Contingent Labor Strategy

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CIO Council

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Agenda

• Context and Business Case
• Project Objectives
• Proposed Solution
• Benefits
• CIO Council Support and Next Steps
Context and Business Case

- Harvard’s contract with its preferred vendor for temporary staffing (Randstad) is up for renewal in the fall
  - HR leaders expressed the need to identify a holistic contingent labor strategy (not simply temporary staffing)

- Preliminary estimates show Harvard’s contingent labor spend at $75m/year

- There are no standard processes, systems or governance for Harvard’s use of contingent labor creating uncertainty around scope, risk exposure and financial impact, including:
  - Non-standard position descriptions
  - Relationships with hundreds of agencies
  - Numerous contracts, 100’s of weekly invoices, difficulty tying spend to AP ledger
  - No central performance metrics to track program success
  - Wage rate compliance issues
Project Objectives

• **Compliance:**
  – Minimize risk (operational, reputational, financial) and ensure compliance with regulations

• **Efficiency:**
  – Simplify and standardize requisitioning, recruiting, on-boarding, off-boarding, payment and reporting processes
  – Using metrics, achieve the highest level of performance
  – Implement best practices to improve the overall process for procurement and management of contingent labor

• **Financial:**
  – Improve transparency through visibility into total spend
  – Reduce costs and create additional value for stakeholders

• **Talent Acquisition:**
  – Ensure continued access to talent in a tightening labor market
Proposed Solution

- Deployment of a vendor-neutral Managed Service Provider (MSP) to serve as a coordinating function between Harvard hiring managers and agencies.
- Utilize a Vendor Management System (VMS) for posting requisitions, funneling pre-screened resumes to hiring managers, time-carding/approvals and reporting
- Create a standard process for all contingent labor requirements
- University could save $7.5m – $11.3m over time (approximately 10-15% of current contingent labor costs)
Benefits

• **Compliance:**
  – Reduction of co-employment risk
  – Standard contracts provide better protection of Harvard IP

• **Efficiency:**
  – Harvard’s contact focused with a single provider (MSP) who manages selected agencies and provides accountability
  – Reduced hiring cycle time (estimated at 35%)
  – Streamlined payment processing and reduced invoicing
  – Rapid and accurate distribution of requisitions, with agreed upon rate cards

• **Financial:**
  – Creates competition to lower bill rates, improve response time, fill ratios and successful placement
CIO Council Support and Next Steps

- Confirm first wave participants (HMS, HBS, Campus Services, HUIT)
- Ensure necessary resources are in place (HR, HUIT, FAD) to support implementation
- Assemble project team
  - Includes robust project plan with implementation, integrations, UAT, communications, training and change management
- Complete RFP process with identified MSP’s