



**HARVARD**  
Human Resources

## **Contingent Labor Strategy**

**June 27, 2016**  
**CIO Council**

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# Agenda

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

# Context and Business Case

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- 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

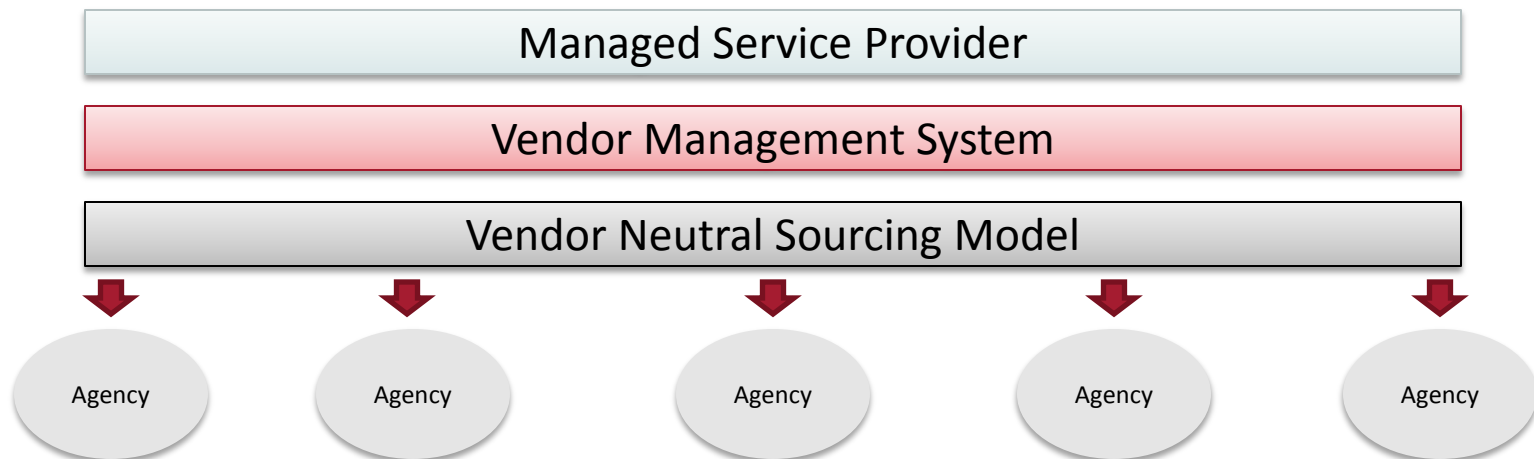
# Project Objectives

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- **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

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- **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

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- 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