

Branching Out

When is it right to grow your successful MSP into new commodities outside of contract labor?



MSP

These days, managed service programs (MSPs)—often web-automated and streamlined by a vendor management system (VMS)—are considered an industry best practice for companies with sizeable contract workforces. Entering the staffing industry in the early 1990s, MSPs have earned their stripes, and mature service models are now relied on by the vast majority of Fortune 500 companies. But smaller companies, even those with contract labor workforces of only a few hundred resources, have learned that the benefits of MSPs can be quite impactful and sustainable. So once contract labor processes have been optimized the next question is logical:

How can we repeat the success?

Well, by branching out. Recently, there has been considerable interest in combining multiple workforce acquisition programs (contract labor, statement of work, independent contractor, etc.) into a single, high-performance structure, fully leveraging all talent acquisition tools, partners, and investments to effectively deliver and manage multiple types of workers. Simply put, companies are finding that consolidating these workforce solutions into their existing MSP/VMS generates considerable results.

According to Staffing Industry Analysts, seventy-seven percent of global CEOs say they will change their strategy for managing talent in 2013—including IC and SOW vendor management under the MSP/VMS umbrella falls into this change strategy.

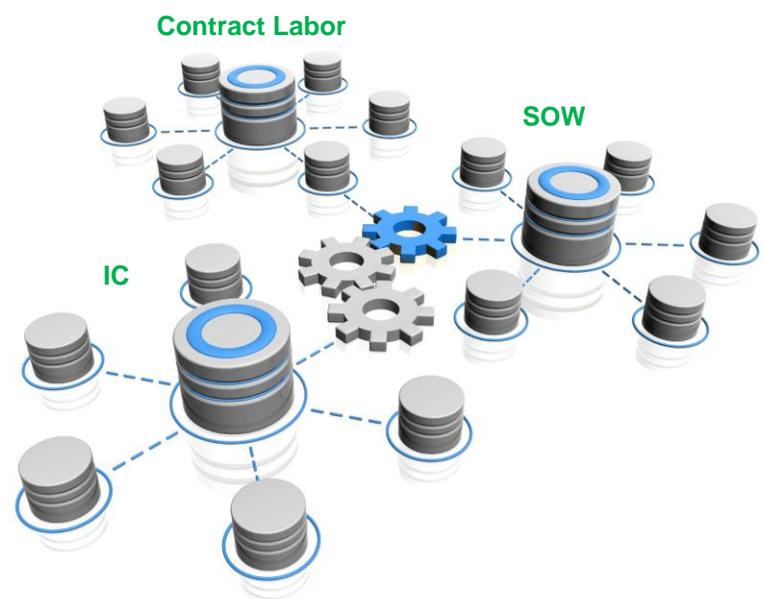
Within this centralized approach, both non-direct employee talent acquisition programs (contract labor, payrolling, IC, SOW) and direct employee talent acquisition programs (direct hire, retained search, RPO) can be considered for MSP integration.

There are many values and benefits that can be gained by transitioning to a multi-faceted management program. These include:

- Streamlined process and technology
- Expanded use of talent acquisition tools for greater visibility
- Leveraging of a proven MSP/VMS provider partnership, meaning fewer unknowns
- Improved manager acceptance
- Business and market intelligence to drive informed decisions
- Broader access to talent across the organization
- Consistent process to reduce risk in place

There are several factors that can help guide your decision to move to this model:

- **Strategy** – Alignment with company strategy, advancement of competitive advantage, and agreement among stakeholders on decision and design
- **Culture** – Alignment with enterprise politics and acceptance of approach, acceptance internally of multiple types of workers, and engagement with a trusted party to guide and deliver solution
- **Operation** – Compelling business need, cross-deployable resources, technologies and processes, and sufficiently mature workforce programs to support expansion



Is this approach right for you? And what is the payoff?

Consider your organizational readiness with this four-step process

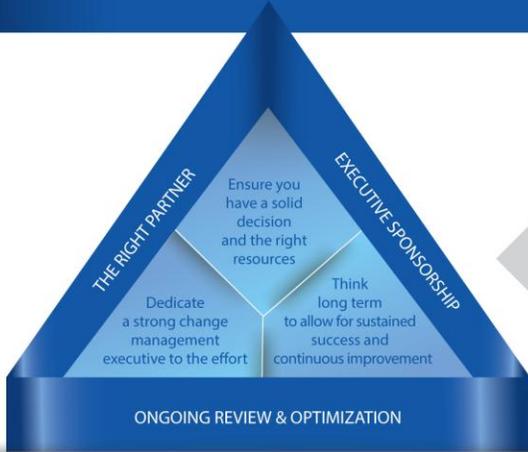
1 Define the value of scope expansion to gain stakeholder interest/support



2 Analyze your business



3 Prepare for the change management



4 Make the move!

So, you've made the decision that your MSP is primed for expanded success. Excellent job laying the groundwork! It takes quite a lot of effort to build an effective contingent labor MSP, but having it in place will ease your branching out activities.

In order to build and sustain an effective integrated program, you need to set clearly defined goals and metrics. Having the right resources to make the program work—proactive management executives along with experienced teams—and a long-term approach with a three to five year plan, will allow for sustained success and continuous improvement.

Yes, there are many factors to consider, but the unification of these programs under your existing MSP will ultimately provide your teams with access to better talent and hone your competitive edge.

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