

MSP & RPO Masterclass

Ciett World Employment Conference

Rome, 28th May 2015

STAFFING
INDUSTRY
ANALYSTS



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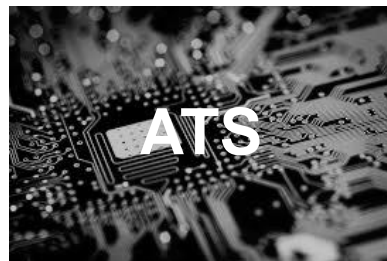
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Agenda

- Managed Service Provision
- Recruitment Process Outsourcing
- Total Talent Management

Confused?



Understanding Terminology



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MSP - Managed Service Provider

A company that takes on primary responsibility for managing an organisations contingent workforce program. Typical responsibilities of an MSP include overall program management, reporting, and tracking, supplier selection and management, order distribution and often consolidated billing.

The vast majority of MSP's also provide their clients with a vendor management system (VMS) and may have a physical presence on the client's site. An MSP may or may not be independent of a staffing supplier.

VMS – Vendor Management System

An Internet-enabled, often Web-based application that acts as a mechanism for a business to manage and procure staffing services (temporary help and, in some cases, permanent placement services) as well as outside contract or contingent labour.

Typical features of a VMS include order distribution, consolidated billing and significant enhancements in reporting capabilities over manual systems and processes.



Do You Know?

- What are you paying for your contingent workforce and is it the right amount?
- Are your internal customers satisfied with contingent worker talent, output and fit?
- Is your contingent workforce program able to scale to handle future growth and/or contraction?
- Who are the contingent workers on your premises and how long have they been there?
- Who supplies the contingent talent and what is your legal relationship with those companies?
- What might someone sue you for and what are you doing to protect yourself?

Best and Worst Decisions Ever made

Ranked by frequency cited

Best Decision	Worst Decision
Implementing an MSP	Allowing local branches/managers too much control
Implementing a VMS	Overspending
Consolidating vendors	Unclear or insufficient management of contingent workforce
Consolidating all contingent workers under one programme	Not using VMS/MSP sooner
Standardization, transparency, tracking of results	Working with too many suppliers

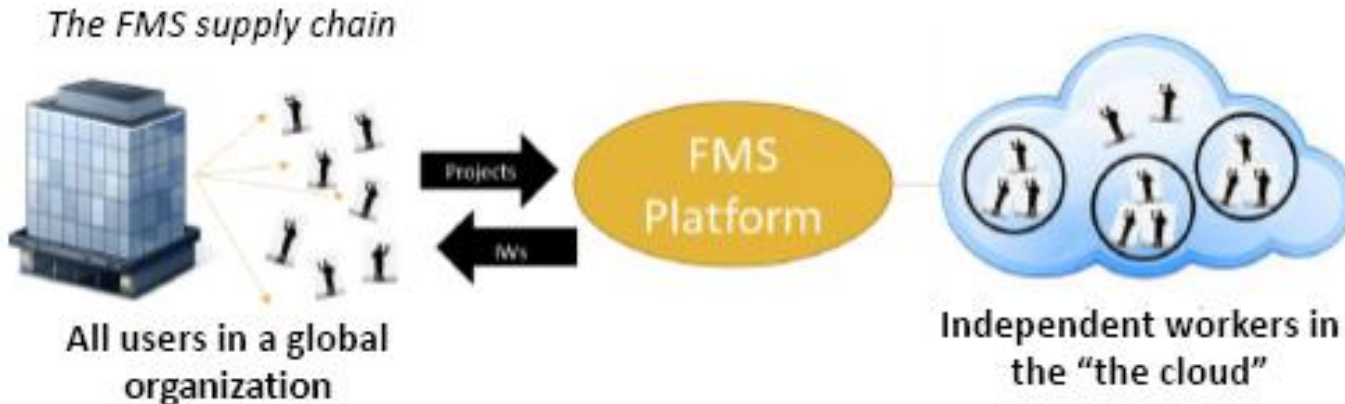
Hybrid Programmes are Common

- By geography
- By skills category
- By type of worker

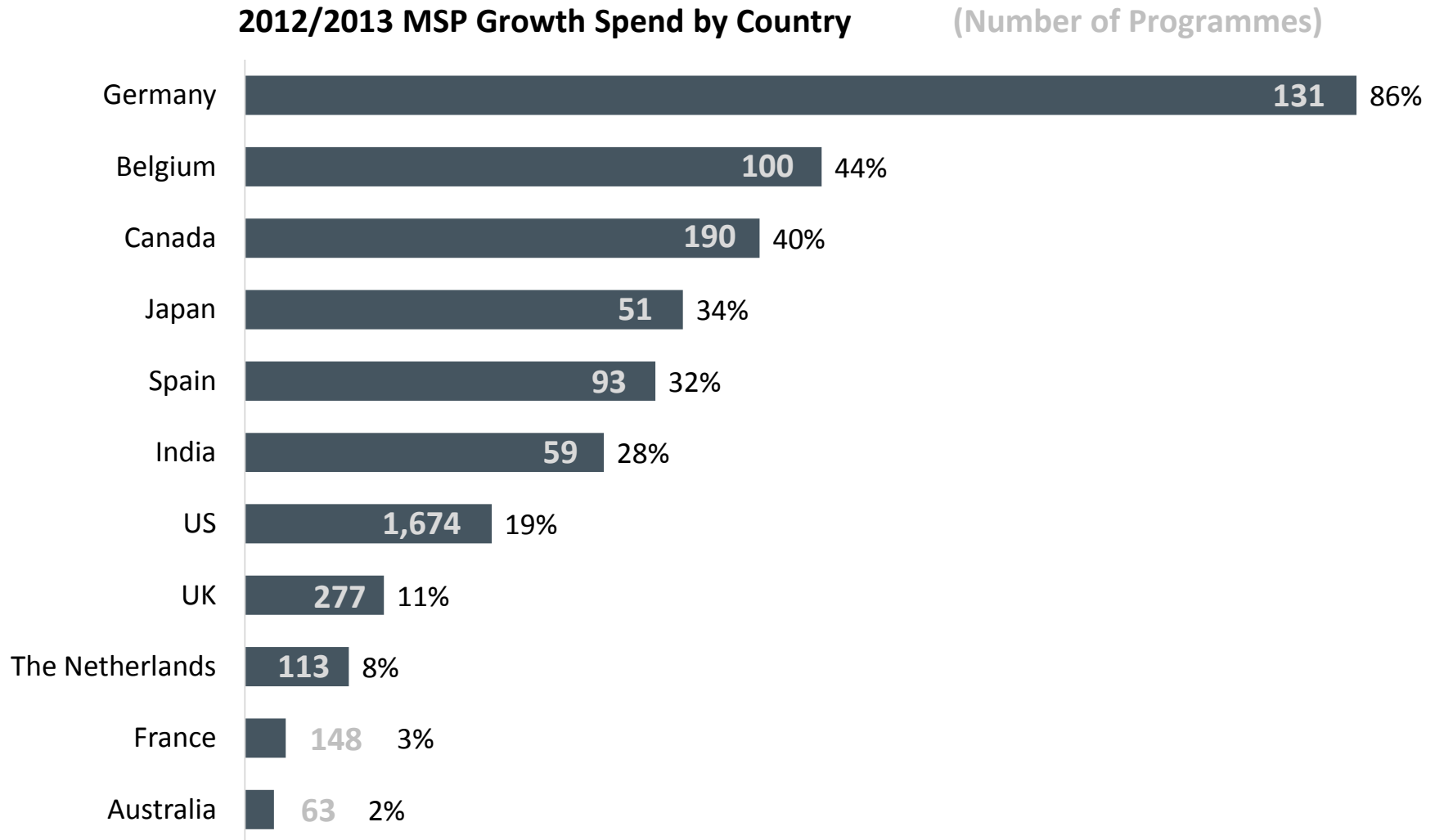


MSP Trends

- Disaggregation of MSP and VMS
- Partnerships
- ERP's recognize contingent workforce management
- Rise of independent worker engagement models
 - Development of Freelancer Management Systems (FMS)



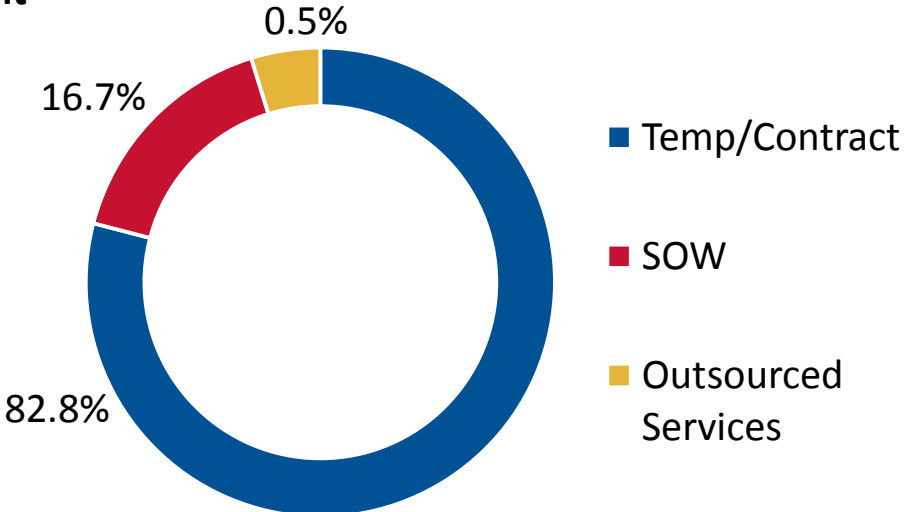
The Inevitable Growth of MSP



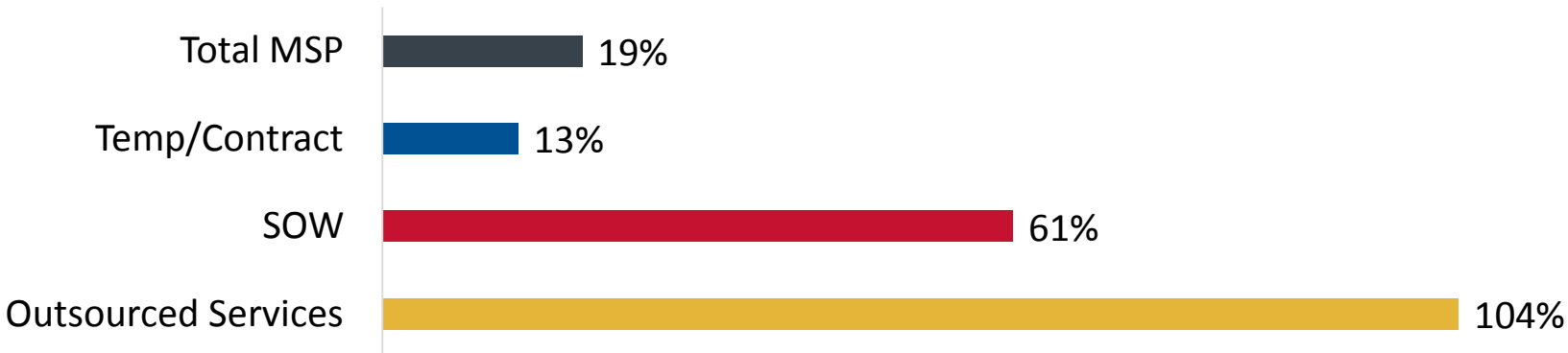
Source: Staffing Industry Analysts – 2014 VMS and MSP Supplier Competitive Landscape

2013 Global MSP Spend

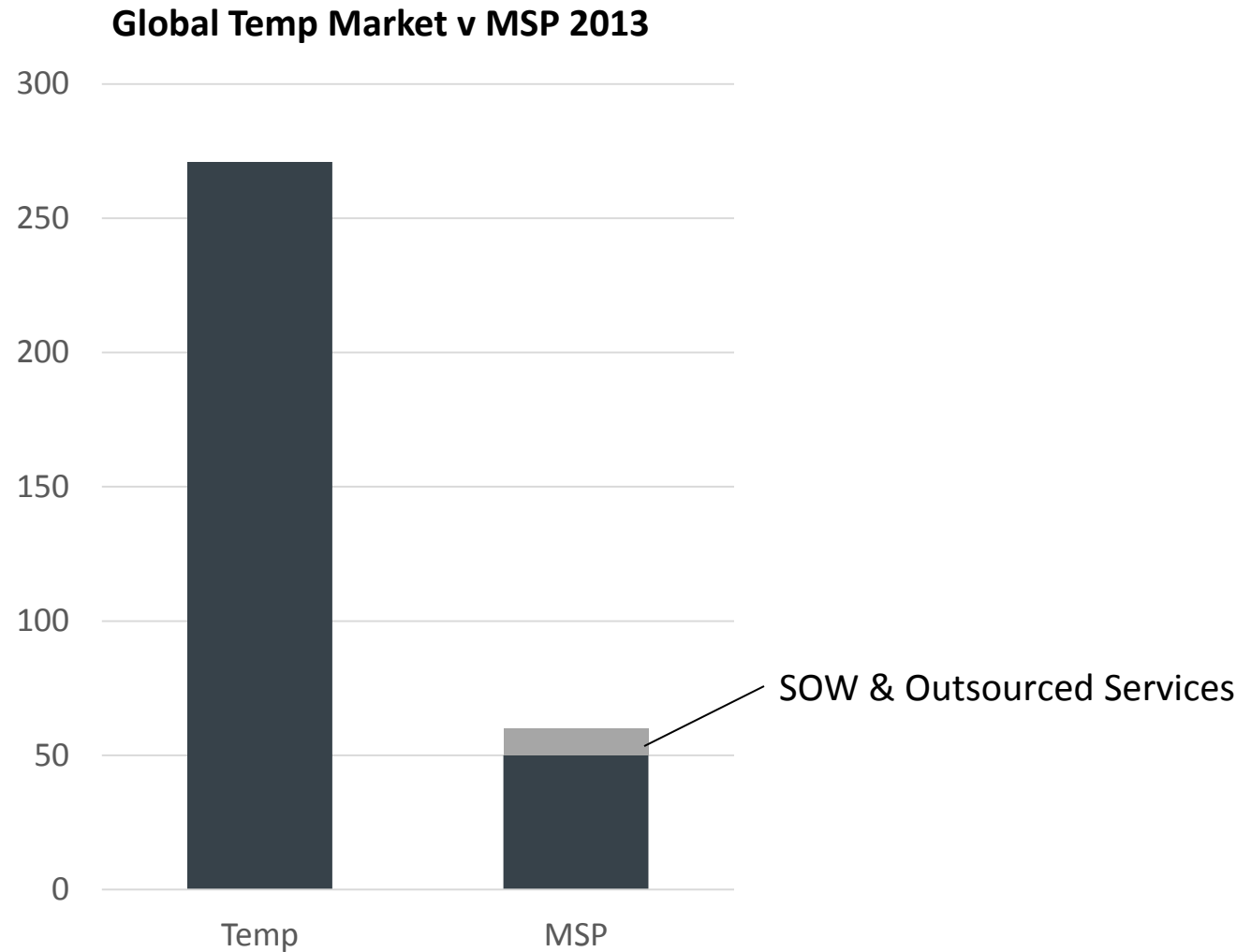
By Work Arrangement



Growth by Work Arrangement



Fifth of the Global Temp Market Comes via MSP



Source: Staffing Industry Analysts

MSP Structures are Not the Same Globally

- ‘Principal Model’ commonly used in the UK, US and Netherlands
- Alternative models used where legislation prevents the Principal Model (such as France, Germany, Japan)
 - Agency Model
 - Margin Model

Agenda

- Managed Service Provision
- **Recruitment Process Outsourcing**
- Total Talent Management

RPO – Recruitment Process Outsourcing

Partial or full outsourcing of the internal recruitment function to a third-party specialist provider, which services to provide the necessary skills, activities, tools, technologies related recruitment supply chain partners and process methodologies to assume the role of the client's recruiting department by owning and managing its recruitment process and related recruitment supply chain partner relationships.

RPO is more commonly used as a method for employers to recruit direct-hire personnel, particularly in the U.S. *In Europe contingent workers will also be included within that scope in some instances.*



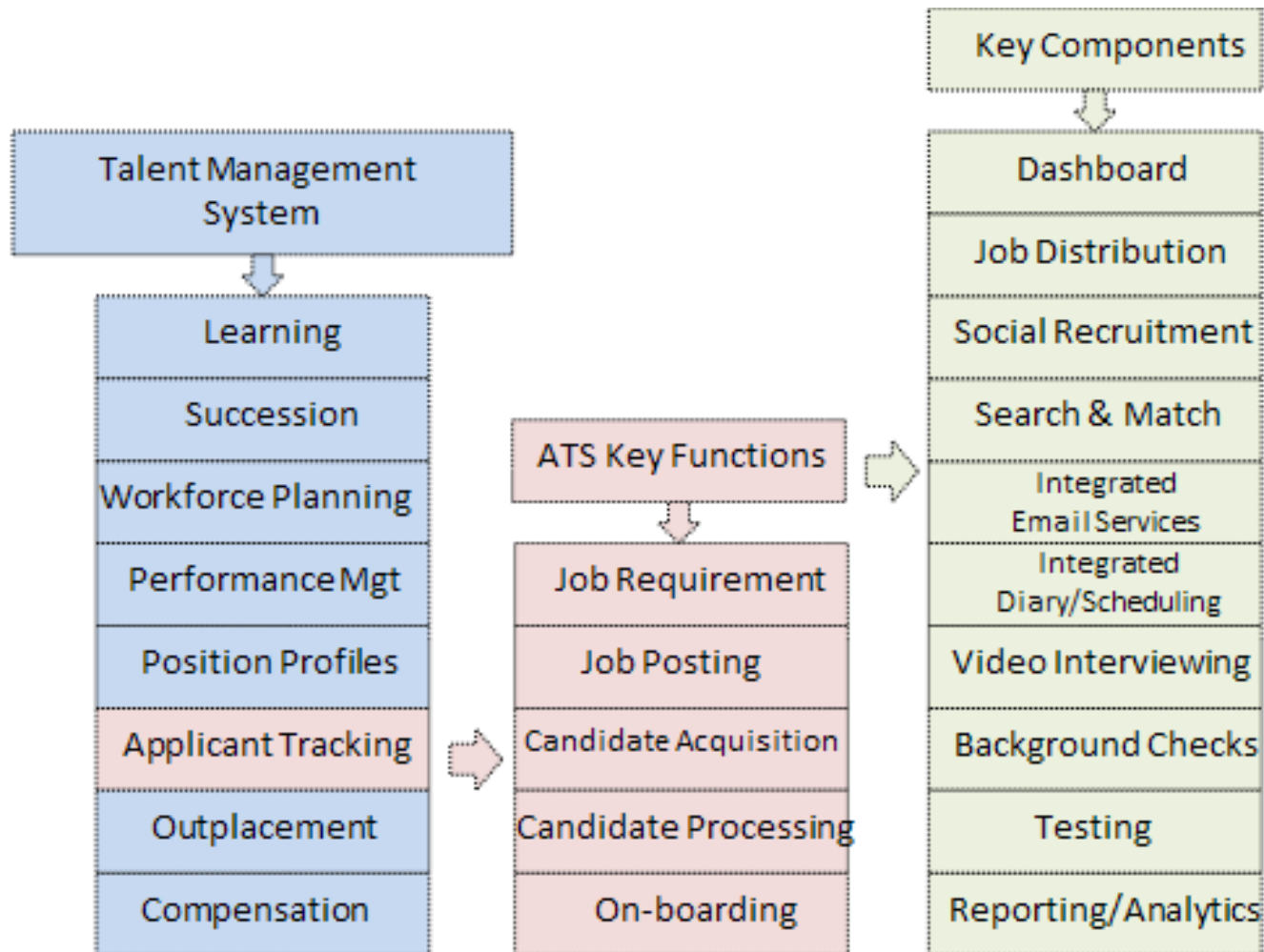
ATS – Applicant Tracking System

A Software application that enables the electronic handling of corporate recruitment needs. Most incorporate a company website, enabling companies to post jobs onto their own website, as a way to attract candidates.

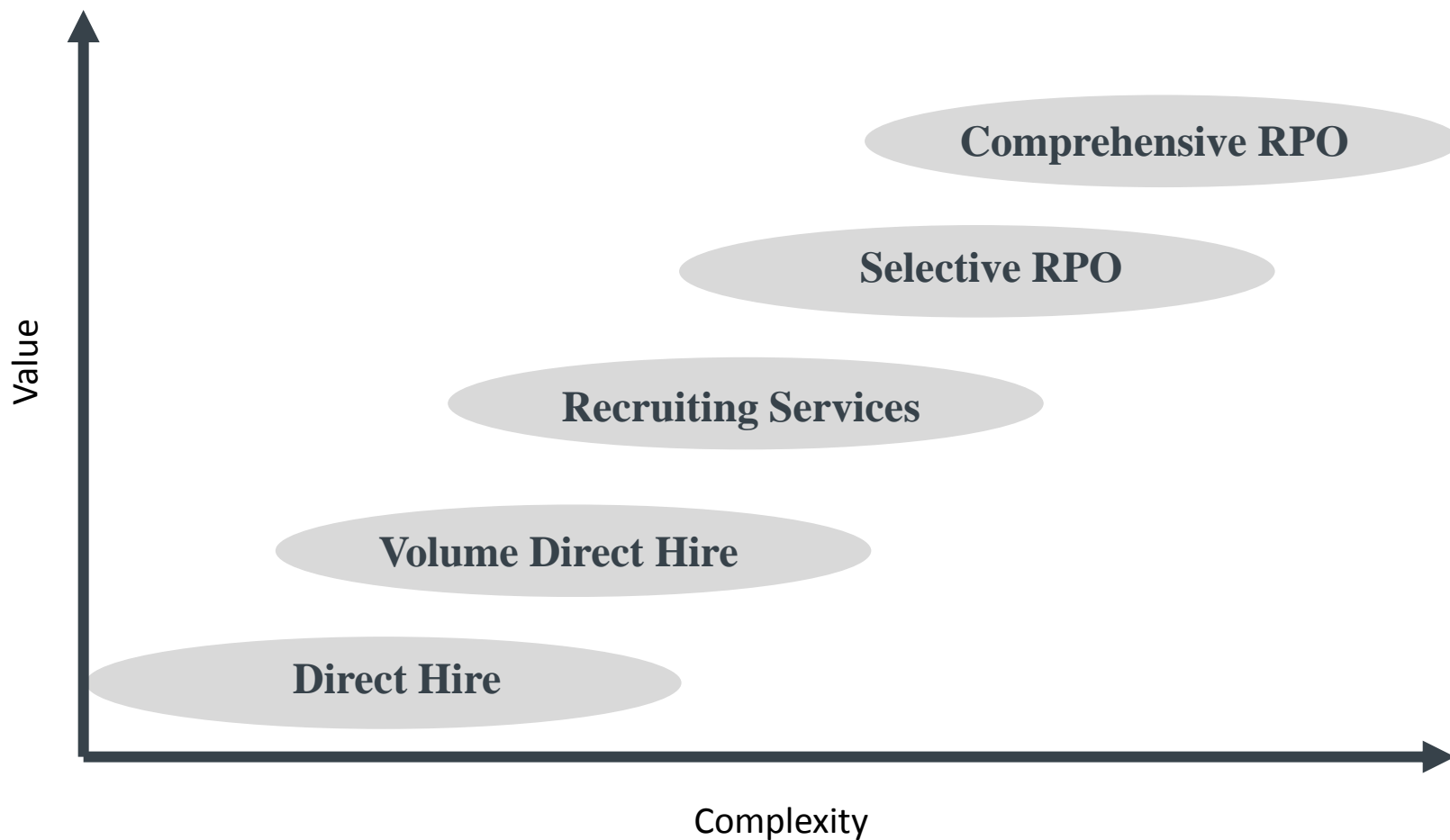
The ATS solutions store these candidate data inside a database to enable effective searching, filtering and routing of applications.

Certain vendors use a different description for ATS software, such as talent management software (TMS), candidate management system (CMS) or recruitment management system (RMS).

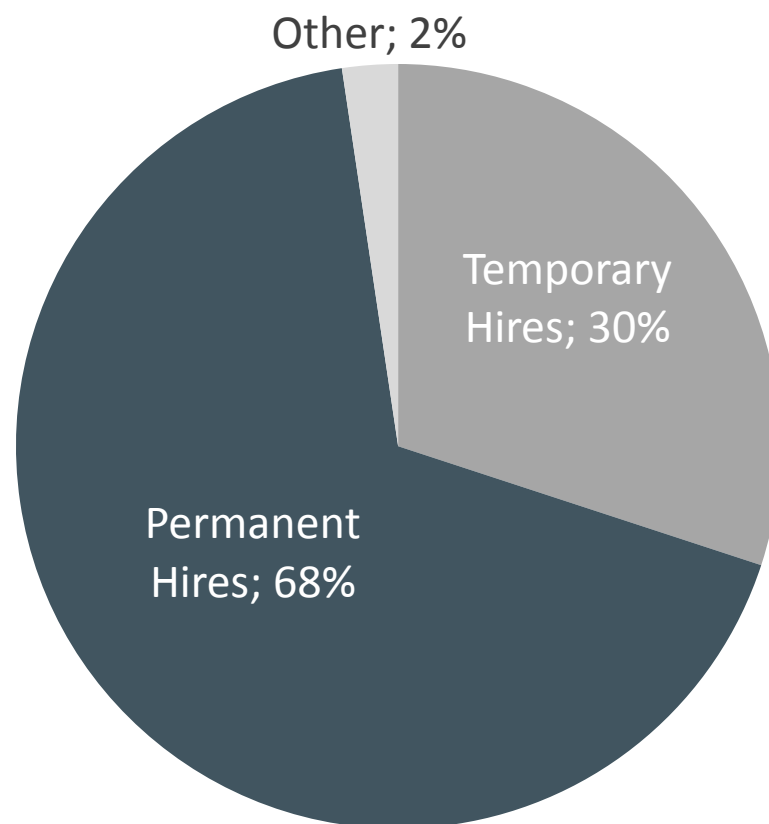
ATS Functionality



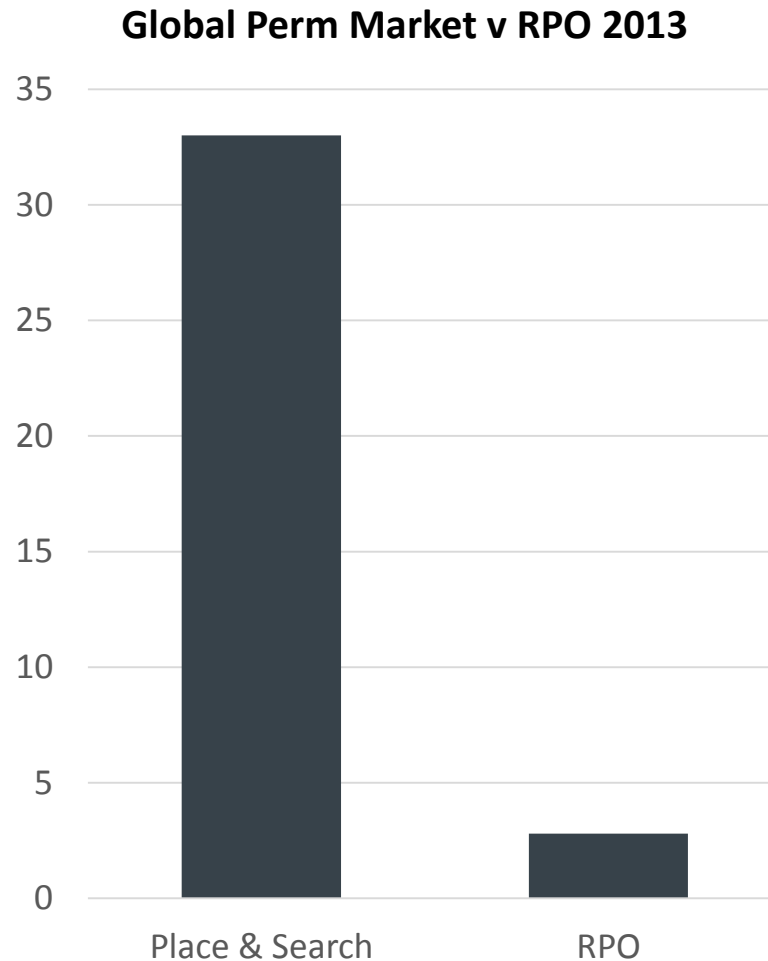
RPO Solutions Spectrum



RPO Mix of Hires by Assignment Type



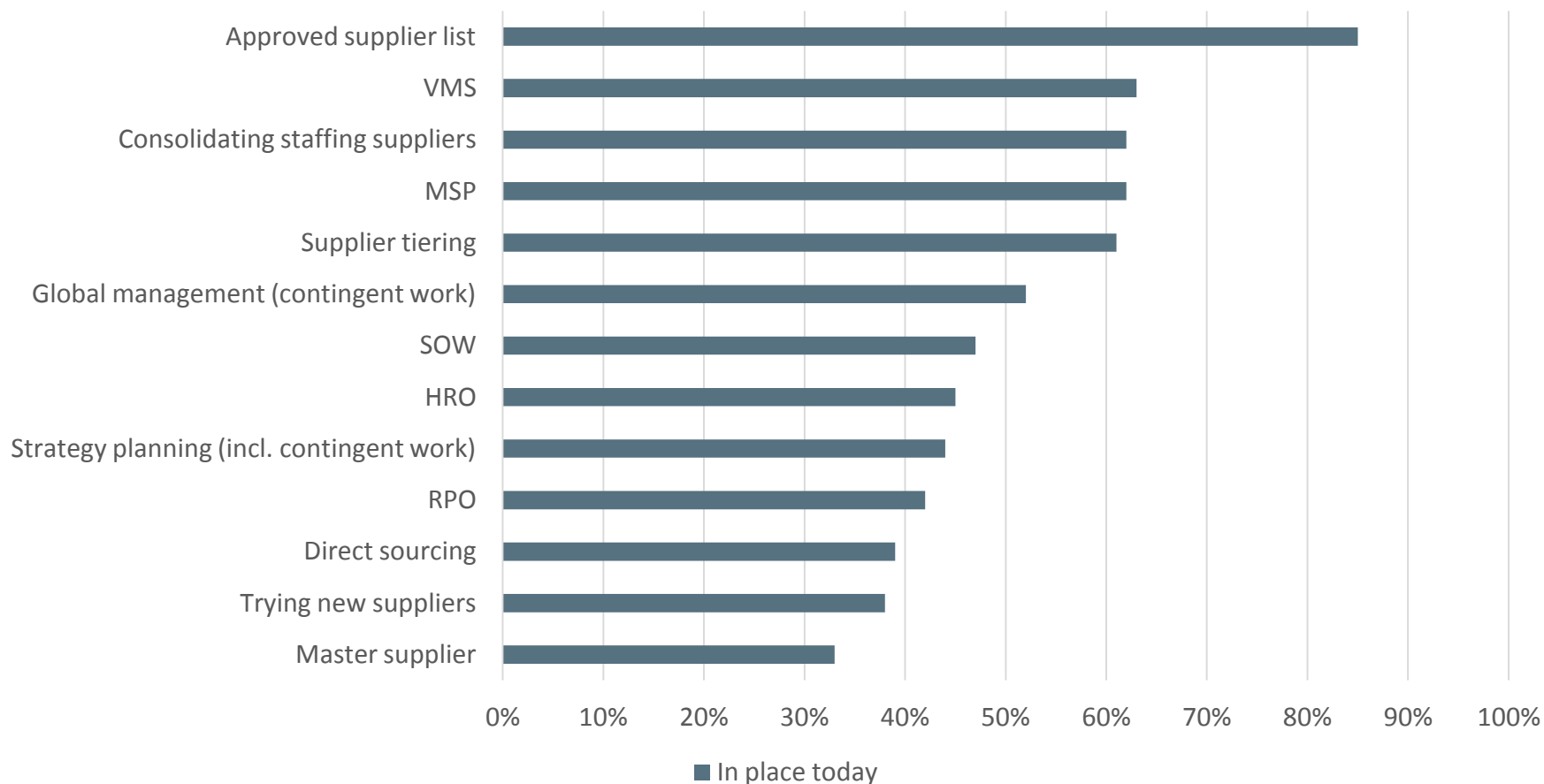
Less than a Tenth of the Global Perm Market Comes via RPO



Source: Staffing Industry Analysts

Contingent Buyer Priorities

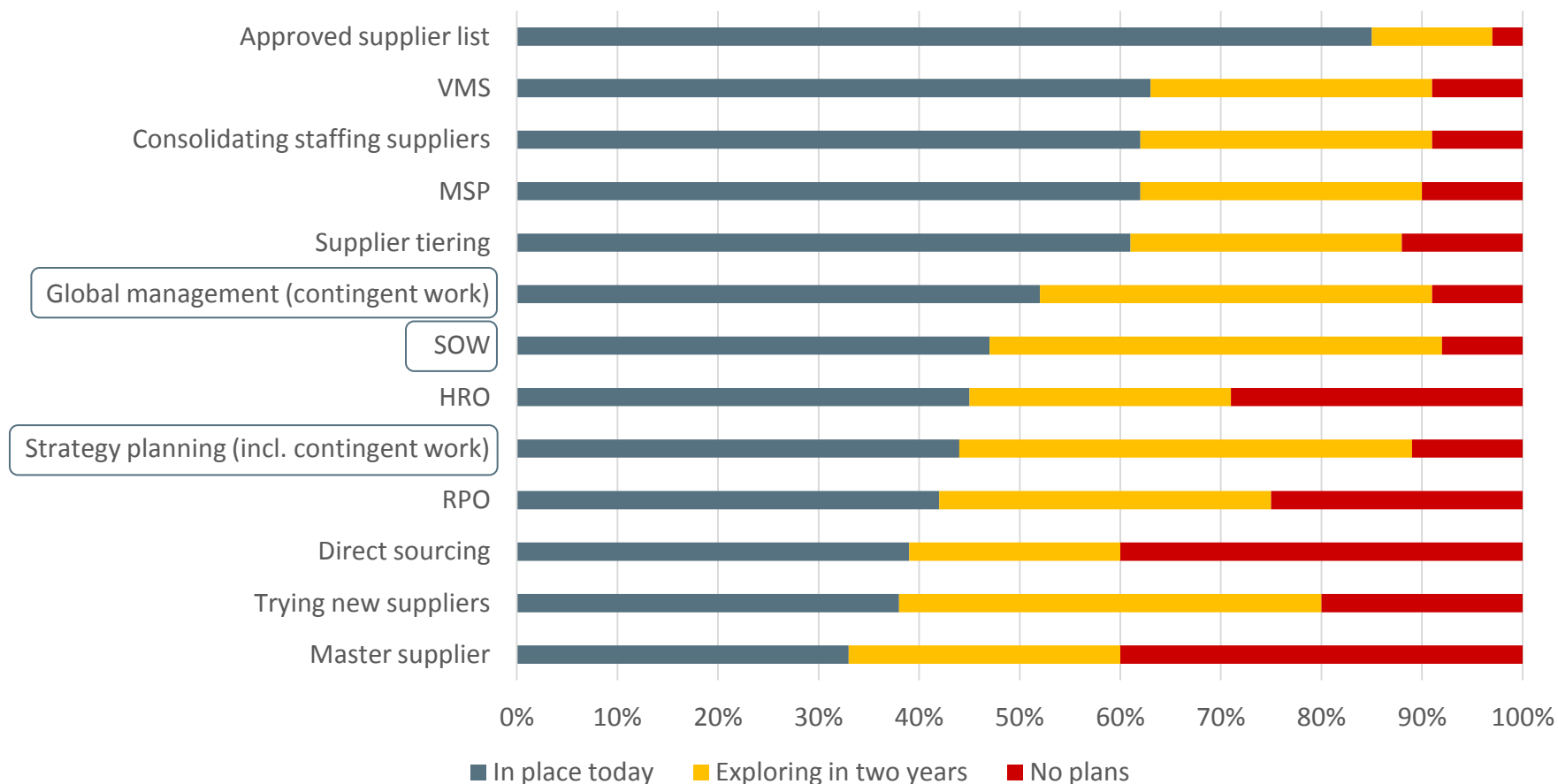
Which of the following are currently in place in your organisation?



Source: 2014 Staffing Buyers' Survey

Contingent Buyer Priorities

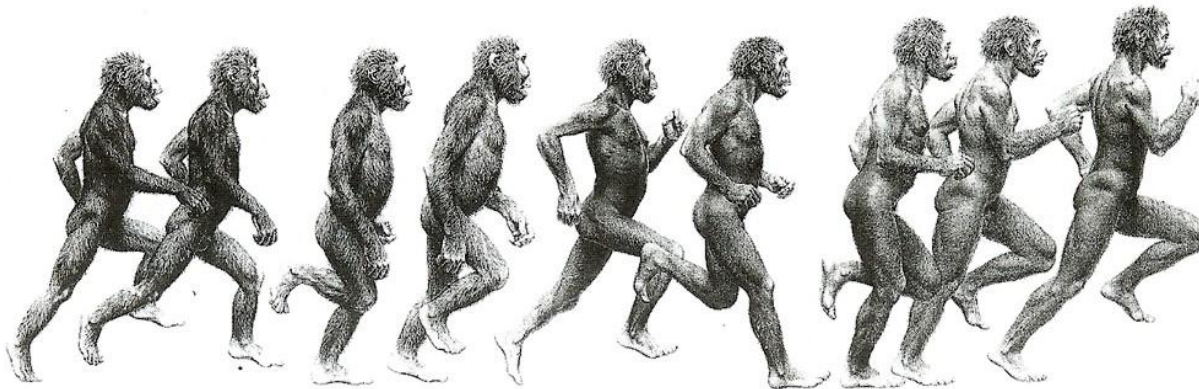
Which of the following are currently in place in your organisation, or are likely to be seriously explored within two years?



Source: 2014 Staffing Buyers' Survey

Agenda

- Managed Service Provision
- Recruitment Process Outsourcing
- **Total Talent Management**



Converging Markets/Converging Solutions

Contingent Hire

MSP

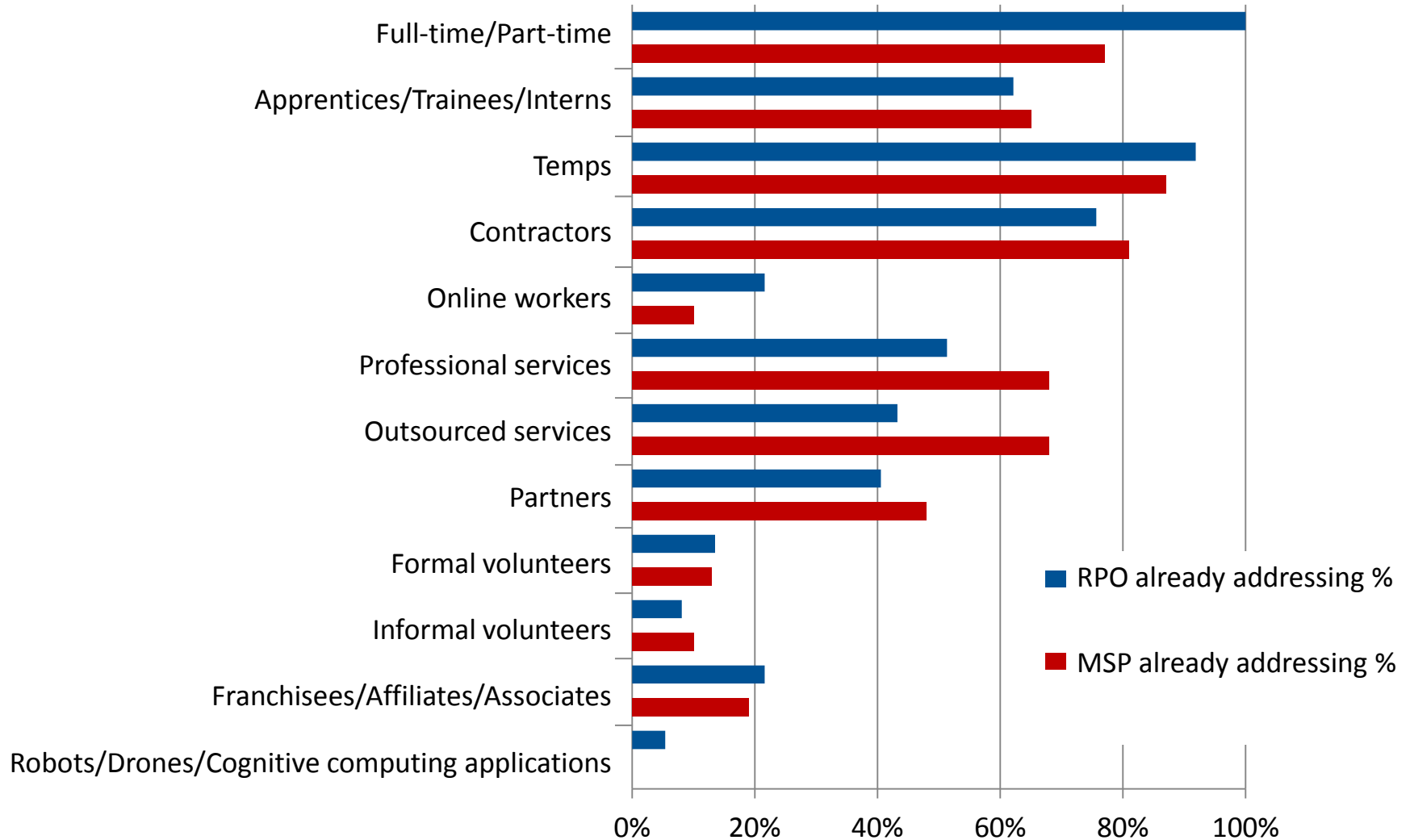


Permanent Hire

RPO

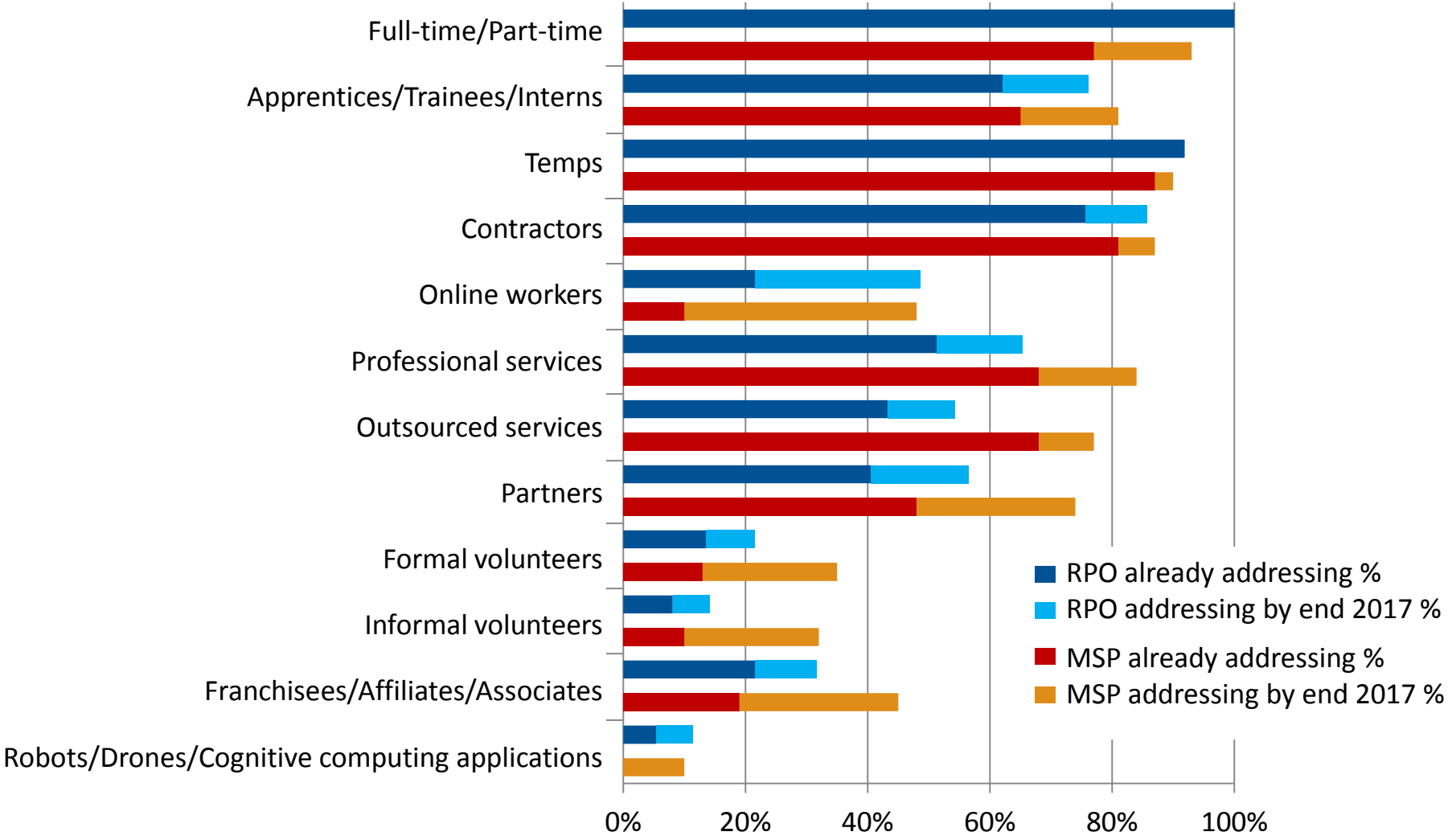


Percentage RPOs and MSPs Whose Services Address Each Worker Type



Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

Percentage RPOs and MSPs Whose Services Address Each Worker Type by end 2017



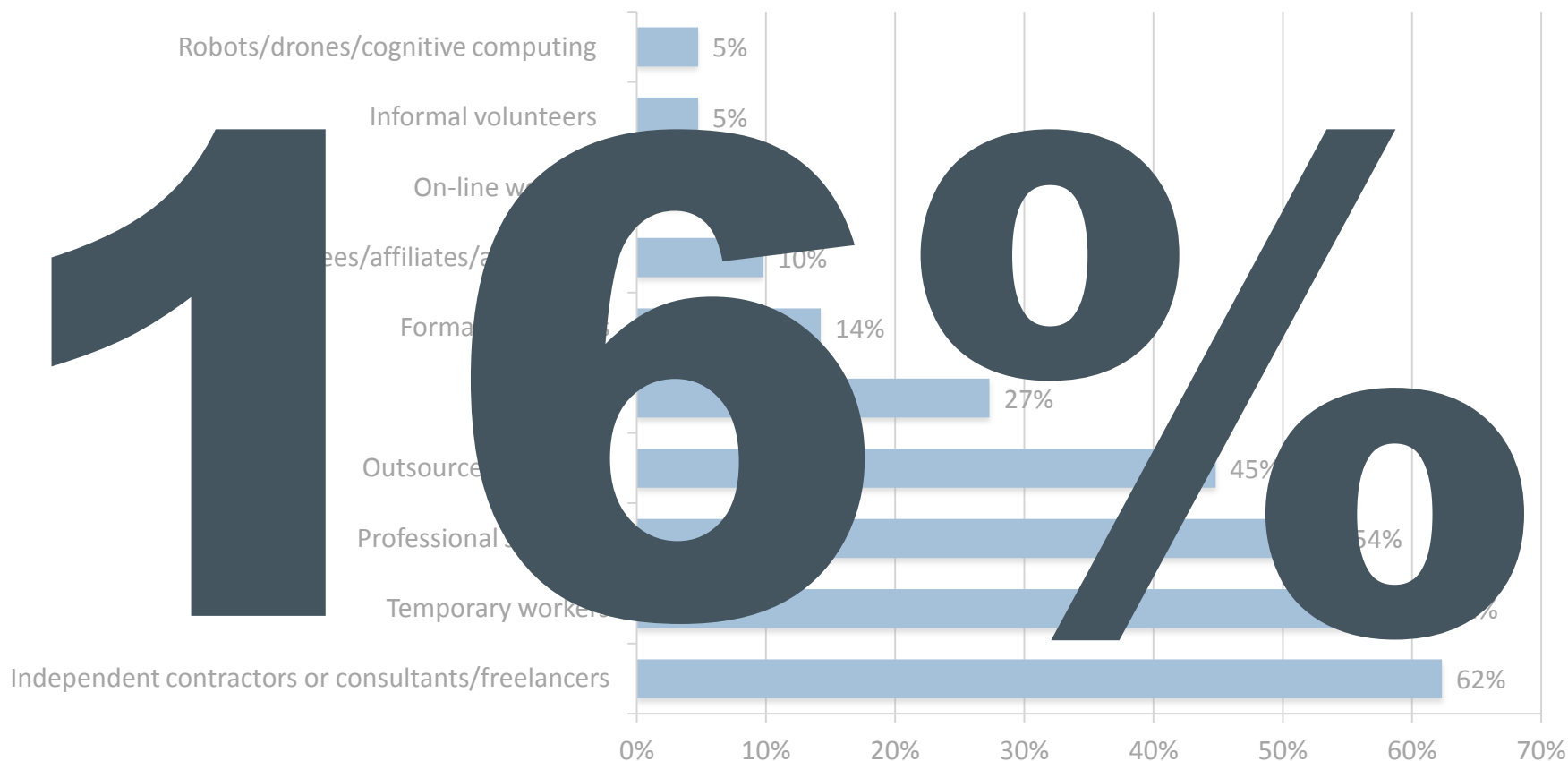
Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

What is Total Talent Management?

Total Talent Management (TTM) refers to an employer's practice of routinely considering TOTAL TALENT when it comes to talent acquisition or management. For example, when there is a job to "fill", an employer that practices TTM will consider various options such as hiring an employee, using a contingent worker, acquiring a robot, etc. And when thinking about "engaging" talent, an employer that practices TTM will design programs/approaches that engage ALL Talent, not just employee talent.

Firms Use a Wide Variety of Non-Employees

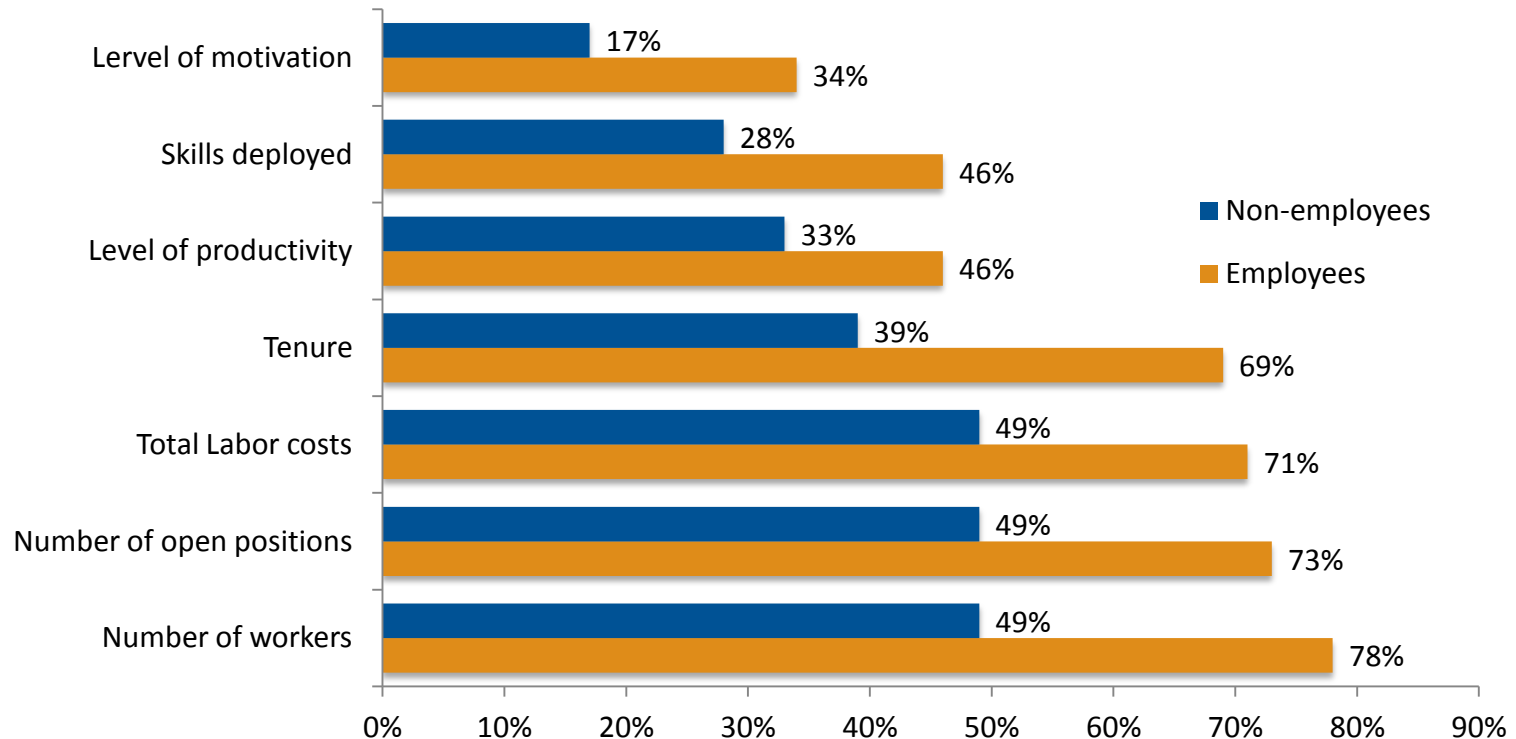
Based on what you know, which of the following types of 'workers' did work on behalf of your company/organization during 2014?



Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

Organisational View/Understanding of Workforce

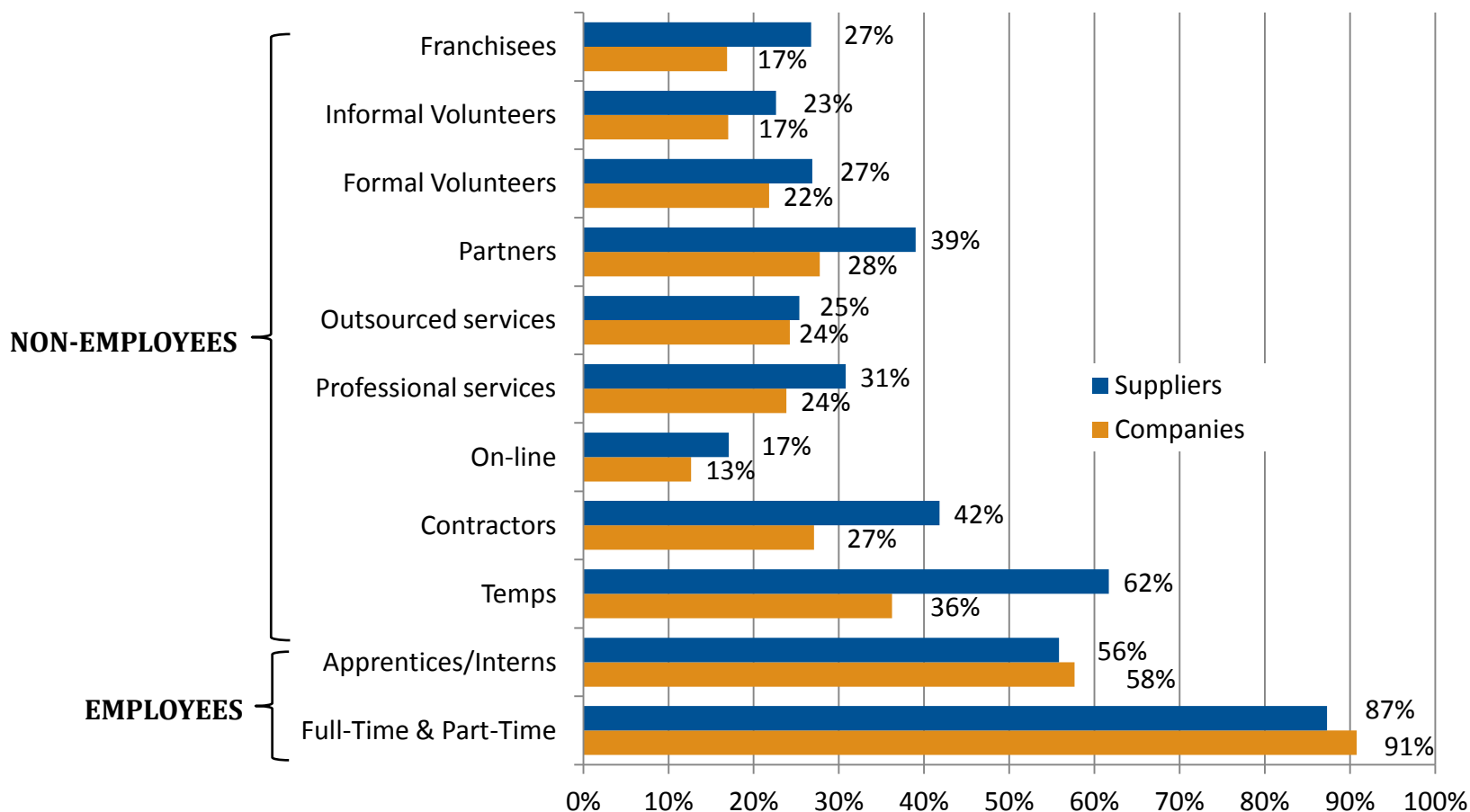
On any given month, to what extent do you believe that your company/organisation has a good view of workforce activity? i.e. has the ability to see and measure (Percent of 'Good' and 'Very Good' view responses)



Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

Engagement/Motivation of Workers

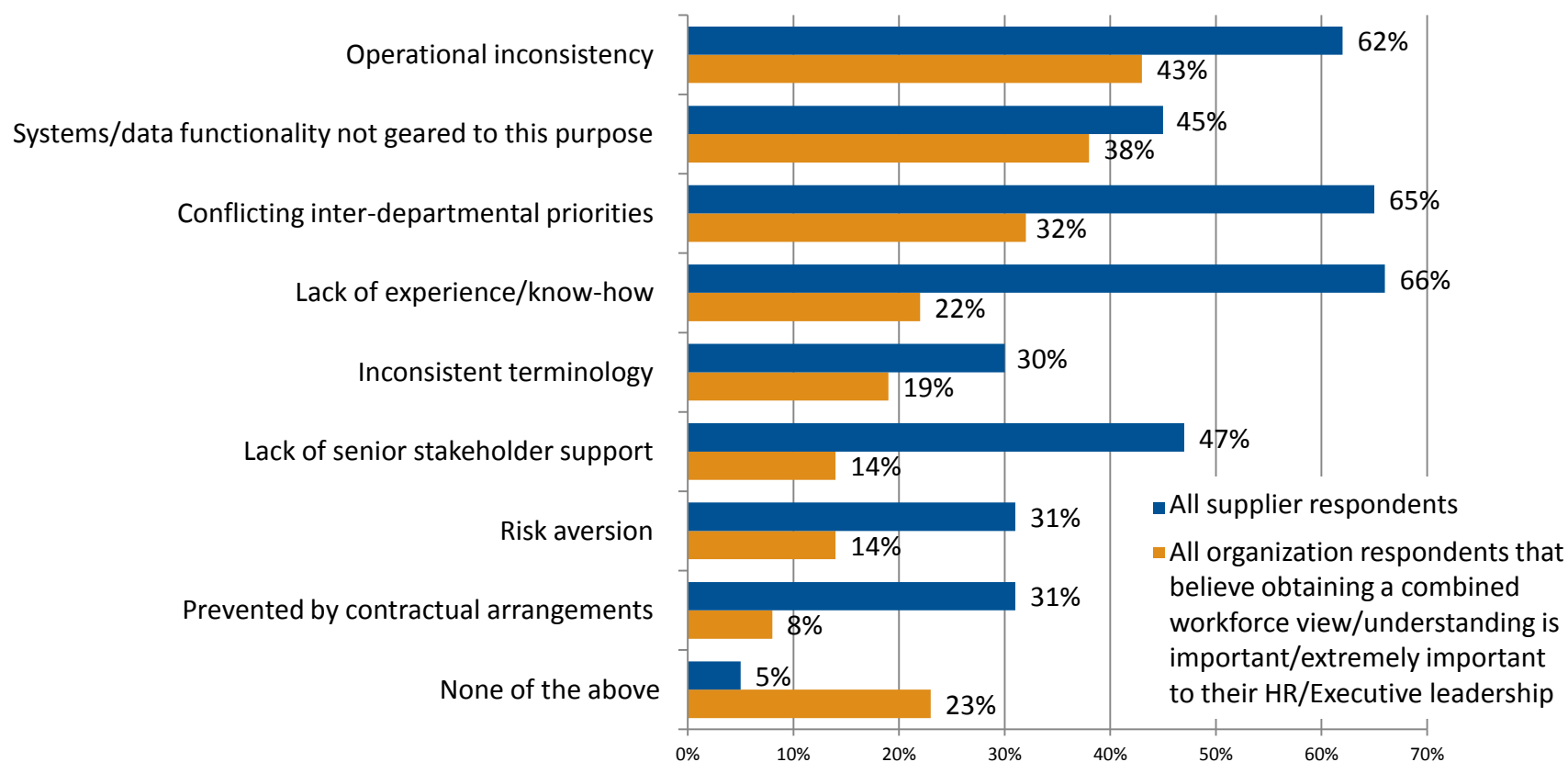
What level of effort do you believe you (your clients) SHOULD be making to engage and/or motivate these worker types? (Percent of 'Big' and 'Very Big' effort responses)



Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

Barriers to a Whole Workforce View

Which of the following are barriers/constraints to your company/organization (or your clients) achieving a combined understanding/view of the Employee and Non-Employee components of your workforce? (Check all that apply)



Source: Staffing Industry Analysts, Global Total Talent Management Survey, May 2015

Examples of Total Talent Initiatives

- Kelly Workforce Solutions
 - KellyOCG service line
 - “A Total Talent Approach”
 - “A holistic approach to talent acquisition and management”
- Randstad Integrated Talent Management Group
 - Launched in January 2015
 - “A holistic capability offering...”
- Volt Consulting Group
 - Total Talent Management Solutions
 - Blending recruiting of both contingent and perm workers
- Peoplefluent
 - A total workforce management solution that spans the acquisition and management of your hourly, salaried, and contingent workers
- Tapfin
 - Integrated Resource Fulfilment

Major Facets of Total Talent Management



Existing initiatives only address these facets of Total Talent Management

Summary/Recommendations

- Establish a position in the market that uses your company strengths relative to MSP and RPO
 - Doesn't mean you have to develop your own MSP and/or RPO services, or act as a sub-contractor
 - But it does mean that you should plan on the basis that these services will continue to grow globally
- Explore threats and opportunities posed by the development of Total Talent Management
 - Are you ready to meet the next important workforce challenge?



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