

Never Pay Above Market in Your MSP Program: A Liberty Mutual Case Study

Melissa Burkland

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Contingent
Workforce
Professionals

Housekeeping Items

- Everyone will be muted throughout the entire presentation
- You are welcome to ask questions at any time using the chat and/or Q&A feature
- We will have a brief Q&A session at the end of the presentation to make sure that we answer your questions

CWP Mission Statement

- Mission: Our mission is to foster **our individual member's** learning through the sharing of knowledge, best practices, experiences, lessons learned and by engaging with industry experts and thought leaders.
- Purpose: Our goals are to enhance the professional capabilities and skills of **our individual members** and to bring value to the overall contingent workforce management discipline.
- Who we are: CW Professionals is a Professional Association of contingent workforce and strategic sourcing professionals working in multiple industries.

CWP Governance

Steering Committee – Bay Area

- Janice Urban, Oracle
- Verdis Baldrige, Kaiser Permanente
- Natalie Beaver, Visa
- Greg Johnson, Blue Shield of CA
- Koenraad Lecot, Farmers Insurance
- Erika (Halverson) Novak – LinkedIn
- Michelle Johnson – Oracle
- India McClellan – Kaiser Permanente



CWP Benefits

Networking

- Leveraging and sharing with your peers
- In-person and Online

Chapter Meetings

- Assistance in Developing a Chapter in Your City
- Becoming a Steering Committee Member

Events

- Attend our Annual Events
- Stay in the Know of All CW Events in your Area

Knowledge Base

- Library of Presentations, Videos, and Recordings
- View Discussions from you Peers

Participate/Contribute

- Become a Guest Speaker
- Become Author/Blogger/Thought Leader



Our Speaker Today

Melissa Burkland is a dynamic sourcing leader who works with organizations to transform procurement departments by building trust with key stakeholders and developing sourcing plans that deliver immediate savings. She has approximately 20 years of increased global responsibilities in procurement, strategic sourcing, and supplier diversity at companies such as Liberty Mutual, Siemens, and The New York Times Company. Melissa is a recognized leader of indirect procurement. She has spoken at the Global Business Travel Association (GBTA) convention, ProcureCon Indirect, and Procurement Live University.



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Agenda

- How to Align HR and Procurement with mutual goals
- Effective use of MSP resources for a successful hiring process
- Accurate Dashboarding to monitor and drive success

Poll Question #1

What is your functional role within the enterprise?

1. Human Resources
2. Technology
3. Services Procurements
4. Risk and Compliance
5. Legal

Assessment of MSP/VMS

- Initial State

- Antiquated VMS
- Bill rate was not being monitored
- Market rate was from irrelevant clients
- Time to fill exceeded Hiring Managers expectations
- Number of interviews required to identify a candidate too high
- Exit questionnaires were not being retained

Align HR & Procurement with Mutual Goals

- Understand pain points
 - Time to hire, submittal ratios
 - Attrition
 - Improve tracking of candidate quality
 - Cost transparency with a Not to Exceed (NTE)
- Develop an image of the ideal state
 - Enhance VMS technology within the work flow
 - Improve communication to reduce unproductive interviews

Poll Question #2

Please select the best description for your current program architecture.

1. We have a Master Vendor or Vendor on Premise
2. We have newer internally managed CWP with no VMS tool
3. Internally Managed CWP with a VMS tool
4. Managed Program with an MSP that also controls the VMS tool
5. Managed Program with an MSP and VMS tool that are managed separately by the client.

Effective use of MSP Resources for a Successful Hiring Process

- Initial State of On-Site Program Management
 - Performing administrative tasks, such as unapproved time sheet tracking
 - Monitored and prevented overtime
 - Facilitating agency launch calls with minimal information on soft skills and success criteria
 - Delivered a monthly scorecard with self reported metrics on agency performance, with no corrective actions
 - Hosting on-site bi-annual agency supplier forums

Effective use of MSP Resources for a Successful Hiring Process

- Strategic On-Site Program Management
 - Understand Hiring Manager needs and style
 - Re-writing job descriptions
 - Setting realistic expectations (time, cost, etc.)
 - Building a pipeline of candidates for several positions
 - Managing exit interviews and call backs
 - Facilitating agency launch calls, often involving the hiring manager for new, complex roles
 - Expanded on-site bi-annual agency supplier forums with more client involvement to solicit constructive feedback
 - Actively seeking out process improvements

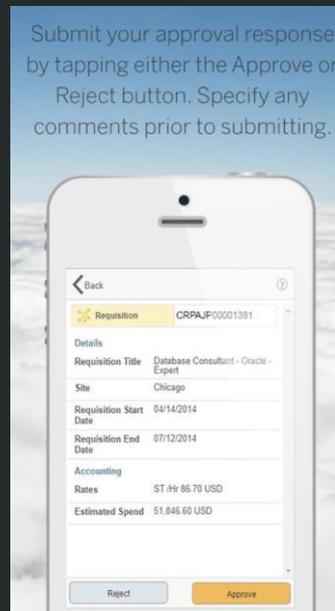
Hosting On-Site Agency Supplier Forums

- Share business changes (new sites, cyclical changes, etc.)
- Agency awards for top supplier performance
- Table topics and group discussions on industry trends
- Q&A with HR and top hiring managers
- Inquire where we can improve
 - Timeliness
 - Communication
 - Hiring Manager comments

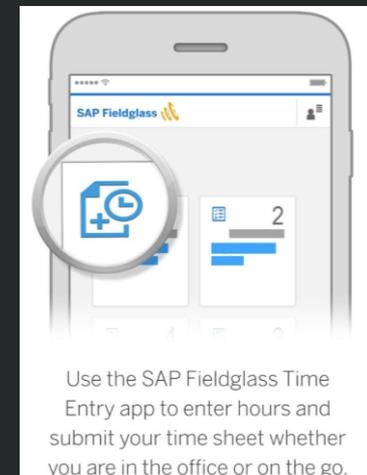


Leveraging the VMS to Improve Communication

- In response to the Agency feedback
- Added comment fields in new configuration
- Technology map to incorporate mobile tools in the future state



Hiring managers can make simple comments on rejections to aid agencies in identifying qualified candidates



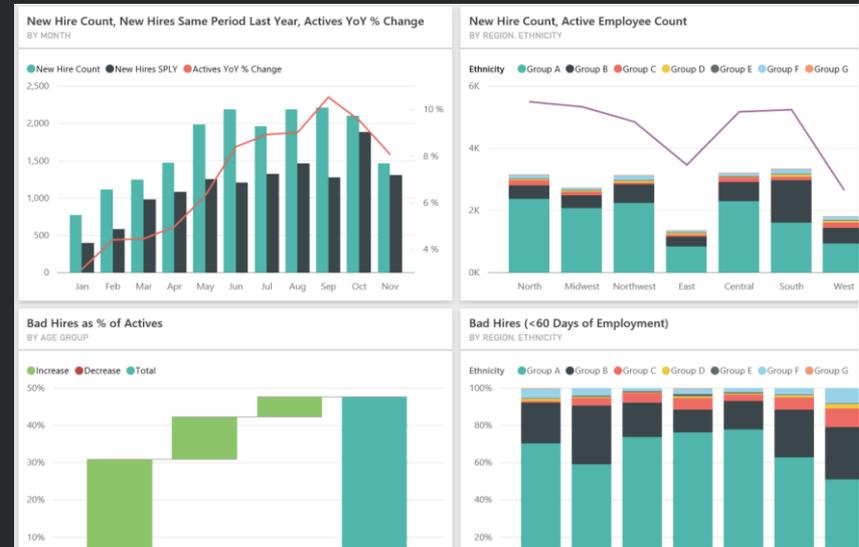
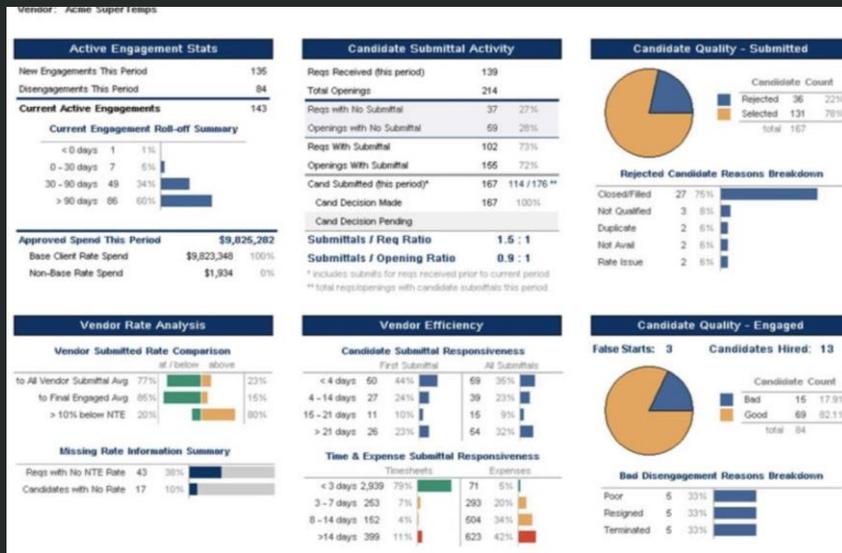
Accurate Dashboarding to Monitor and Drive Success

- Research Innovative Metrics - Stretch the MSP
 - MSP and VMS Case Studies on-line
 - HRO Today
 - CWS, ProcureCon, CWP, etc.
- Examples
 - [Fieldglass Case Study](#)
 - [CWS](#)
 - [ProcureCon Indirect](#)
 - [Sample MSP Dashboard](#), [Recruitment Dashboards](#), etc.



Accurate Dashboarding to Monitor and Drive Success

- Research Innovative Metrics - Stretch the MSP
 - Gather samples from many sources and industries to arrive at the ideal result



Accurate Dashboarding to Monitor and Drive Success

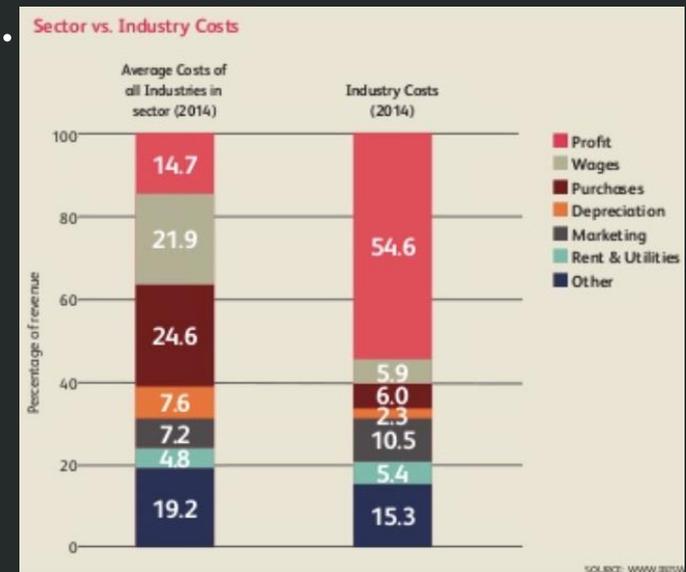
- Success Criteria
 - Time to fill (# of candidates presented, interviewed, and hired)
 - How to remedy open positions over x days
 - Agency Supplier Performance Management (grow vs. de-source)
 - Bill vs. Pay Rate Review with benchmarks
 - Exit interviews vs. Conversions
 - Miscellaneous KPIs/SLAs for business concerns

Bill vs. Pay Rate Review with Benchmarks

- Improving cost transparency
 - [IBIS](#) reports, financial statements, industry articles, etc.
 - Follows the \$165B industry in the USA
 - Industry trends, cost drivers, barriers to entry, competitive landscape, etc.

It is not the mark-up, but the total cost

- Franchise fees
- Advertising
- Account management
- Background check
- Training
- Unemployment
- Worker's Compensation



Bill vs. Pay Rate Review with Benchmarks

- Right Sizing the bill rate for the engagement
 - Detailed RFPs
 - Multiple rates with each agency

Pay Rate per hour in Local currency	Temp Employee MU	Billable Rate	Full Benefit MU	Full Benefits and Holiday MU	Profit %	Federal Unemployment Tax %	FICA %	State Unemployment Tax %	Worker's Compensation %	Full Health, Life Benefits % Optional	Holiday Benefits % Optional	Recruitment % Optional	Other Costs % Optional
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- Understanding agency profit of 4-6%
- Acceptance of employee benefits 3-8%
 - Subsidy
 - Holidays - long term assignment only
- State unemployment insurance thresholds
- Worker's Compensation rates by worker classification, other client claims, etc.
- Recruited versus payrolled



Sources to Benchmark Pay Rates

- Corporate Compensation Surveys
- [BLS.gov](https://www.bls.gov) (drill down to title and location)

Occupation code	Occupation title (click on the occupation title to view its profile)	Level	Employment	Employment RSE	Employment per 1,000 jobs	Median hourly wage	Mean hourly wage	Annual mean wage	Mean wage RSE
00-0000	All Occupations	total	140,400,040	0.1%	1000.000	\$17.81	\$23.86	\$49,630	0.1%
11-0000	Management Occupations	major	7,090,790	0.2%	50.504	\$48.46	\$56.74	\$118,020	0.1%
11-1000	Top Executives	minor	2,465,800	0.2%	17.563	\$49.19	\$61.03	\$126,950	0.2%
11-1011	Chief Executives	detail	223,260	0.7%	1.590	\$87.12	\$93.44	\$194,350	0.4%
11-1021	General and Operations Managers	detail	2,188,870	0.3%	15.590	\$47.74	\$58.70	\$122,090	0.2%
11-1031	Legislators	detail	53,670	1.3%	0.382	(4)	(4)	\$44,820	1.1%
11-2000	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	minor	663,960	0.5%	4.729	\$57.89	\$65.39	\$136,020	0.3%
11-2011	Advertising and Promotions Managers	detail	28,860	2.3%	0.206	\$48.47	\$56.64	\$117,810	1.5%
11-2020	Marketing and Sales Managers	broad	571,120	0.6%	4.068	\$59.10	\$66.52	\$138,350	0.3%
11-2021	Marketing Managers	detail	205,900	1.0%	1.467	\$63.07	\$69.30	\$144,140	0.5%
11-2022	Sales Managers	detail	365,230	0.6%	2.601	\$56.71	\$64.95	\$135,090	0.3%
11-2031	Public Relations and Fundraising Managers	detail	63,970	1.1%	0.456	\$51.59	\$59.31	\$123,360	0.6%

Lessons Learned

- Understanding the challenges and trends
- Building a strong, trusting partnership
- Improving cost transparency for a win-win
- Embracing technology
- Never be complacent

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Webinar Recording:

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