pool formed by their internal recruiting activities and brand reach to source gig workers.

This talent pool includes people who've approached an organization through its social media presence, former employees, retirees or applications within the company's own applicant tracking system.



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SECTION 2

WHAT IS MANAGED DIRECT SOURCING?

An **Employer of Record** is an **Independent Contractor Compliance** solution whereby a third-party company provides payroll process outsourcing, enabling organizations to leverage their ability to tap into talent pools for contingent workers.

Recent changes in tax regulations in the US and Europe mean that 'tax avoidance risk' passes to the contracting organization, leading most large enterprises to move away from non-PAYE.

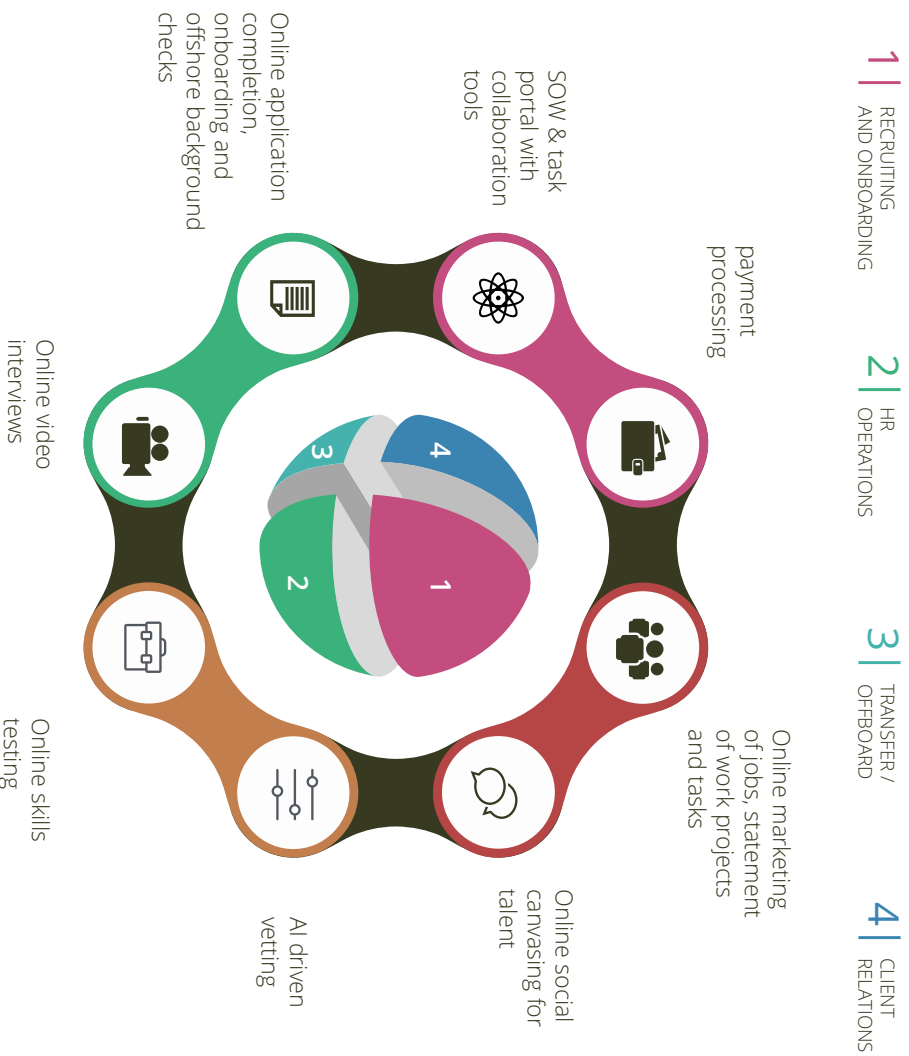


> Why a Hybrid Works

Managed Direct Sourcing (MDS) is a hybrid talent acquisition approach that blends a **Direct Sourcing** technology ecosystem and ethos with **Employer of Record services**. It means organizations can install an effective way of harvesting talent from their online presence without implementation or operational overheads.



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SECTION 2

WHAT IS
MANAGED
DIRECT
SOURCING?



> Obstacles

Changing any aspect of business operations can be challenging.

Barriers to adoption include:

BARRIERS

1. Seeding the knowledge of how the world of talent sourcing has changed and Managed Direct Sourcing delivers value
2. Executive sponsorship
3. Overcoming fragmented decision making and budgeting
4. Determining the 'jump-off point' and measuring the base level of performance today
5. Articulating rewards and risks

DETAILS

Like any innovation, organizations need to gain an appreciation of the role of technology and MDS positively influences outcomes

As a new initiative, MDS competes with other business priorities for attention

Today, talent sourcing decisions are made by HR and procurement, while being influenced by departmental hiring managers and the finance function. Gaining consensus on how to move forward can be challenging.

For any change, it's important to capture the net present state of performance today to measure improvements tomorrow.

Sponsors need to understand the RoI and risks that will result. Project leaders will need to consider the impact on 'how things are done today' and how to manage consequential impacts.





Benefits

FASTER TALENT SOURCING

MDS makes it faster to source talent; from the point of requirement definition to starting work. Candidates can be pre-screened and available on-demand.

CUT IN TALENT COSTS

Significantly reduces recruitment and resourcing costs. No longer is the business dependent on agencies.

AGILITY: MORE WAYS TO GET JOBS DONE

Many jobs can be fulfilled faster using expert practitioners as project (SOW) and micro-tasks.

IMPROVED BUSINESS CONTINUITY

Should a global event like COVID-19, the organization can continue to get work done using remote indirect workers familiar with the business and how it works.

BEST-FIT TALENT

Richer AI-enabled filtering and a larger talent pool enables hiring managers to more easily find the best-fit talent they need.

IMPROVED RISK MANAGEMENT

Overcome risks of co-employment, data privacy and loss, non-compliance on tax and employment laws, simpler offboarding etc.

MDS AS AN ONRAMP FOR FULL TIME EMPLOYMENT

It's easier for hiring managers to assess the human qualities and performance of individuals if they work as indirect workers first.

ACCESS TO MORE TALENT

In addition to your talent pool, with Simplify Workforce MDS, we connect employers to our Global Index, a database of over **12 million** ready-to-work candidates!



MODERN WORKERS ARE HAPPIER TO FIND WORK ONLINE

As far back as 2015, Pew Research found that 41 percent of adults have used a smartphone at some point in their job search while 28% of Americans and half of young adults have used a smartphone during a job search. That number today is thought to more than 65%.

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WHAT IS MANAGED DIRECT SOURCING?

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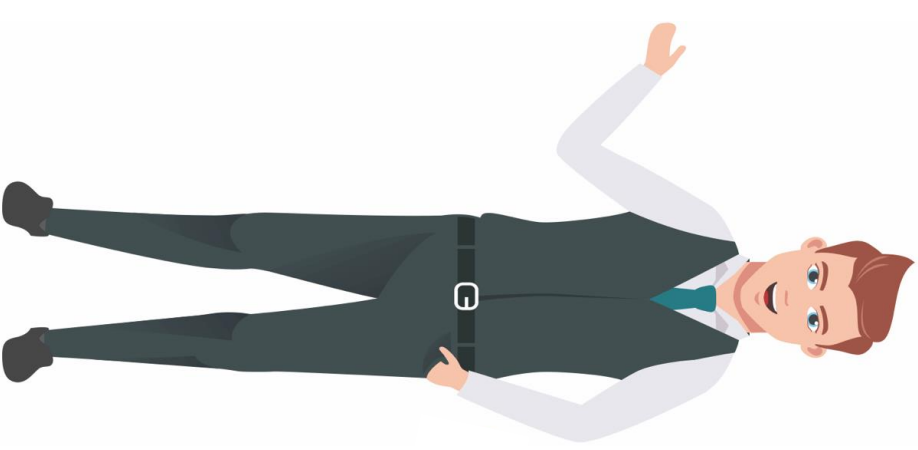
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SECTION 3

WORKSPENDIRECT MDS HOW OUR SERVICE WORKS

- > The fit
- > The method
- > The tech
- > The governance
- > The outcome
- > The team



SECTION 3

HOW OUR SERVICE WORKS

> The fit

WorkspendDIRECT MDS blends our class-leading digital talent **Direct Sourcing** technology with our **Employer-of-Record** managed services. We adopt a modular approach to both our technology and our managed services to deliver a best-fit solution for your business.

Configure AI-algorithms / recruitment bias controls



Tailor your AI deployment to best-fit your policies and procedures

Video interviews



Order option

Statement-of-Work



Order option

Micro-talent market and workplace



Order option

Online skills testing



Order option to integrate with systems like HackerRank®

Systems integration and back-office processing



Operate as a stand-alone service or integrate with your existing IT systems

Access market pricing data through 3rd parties



Integrate with market insight systems to determine the most appropriate rates for jobs



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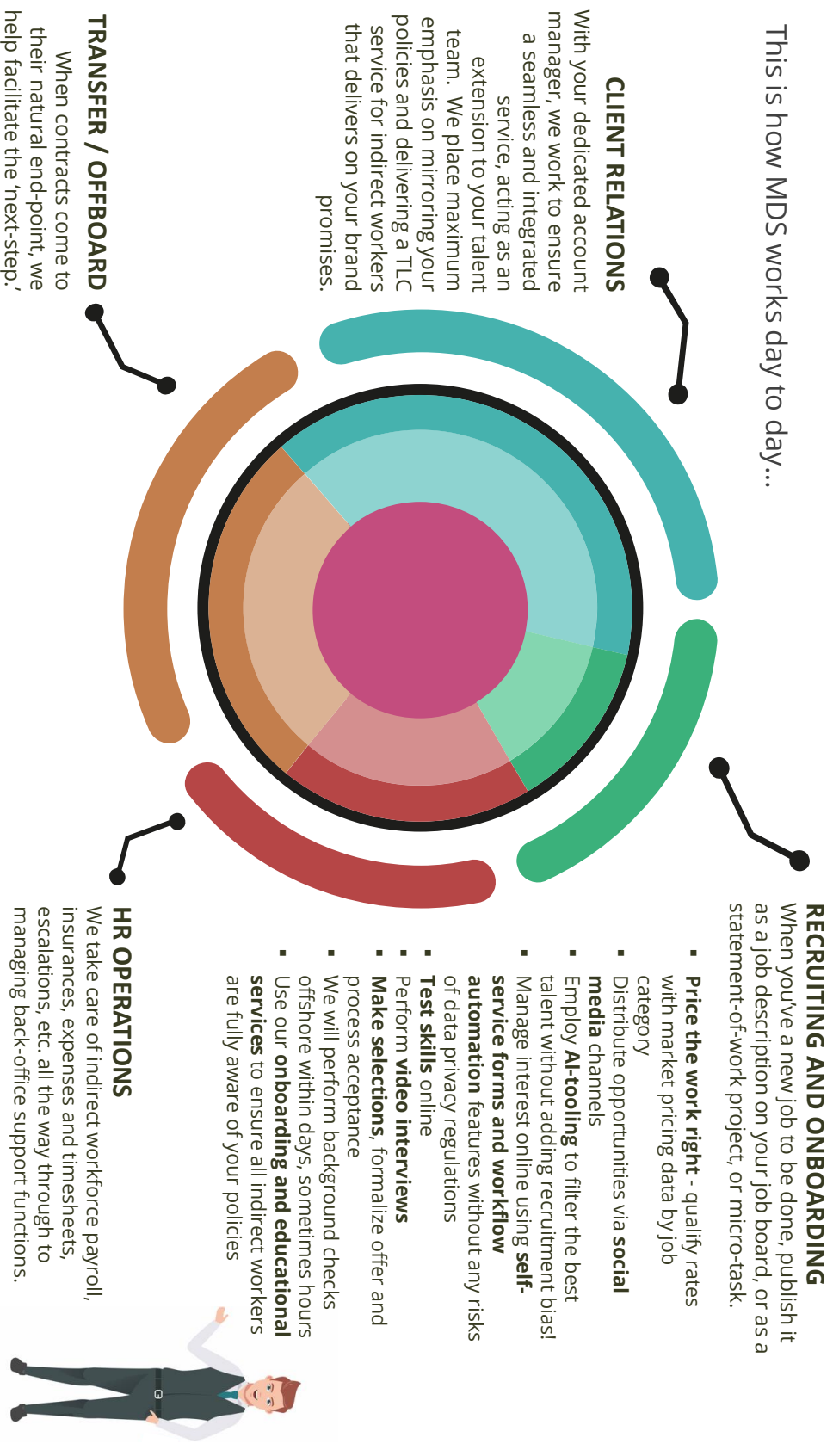
SECTION 3

HOW OUR SERVICE WORKS



> The method

This is how MDS works day to day...



SECTION 3

HOW OUR SERVICE WORKS



> The tech

Our tech stack goes further than traditional talent platforms in more ways than one!



Fanatical support



Unparalleled transparency



Fully featured collaboration and remote working tools



More ways to integrate and leverage best-in-class tooling



Lower manual processing overheads



Greater accessibility



More ways to get jobs done



Cuts corporate capacity demands



Servicing more channels to talent



Greater use of AI and video tools



Interview scheduling




SECTION 3


HOW OUR SERVICE WORKS





> The governance


Managing a workforce today requires deep expertise and understanding of the legal frameworks that exist in territories and industries. It demands thoughtful design of systems, methods and checks-and-balances to ensure compliance.

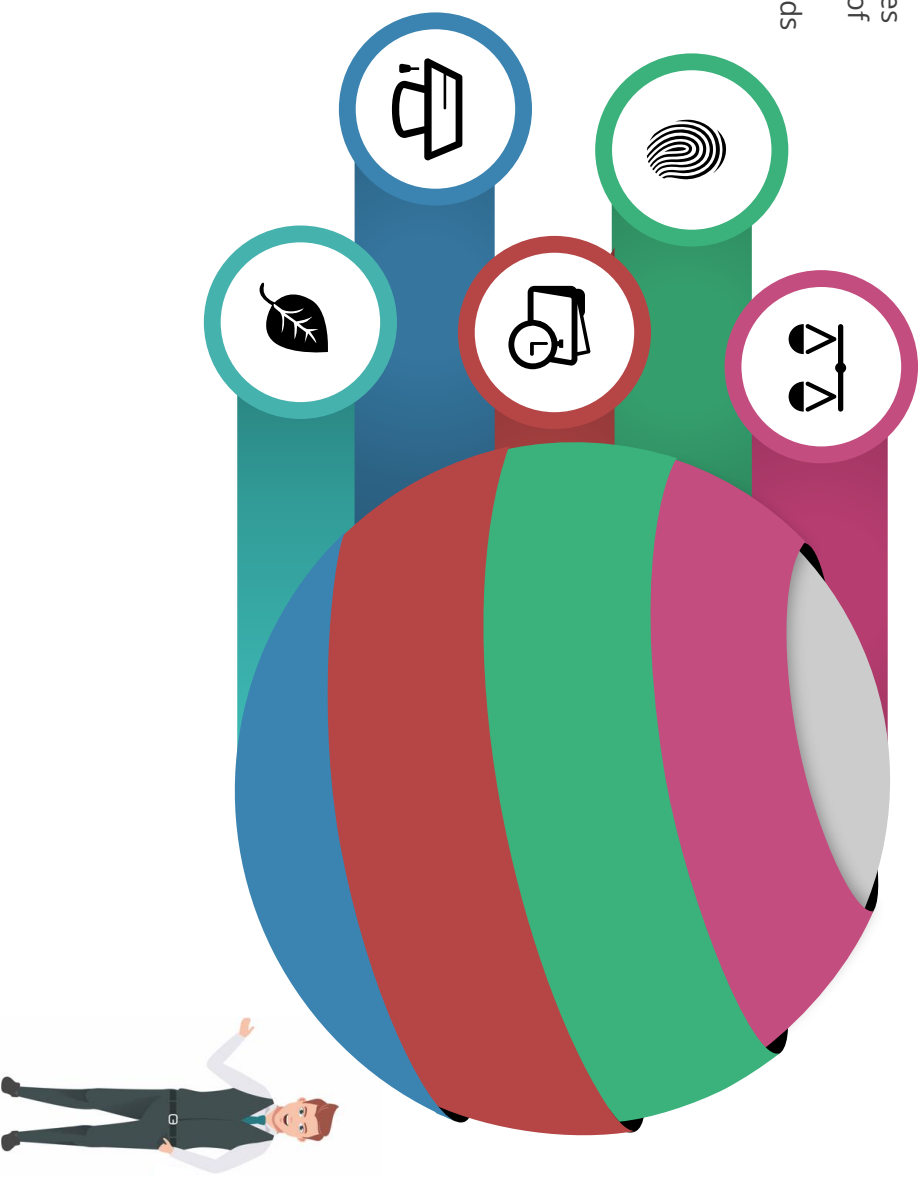
 Operate **diversity and inclusion** policies in line with brand promises

 Install data governance and processing methods to operate **Information Privacy** by design

 Ensure **employer responsibilities** are met in full and salaries are paid in accordance with jurisdictional employment and tax law

 Ensure knowledge transfer and **education programs** work effectively to translate policies into workforce norms of behavior

 Adopt policies and procedures to minimize the **environmental impact** of operations



SECTION 3

HOW OUR SERVICE WORKS

> The outcome

Focus on a small number of outcomes that have the biggest influence on program success...

Building a business case on a wide range of KPIs can reduce effort and focus on 'big ticket' issues that make the difference. From previous case examples, we know the following areas offer compelling reasons to adopt Managed Direct Sourcing.



Economies come from lower pay rates, cut in agency fees, lower advertising costs, more efficient access to talent, etc.



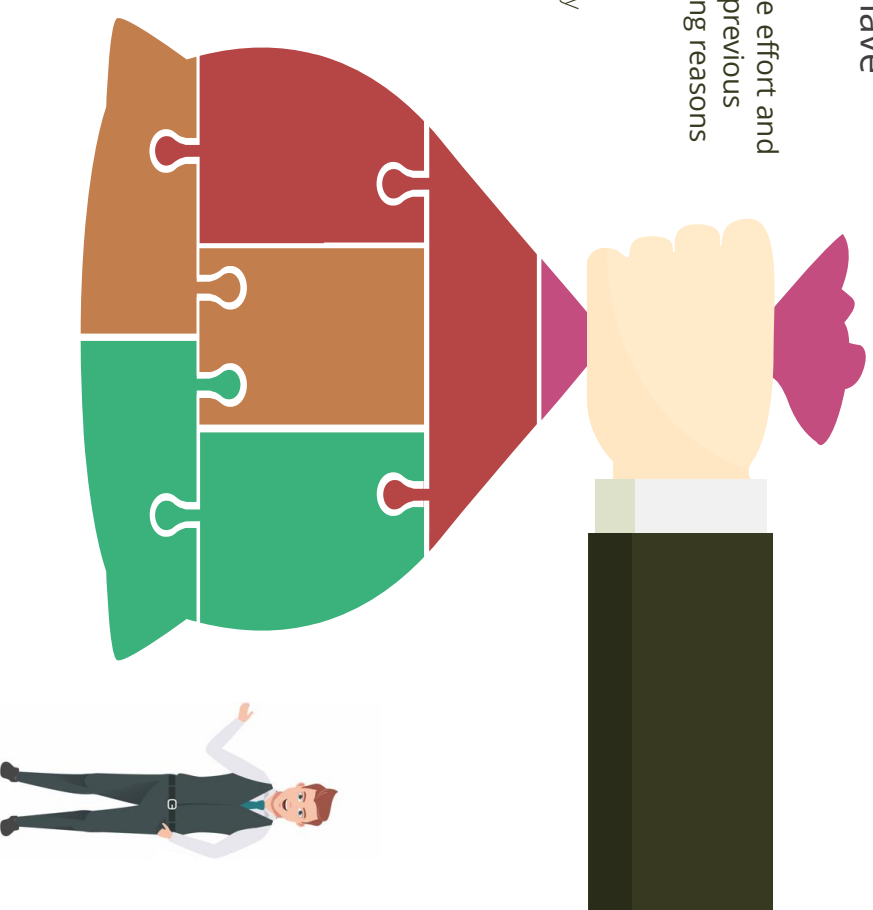
Access to a bigger pool of 'ready-to-use' pre-vetted talent ensures faster time to hire



Increase your sourcing options with project and micro-talent sourcing while increasing access to best-fit indirect talent



Cut back-office costs and the number of FTEs engaged in talent management and sourcing

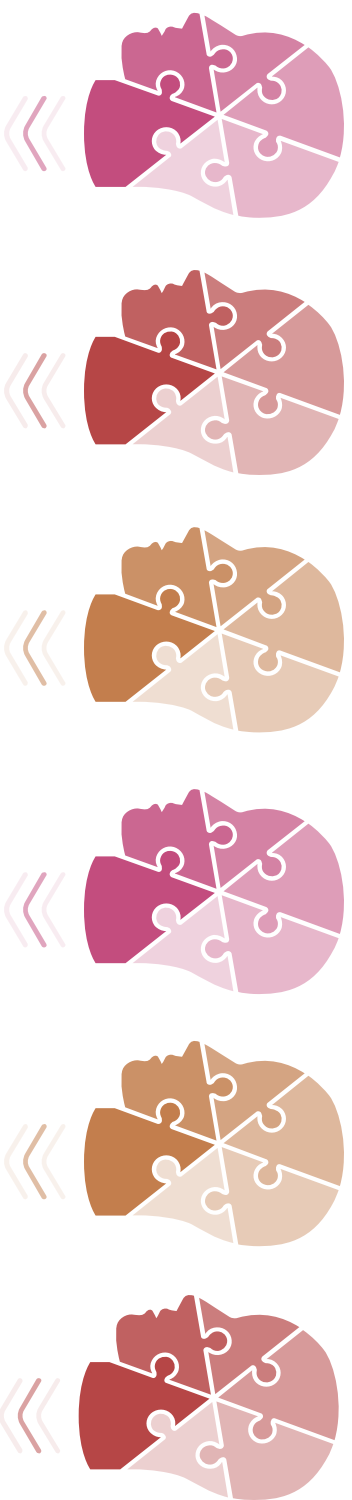



SECTION 3


HOW OUR SERVICE WORKS

> The team

It takes a global co-location approach and a big support team to give your business the resources it needs to excel at Managed Direct Sourcing in a cost-effective way.





HR, Recruitment
and Background
Checks


Payroll and
Salary
Processing


Policy and
Education


Quality
assurance
and CoX


Legal and
Compliance


Client
Relations





SECTION 4

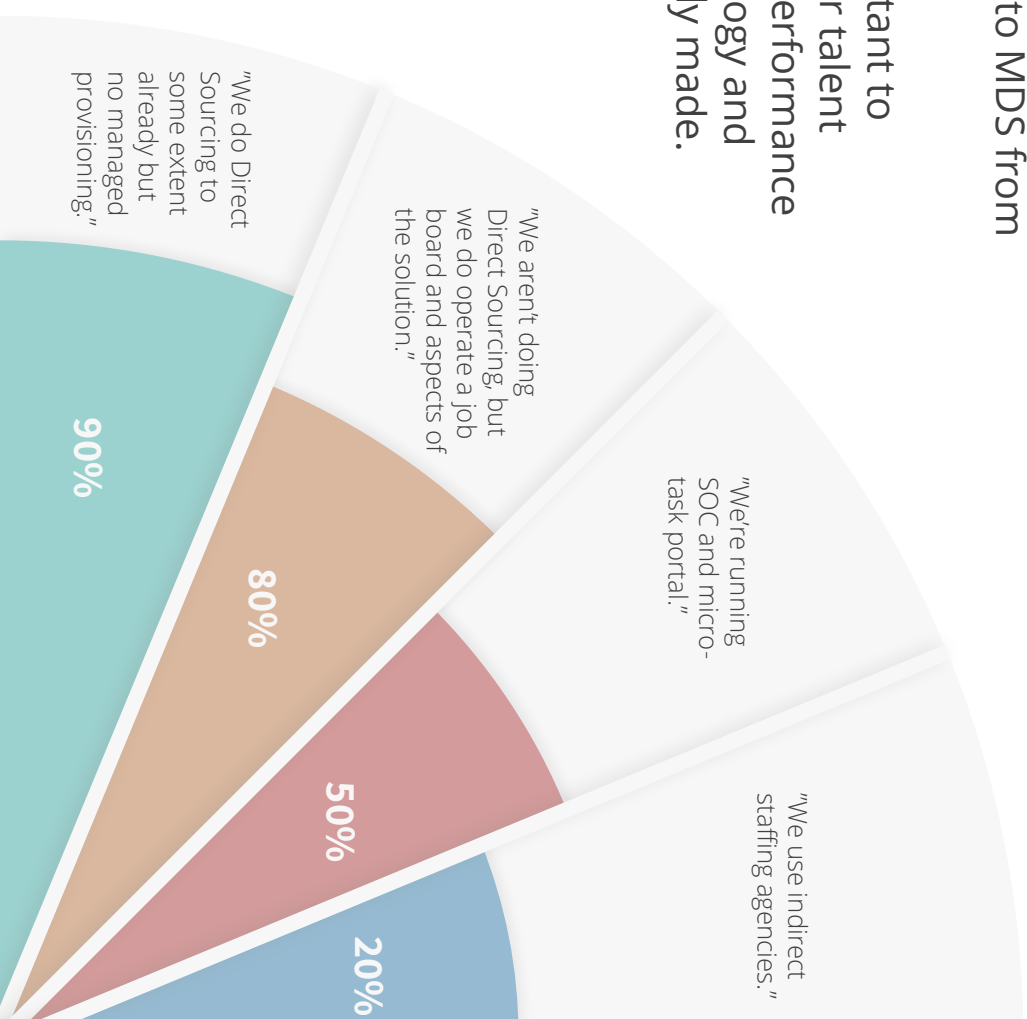
BUILDING A BUSINESS CASE & CHANGING HEARTS AND MINDS

- > Jump-off point
- > Business case template
- > Project approach
- > Costed proposal
- > Winning hearts & minds

> Jump-off point

Every business starts their journey to MDS from a unique jump-off point.

To maximize the solution, it's important to perform an assessment of how your talent sourcing works now, what level of performance you're running at, and what technology and solutions investments you've already made.



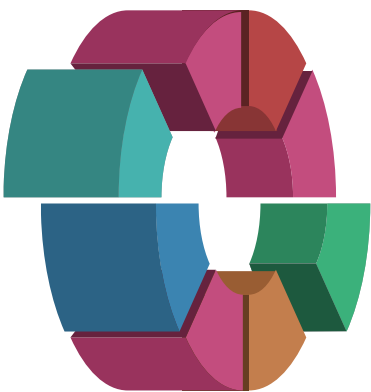
> **Business case template**

Employ our business case template to get your project moving. Build a compelling business case based on your jump-off point.

Note. We can provide you with an independent assessment of your current net present state to capture the insights you need to build your plan.



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Hiring Performance
Developing a baseline of performance to measure change



Systems and Tech Stack
Establishing the current status and shortfalls in IT systems



Processes and Methods
Formalizing processes, current delivery methods and shortfalls



Accountability and RACI
Articulating current and future planned accountability model



Integrations
Exploring integration demands, tech needs and obstacles



Rewards and Risks
Presenting a projection of expected project risk and results

SECTION 4
BUILDING A
BUSINESS CASE
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MINDS

> Project approach

D Engage in an open discussion on the opportunity, risks and barriers to transitioning towards an online Managed Direct Sourcing (MDS) approach. Appreciate the role of technology and service provisioning.

S&A Perform needs analysis, establish project goals and develop a functional specification along with vendor expectations and red-flag requirements.

P Progress to a procurement and vendor selection (we hope you choose us!)

D Sign-off order, conclude legals, and move on to the selection of a project lead, formation of a Project Steering Group, project roadmap, RACI, schedule, etc. Implement changes to tech platform, integrations, change plan. Go live!

R Establish day-to-day operating behaviors along with regular review meetings and engage with Quality Team and Center of Excellence to reinforce transparency and continuous improvement.



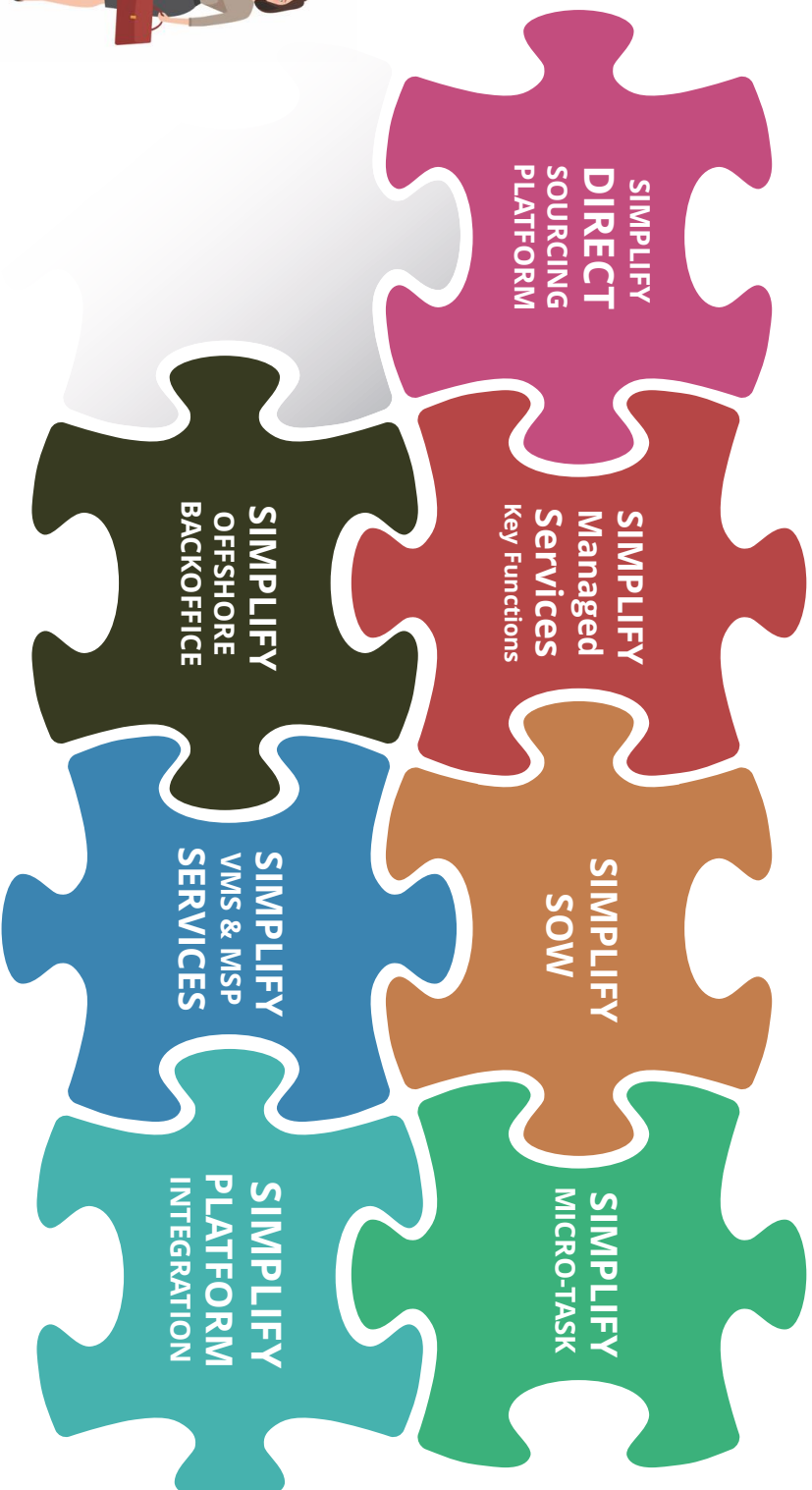
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SECTION 4
**BUILDING A
BUSINESS CASE
& CHANGE
HEARTS AND
MINDS**

> Costed proposal

You're going to need a costed proposal. We break-down proposals into the various key building blocks. Remember, you don't need to eat the whole pizza in one bite!



> Winning hearts & minds



"People need only to experience the Simplify tech platform to appreciate the positive impact it can have on business success when joined to a trustworthy Employer of Record managed service."

- ✓ Set the base-line and target
- ✓ Gain executive sponsorship
- ✓ Explain to stakeholders why change is necessary
- ✓ Demonstrate 'how it works' and the value of outcomes
- ✓ Be inclusive in every step



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SECTION 4

BUILDING A BUSINESS CASE & CHANGE HEARTS AND MINDS



THANKS!

TO FIND OUT MORE ABOUT THE MARKETING TEAM,
PLEASE REACH OUT TO IAN@WORKSPEND.COM



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