

# Why Your Contingent Workforce Hiring Isn't Working

Reduce Spend, Control Costs and  
Manage your Contingent Workforce



# Workspend

## No Ordinary MSP

- ✓ **Transparency:** Full visibility into costs, data, and processes.
- ✓ **Data-Driven Insights:** Leveraging advanced analytics to optimize your program.
- ✓ **Strategic Partnership:** Acting as a trusted advisor and collaborator.
- ✓ **Innovation:** Embracing emerging technologies and best practices.

### Introduction

Why invest in your contingent workforce program?

### The Hidden Costs

The hidden costs in workforce hiring and management

### Redefining the 'MSP' Role

How workforce management is adapting, and what you need to boost results

### Partnering with Workspend

How Workspend is breaking the mold to unlock savings

### Next Steps

Where to go from here

# Introduction

Why Invest in Your Contingent Workforce Management?

Struggling with high costs, talent shortages, or compliance risks in your contingent workforce?

## Background

Without a centralized strategy and dedicated resources, managing a contingent workforce can quickly become a chaotic and costly process.

Disparate systems, manual processes, and a lack of visibility into spending create inefficiencies that eat away at your bottom line and hinder your ability to achieve strategic goals.

## This Guide will:

- Expose the **hidden pitfalls** of an unmanaged contingent workforce
- Show how adopting a Managed Service Provider (MSP) solution can **transform your results**
- Find out how an MSP can streamline processes, reduce costs, improve compliance, and ultimately empower you to **build a more agile and effective workforce**



# A Contingent Workforce is No Longer 'Optional'

**Contingent workers** - encompassing temporary staff, contractors, freelancers, and consultants - are no longer just a stopgap solution for seasonal peaks or special projects.

They have become an **integral component** of many organizations' talent strategies, providing flexibility, specialized skills, and cost advantages.

**While the benefits of a contingent workforce are clear, managing this complex network of talent without a structured approach can create a cascade of challenges.**

# The Hidden Costs

**On the surface**, organizations may recognize the difficulties in sourcing qualified candidates, navigating multiple contracts, and ensuring compliance with ever-changing regulations.

**The true impact of an unmanaged approach** lies beneath the surface. Hidden costs and inefficiencies invade every aspect of the process, from talent acquisition and onboarding to performance management and offboarding. These unseen costs erode your bottom line, hinder productivity, and impede your organization's ability to achieve its goals.

A Managed Service Provider (MSP) acts as a strategic partner, overseeing and optimizing your contingent workforce program

## Building Blocks

- ✓ **Employer Brand:** Talent Acquisition, Talent Pools, Access to Talent, Supply Chain Management, etc.
- ✓ **Hiring:** Procurements, Sourcing Checks, Interviews, Q&A, Selection, onboarding, Offboarding, etc.
- ✓ **Management:** Performance, Systems, Compliance, Payments, Analytics, Process Improvement, etc.
- ✓ **Innovation:** Continuous improvement and adaptation to changing business needs

# 1

## Difficulty Finding and Managing Talent



### Sourcing Struggles

Finding qualified contingent workers with the right skills and experience can be time-consuming and frustrating. Without established networks and sourcing strategies, organizations may struggle to attract top talent and fill critical roles in a timely manner.



### Administrative Burden

The administrative tasks associated with sourcing, onboarding, and managing multiple contingent workers can quickly become overwhelming. Manually handling contracts, timekeeping, and invoicing can drain valuable resources and divert attention from core business activities.



### Vendor Relationship Management

Juggling multiple staffing agencies and vendor relationships can be a complex and time-consuming process. Without a centralized system, tracking performance, negotiating rates, and ensuring consistent service levels can become a significant challenge.



## 2

# Cost Overruns and Lack of Control



## Pricing Challenges

Without the negotiating power and market insights of an MSP, organizations may be subject to unclear or inconsistent pricing from staffing agencies. Unexpected fees, markups, and hidden costs can lead to significant budget overruns.



## Spend Management

Tracking and managing spending on contingent labor can be difficult without a centralized system. Manual processes and disparate data sources can make it challenging to gain visibility into actual costs, identify areas for savings, and optimize your contingent workforce budget.

# 3

## Compliance Risks and Legal Concerns



### Worker Classification

Determining the correct classification of contingent workers (employee vs. independent contractor) can be complex and risky. Misclassification can lead to co-employment issues, tax liabilities, and potential legal disputes.



### Regulatory Compliance

Navigating labor laws and regulations can be daunting. Without expertise and dedicated resources, organizations may unknowingly expose themselves to fines, penalties, and reputational damage.



# 4

## Lack of Visibility and Strategic Insight



### Data Fragmentation

Tracking key data points related to contingent workforce performance, costs, and supplier relationships can be challenging without a centralized system. Disparate data sources and manual tracking methods hinder the ability to gain actionable insights and make informed decisions.



### Strategic Workforce Planning

Organizations may struggle to develop effective workforce plans without visibility into workforce trends and performance data. This can lead to reactive hiring practices, missed opportunities to optimize workforce mix, and difficulty aligning contingent labor with strategic goals.

# Redefining the 'MSP' Role

An MSP is a strategic partner, overseeing and optimizing your contingent workforce program. In essence, an MSP functions as a centralized hub for all aspects of contingent workforce management, streamlining processes, reducing costs, and mitigating risks.

## On the following pages, we examine:

- ✓ The core functions of an MSP
- ✓ How an MSP can address the pain points we've described
- ✓ The benefits and value-add of working with an MSP

# Core Functions of An MSP

An MSP typically handles a wide range of functions, including:



## Vendor Management

Centralize and manage relationships with staffing agencies and other suppliers, ensuring consistent service levels, and negotiating favorable rates.?



## Talent Sourcing

Leverage a network of suppliers and sourcing channels to identify and attract qualified candidates for your contingent roles.



## Onboarding and Offboarding

Streamline the processes for onboarding and offboarding contingent workers, ensuring compliance with company policies, background checks and legal requirements.



## Technology

Implement and manage a Vendor Management System (VMS) to centralize data, streamline processes, and provide visibility into workforce spend and performance. More recently, MSPs have also provided Direct Sourcing platforms.



## Compliance Management

Stay up-to-date on labor laws and regulations, mitigating co-employment risks, and ensuring your contingent workforce program adheres to all relevant standards.



## Performance Analytics

Provide comprehensive reports and analytics to track key performance indicators, identify trends, and make data-driven decisions.



# Addressing the Common Pain Points

An MSP strategic partnership addresses the common pain points associated with unmanaged contingent workforces

## Core MSP Activities

- 01** Difficulty Finding and Managing Talent ➤ An MSP's established network and sourcing expertise can help you quickly find qualified candidates, while their streamlined onboarding processes reduce administrative burdens.
- 02** Cost Overruns and Lack of Control ➤ An MSP's negotiating power and market insights can help you secure better supplier rates and avoid unexpected fees. Their centralized spend management tools provide visibility and control over your contingent labor costs.
- 03** Compliance Risks and Legal Concerns ➤ An MSP's understanding of labor laws and regulations can help mitigate co-employment risks and ensure compliance, protecting your organization from fines and penalties.
- 04** Overcoming a Lack of Visibility and Strategic Insight ➤ An MSP's technology solutions and reporting capabilities provide you with the data you need to make informed decisions about workforce planning, optimize your workforce mix, and identify cost-saving opportunities.

# Benefits of An MSP Strategic Partnership

Partnering with an MSP can fundamentally transform your approach to contingent workforce management, providing a host of benefits that address the pain points of an unmanaged program.

## What to Expect

### Streamlined Talent Acquisition

An MSP's deep network and established sourcing channels provide access to a broader pool of qualified candidates, enabling you to find the right talent faster and more efficiently. Their streamlined processes and expertise significantly reduce the administrative burden on your HR and hiring managers, allowing them to focus on core strategic initiatives.

### Cost Control

An MSP is a central point of contact for all your contingent workforce needs, consolidating billing and standardizing pricing across suppliers. This eliminates the confusion and hidden costs often associated with managing multiple vendor relationships. Through detailed reporting and analytics, you gain clear visibility into spending patterns, cost drivers, and potential areas for savings.

### Risk Mitigation and Compliance

Navigating labor laws and regulations is a minefield! An MSP brings expertise in worker classification, co-employment regulations, and compliance management. They meticulously manage supplier contracts and agreements, conduct proactive audits and monitoring, and provide ongoing guidance on compliance matters. This proactive approach safeguards your organization from risks.

### Strategic Workforce Planning

An MSP equips you with the data-driven insights and predictive analytics necessary for effective workforce planning. By tracking key metrics and analyzing trends, you can forecast talent needs, identify skill gaps, and proactively source talent at the right time. An MSP's expertise will optimize your workforce mix, ensuring the right balance of contingent and permanent employees to achieve maximum results.

# The MSP Value Add

Partnering with an experienced MSP can offer additional value that you might not expect in three areas:

## ✓ Better Planning

What is your strategy for succession? Is your baby boomer generation of workers about to leave the door? What will the impact of AI be on your workforce, and what will your strategy be? Were you to move to a shift-based strategy, what are the secrets of success to get this right the first time? All these questions about future anticipated wants, needs, and challenges are better answered by the expertise and data insights that MSPs can supply.

## ✓ Better Talent

MSPs can help you access a broader and richer talent pool. Additionally, some MSPs are ahead of the game in assisting businesses in realizing their Employer Brand potential to hire talent directly. A fundamental building block of this strategy is expertise in candidate experience and knowledge of curating talent pools that keep candidates returning time and again.

## ✓ Better Management

You would expect an organization that delivers contingent workforce management programs as their core role to know how best to run the necessary processes, what technologies are most effective, and how innovation can be best applied to drive results ...and that's the case when you find the right MSP partner!

# Partnering with Workspend

## Workspend's solution to the challenges of first-generation MSPs is straightforward:

Combine advanced procurement and supply chain expertise with a vendor-neutral MSP partner dedicated to continuous improvement.

We're not a staffing supplier, ensuring our focus remains solely on optimizing your contingent workforce program.



# Advantage #1

## Proactive Consultation And Guidance

Programs are shaped to suit your needs both for today and tomorrow.

At Workspend, we don't just manage your program; we act as your strategic advisors. Our team of experts proactively identifies challenges, recommends solutions, and guides you through complex decisions.

We challenge assumptions, question the status quo, and constantly seek ways to improve and innovate.

Our goal is to empower you to make informed decisions that drive continuous improvement and maximize the value of your contingent workforce.

## Advantage #2

# Tailored & Transparent Programs

We succeed when you succeed, and we're committed to delivering measurable results that contribute to your bottom line.

At Workspend, we believe in transparency and accountability. Our pricing model is clear and straightforward, with no hidden fees or surprises. Our performance-based incentives ensure our interests are always aligned.

We leverage AI, automation, and direct sourcing to streamline processes, improve candidate matching, and reduce costs.

Our commitment to staying ahead of the curve ensures that your program benefits from the latest advancements, enabling you to gain a competitive advantage.

## Advantage #3

# Best-in-Class Data Analytics

We act as your strategic advisors, using data-driven insights to proactively identify challenges, recommend solutions, and guide you through complex systems changes and decisions.

We firmly believe that data is the key to unlocking hidden value and optimizing your contingent workforce. Our WRAP data platform aggregates and analyzes data from all relevant to provide a 360-degree view of your program.

This comprehensive visibility empowers you to make informed decisions, identify cost-saving opportunities, and predict future talent needs.

Our team helps you extract maximum value from your contingent workforce and navigate any technology hurdles to maintain a top-tier talent supply chain.



# Advantage #4

## Leveraging AI & Automation

If your current MSP program isn't delivering the results you expect, our **CW Program Discovery** assessment can provide a clear path forward.

Workspend is at the forefront of technological innovation in the contingent workforce space. We leverage AI, automation, and direct sourcing to streamline processes, improve candidate matching, and reduce costs.

We analyze your existing program to pinpoint gaps and growth areas, offering actionable insights to optimize performance and achieve better outcomes with a tailored approach.

Our commitment to staying ahead of the curve ensures that your program benefits from the latest advancements, enabling you to gain a competitive advantage.

## Advantage #5

# Direct Sourcing & Curated Talent Pools

Harness your employer brand to attract and hire talent when you need it

The world of work is changing. Companies are leveraging their employer brand to self-serve themselves with top talent. This makes sense, but it's not a transformation you can do without the major ingredients outlined below.

Success in direct sourcing comes from blending AI-powered direct sourcing technology with program know-how, talent pool curation services, employer brand promotion, and sometimes Employer of Record (EoR) services.

With Workspend, you can get all these services 'under one roof.' Furthermore, we'll help you to transition from a managed to a self-service direct sourcing agenda.

# Next Steps For Organizations Without an MSP

If you manage your contingent workforce without an MSP, the time to act is now. The benefits of partnering with an MSP are clear.

## 01

### Assess Your Needs

Assess your current contingent workforce program to pinpoint specific pain points and challenges. Let Workspend conduct a comprehensive current state assessment. In less than four weeks, you'll receive valuable insights and data to strengthen your business case.

## 02

### Define Your Goals

Determine if you need an MSP and what you want to achieve with an MSP partnership. Are you primarily focused on cost savings, efficiency gains, risk mitigation, or strategic alignment?

## 03

### Select an MSP

Carefully research potential MSP partners, considering their experience, technology capabilities, and approach to partnership. Look for an MSP that aligns with your values and understands your unique business needs.

## 04

### Implement/Optimize

Some MSPs may not proactively identify all potential cost-saving avenues. These could include negotiating better rates with suppliers, consolidating vendors, or leveraging alternative channels like direct sourcing.



# Connect With Us

Looking to make your move to transform your Contingent Workforce Program? Book a meeting with a CCWP Certified Consultant:

U.S. +1 978.512.2591

[Become a Client](#)

Learn more about how to navigate the talent and workforce maze!

Stay connected to the latest insights

