

Tips for Implementing a Successful Contingent Workforce Strategy

Over the past decade, more and more companies have come to rely on contingent workers. This trend is here to stay, as various labor study projections suggest that 40-50% of the U.S. workforce will be contingent, freelance, and independent workers by 2020. If you are looking to improve your company's approach to incorporating contingent talent into the human capital strategy, there are specific steps that will optimize the value, efficiency, and performance of an increasingly varied labor pool and the suppliers who source these workers:

1. Make Your Case

Start by taking a hard look at the current way your company is sourcing, managing and releasing contingent workers. What's working? Where are the gaps? What is the pain? Are there inefficiencies that are costing the company in lost productivity, expensive suppliers, or steep fines or litigation due to worker misclassifications? Did your audit reveal poor visibility to how vendors are performing or who and where your contingent workers are? Does this lack of knowledge expose you to labor-management risk? Find anecdotes that support your position as to why things need to change and then take it to senior company leadership for their buy-in and championship.

2. Prioritize the Outcomes

There may be no more important step to ensure both short-term and long-term success than identifying what the key priorities are for putting a formal contingent workforce strategy in place. That's because these critical drivers inform the program design. A program with a goal of saving money will not be the same as one for sourcing quality candidates. What is your ultimate goal? Besides cutting costs or better access to top talent, other objectives might include filling open jobs faster, improving compliance, establishing rate cards and vendor markup thresholds, creating a no-touch program (or an open communication one), or vendor pool diversification. Whatever the aim, it's also important to assess at this point whether this initiative is something that can be managed internally, or do you need outside expertise to move forward.

3. Evaluate Your Current Vendor Pool

Implementing a contingent worker strategy is the perfect opportunity to review the vendors the company has been working with, and then establish a screening mechanism that filters which vendors will continue to be partners, and which are no longer appropriate. Screening parameters may include the vendor's size, their location, the types of roles they fill, and their rate structure. It's also important to consider the connections the vendors have internally at your company, and whether these internal relationships supersede your screening criteria.

4. Research Enabling Technology Appropriate to Your Objectives

The good news is that there are several technological solutions in the marketplace designed to help companies manage their contingent workforce strategy. The challenge is to understand which one will enable your unique process and company. What is the right level of sophistication? What is an excessive amount of features? Which one will scale with your expanding needs? Sometimes companies get bowled over by bells and whistles, trading off swift implementation and ease of use for features they will never need.

5. Involve & Communicate With Internal Stakeholders

An essential second round of buy-in to obtain for your proposed approach and enabling technological solution is from the internal stakeholders who rely on contingent workers. Your goal at this point is to clarify why the process is changing and how it will make their lives easier. It's critical to involve stakeholders early enough in the project implementation process so they have an opportunity to weigh in on the process improvement, so they feel like their perspective has been valued and considered. Equally important is to communicate progress updates frequently.

6. Achieve Vendor Buy-in

Just like internal stakeholders, vendors who qualify for inclusion in the new process also need to understand why the company is making changes, what the new process impacts their business, and the benefits to them. One of the attractive, convincing outcomes to promote to vendors is that the new approach will allow them access to all requisitions for talent – rather than just the ones that were dependent on having a prior internal relationship.

With these six steps covered, going live with a re-engineered approach to contingent workforce management will be a low-pressure event. This is especially true if you are working with an outside expert who has deep expertise in implementing such strategies and can manage the entire process for you.

To learn more about how PrideOne can help, and to learn about specific client success stories, contact Kate Goss, Managing Director, at 212.235.5371.