

WORKSPEND OPTIMIZES CONTINGENT WORKFORCE MANAGEMENT FOR A US-BASED ENERGY COMPANY

A large US-based utilities company operating across multiple states and municipalities relies on a dispersed contingent workforce to support its operations and drive efficiency.

BEGINNING STATE

Due to lack of visibility, the client encountered substantial challenges in managing its contingent workforce, leading to inefficiencies in spending and a lack of control. Key issues included:

- **Underutilization of a Centralized Program:** An existing optional program was not being fully leveraged, resulting in decentralized and uncoordinated spending.
- **Rogue Spend:** Substantial spending occurred outside approved channels, undermining cost control and compliance.
- **Uncontrolled Bill Rates:** Bill rates were set without visibility into pay rates or supplier markups, creating the potential for overspending.
- **Inconsistent Supplier Management:** Multiple one-off supplier agreements and purchase orders lacked a strategic approach to headcount management and supplier relationships.
- **Inconsistent Job Descriptions:** Lack of standardized job titles and descriptions created confusion and inefficiencies in the hiring process.

THE SOLUTION

To address these challenges, Workspend assigned a dedicated team of contingent labor experts, led by a Program Director, to design and implement a comprehensive contingent workforce management solution. This approach was developed in direct alignment with client sponsors in Procurement and Human Resources, ensuring the program's goals, strategies, and outcomes were tightly integrated with organizational priorities and stakeholder expectations. The solution included the following key components:

- **Controlled Supplier Markup Solution:** A structured approach to supplier markups was implemented, ensuring cost transparency and control.
- **Mandated Program & Compliance Assurance:** The program was mandated organization-wide, eliminating rogue spend and closing backdoor channels, including within IT.
- **KPIs and SLAs:** Specific Key Performance Indicators (KPIs) and Service Level Agreements (SLAs) were established and continuously monitored to ensure the program's effectiveness.
- **Supplier Transition and Optimization:** All existing suppliers were transitioned to the new program, managed by Workspend, followed by a post-transition optimization phase.
- **Quarterly Scorecards:** Resource and Associate Vendor scorecards were created quarterly, facilitating discussions and driving continuous improvement.
- **Compliance Access Control:** Enabled managers to dictate the required compliance access(es) at the time of job creation, allowing the suppliers to submit candidates that met compliance requirements.

UTILITIES CASE STUDY

RESULTS

- **Significant Markup Savings:** Since the program's inception the average markups have been reduced by over 12%, resulting in \$9.5 million in savings.
- **Increased Diversity Spend:** All contingent labor spend became Tier I diverse spend, with an additional average of 28% tracked as Tier II diverse spend each quarter.
- **Cost-Effective Rehires:** The Workspend payroll process enabled the client to cost-effectively rehire former employees and retirees through the approved process.
- **Expanded Geographic Reach:** The program supported positions across all client locations in three states, multiple cities, and municipalities.
- **Seamless Acquisition Integration:** The program successfully integrated an acquisition, adding 98 additional headcount from another energy company and increasing its supplier base.
- **Scalable Solutions for Specific Needs:** Position-specific processes were developed to support headcount increases in specific areas, such as call centers, meter readers, and clerical roles.
- **Consistent SLA Performance:** Positive SLAs were consistently met, reviewed, and maintained.
- **Improved Sourcing for Difficult-to-Fill Positions:** Alternative sourcing solutions were implemented to address challenging or industry-specific roles.
- **Complete Visibility:** The program provided complete visibility into all non-full-time employees.

CONCLUSION

The Workspend partnership successfully transformed the client's contingent workforce management program by prioritizing a people-first approach that placed the needs of both clients and their contingent workers at the center of the solution. This approach delivered significant cost savings, improved compliance, increased diversity spend, and enhanced operational efficiency.

By fostering strong collaboration with client stakeholders and suppliers, Workspend implemented a scalable and flexible framework that adapted to the client's evolving business needs, including geographic expansion and smooth acquisition integration. This holistic, human-centered strategy ensured long-term success and positioned the client for sustained workforce optimization.



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