

SAP Fieldglass Solutions Enable Transparent and Effective External Workforce Management in Mexico

In Latin America, Mexico ranks second in terms of greatest potential to rely on external workers. Digital technology can enable more than 8 million Mexicans to work in a more efficient, transparent external workforce model in compliance with regulations.

Palo Alto - October 17, 2019

Global business dynamics have transformed as newer generations looking for more flexible job opportunities join the working age population. Leading organizations are engaging more external workers than ever before to help gain competitive advantage and drive the business forward, necessitating the adoption of new strategies to successfully manage this growing workforce segment. That is where [SAP Fieldglass](#) comes in with its industry-leading, cloud-based vendor management system that helps organizations around the world find, engage and manage their external workforces.

According to the “Collaborative Economy in Latin America” study conducted by the [IE Business School](#), Mexico ranks second in Latin America for greatest potential to develop an economy reliant on external workers, below only Brazil.

Based on this, companies in Latin America must be increasingly innovative and disruptive in the sourcing and management of their external talent. One solution is outsourcing, where a company delegates talent acquisition and management to a third-party expert, who will then take on the recruitment, selection, hiring, calculation and payment of salaries, and in some cases the mandatory fees to government bodies, until the conclusion of the working relationship.

According to the 2014 Economic Census of the National Institute of Statistics and Geography ([INEGI](#)), outsourcing in Mexico doubled in the last 10 years, representing 16.6 percent of people employed, while in 2004 it was 8.6 percent; and this trend keeps growing, which could represent more than 8 million Mexicans today who belong to an external workforce.

However, there are deficiencies in the implementation of outsourcing strategies. In fact, the Mexican government aims to regulate outsourcing to eliminate bad practices, as well as guarantee labor rights and compliance with tax obligations.

“A well-managed external workforce strategy and approach helps companies ensure transparency and efficiency to obtain the expected benefits, such as operating cost savings, improved worker quality, lower turnover and better workforce flexibility. All this, while helping to comply with the law,” says Eric Rossati, director of SAP Ariba and SAP Fieldglass in Mexico.

Cloud-based technology can help companies, of any industry and specialization, to ensure this transparency of the external workforce without sacrificing efficiencies. [SAP Fieldglass](#) solutions automate the entire process of finding, procuring and managing external talent, helping to reduce costs, enforce compliance and increase efficiencies. With the real-time connection to a network of global service providers and contingent workers, organizations can find specialized skills quickly, and scale up or down with speed and efficiency to build a better way of working.

Just as the SAP Fieldglass solution is making it easy for companies to achieve total workforce visibility and optimize external worker quality, more and more industries are relying on external talent to run business as usual, including manufacturing, finance and commerce. The tourism sector, due to its own nature of seasonality, demands external workers with highly specialized skills.

An Answer for the Tourism Sector

Hard Rock Mexico, a leading hotel chain with presence in Cancun, Vallarta, Riviera Maya and Los Cabos, adopted SAP Fieldglass solutions to consolidate all external worker vendor management on a single cloud-based platform. Equipped with this solution for the sourcing, contracting and management of its external workforce, which the company relies on for shows, conventions and weddings, Hard Rock Mexico has achieved more integrated and transparent management across its suppliers of talent, including gardening personnel, cleaning staff, legal consultants and events staff.

“This is just one example of digital technology enabling agility, especially today, when talent demands more flexibility than ever before,” concluded Rossati.

About SAP Ariba and SAP Fieldglass

SAP Ariba and SAP Fieldglass enable companies to connect, get business done and spend better. With SAP Ariba and SAP Fieldglass, businesses can manage the buying process across all categories of spend - from direct and indirect goods and services to external workforce. On the [Ariba Network](#), buyers and suppliers from more than 4.2 million companies and 190 countries discover new opportunities, collaborate on transactions, grow strong relationships, and build healthy supply chains. It's where more than \$2.9 trillion in commerce gets done every year. SAP Fieldglass is used by organizations in more than 180 countries to find, engage and manage flexible workforces that include non-payroll workers and service providers. With SAP Ariba and SAP Fieldglass, companies are transforming how they manage all categories of spend with improved operational efficiency and compliance, increased agility and accelerated business outcomes. To learn more visit www.ariba.com and www.fieldglass.com.

About SAP

As the Experience Company powered by the Intelligent Enterprise, SAP is the market leader in enterprise application software, helping companies of all sizes and in all industries run at their best: 77% of the world's transaction revenue touches an SAP system. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers' businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want - without disruption. Our end-to-end suite of applications and services enables more than 437,000 business and public customers to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives. For more information, visit www.sap.com.

#

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP's future financial results are discussed more fully in SAP's filings with the U.S. Securities and

Exchange Commission ("SEC"), including SAP's most recent Annual Report on Form 20-F filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

© 2019 SAP SE. All rights reserved.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE in Germany and other countries. Please see <https://www.sap.com/copyright> for additional trademark information and notices.

Media Contact:

Geraldine Lim

SAP Ariba and SAP Fieldglass

+1-415-418-0945

geraldine.lim@sap.com