

# LARGE MANUFACTURING COMPANY USES SAP FIELDGLASS TO MANAGE A LIGHT INDUSTRIAL WORKFORCE

## A MANUFACTURING COMPANY CASE STUDY

One of North America's leading producers of paperboard, packaging and marketing solutions uses SAP Fieldglass to better manage its external workforce. The organization has net sales of approximately \$10 billion and employs around 26,000 people. It operates more than 245 facilities in the United States, Canada, Mexico, Chile, Argentina and China.

In May 2011, a merger between two industry leaders led to the formation of North America's second largest producer of containerboard. As the incumbent Vendor Management System (VMS) with the company since 2009, it was decided to expand the use of SAP Fieldglass across the newly formed enterprise to help manage its light industrial labor base. Today the company uses SAP Fieldglass to manage approximately 1,250 workers, accounting for \$65 million in annual spend, with plans to roll on additional plant locations.

### Program Goals

Sourcing, managing and paying light industrial workers present unique challenges to manufacturing companies. SAP Fieldglass worked with the company to establish critical goals to gauge the program's success.

- Create and implement a standard set of business processes for procuring its flexible labor and to manage all of its suppliers
  - Eliminate purchase orders for external labor
  - Use the SAP Fieldglass Standard Timesheet upload for time entry at plant locations, with suppliers responsible for uploading their workers' timesheets
  - Allow variance in business processes by labor type or plant location
- Consolidate its supply base to four primary light industrial suppliers
- Convert all business codes to one entity and manage them only in SAP Fieldglass' VMS

The organization has been able to set up its program in a way that ensures plants are operating at peak capacity and using the best available talent across all positions. Like many other manufacturing facilities, worker demand is driven solely by production needs and varies from shift to shift. With a high volume of workers and frequent turnover, it can be a challenge to fill multiple roles across multiple shifts, all at different rates.

The business is served through a Vendor on Premise (VOP) model for maximum efficiency. The onsite program office participates in the customer's daily production meetings to determine how many workers and what positions are needed for each shift. The program office is then responsible for sourcing these workers using SAP Fieldglass' technology. Through the VMS, the company is able to track critical information needed not only for payment, but to ensure the company is meeting compliance laws and internal requirements related to tenure policy, overtime rules, etc.

### About This Case Study

*Managing a light industrial workforce can pose many challenges, especially after a large merger. Discover how two companies became one and leveraged SAP Fieldglass' VMS to standardize its external labor procurement and improve organizational practices.*

### Common challenges associated with managing a light industrial workforce:

- Demand varies from shift to shift
- Pay scale varies widely
- Frequent turnover
- High volume of workers
- No internet access

Unique features within SAP Fieldglass enable the company to streamline the already time-sensitive sourcing process and increase its program efficiency. For example, light industrial workers continue to engage with a company over an extended period of time. Functionality such as “auto-register” provides the ability to quickly bring on experienced, repeat workers, without having to re-negotiate pay or record background information with each new shift.

Line supervisor, picker packer or forklift driver? First, second or third shift? Are you working with hazardous materials? Are you earning standard overtime, double or holiday pay? The Program Office (PMO) uses SAP Fieldglass’ sophisticated rate structures to determine how much and how often to pay each external worker. By using an industry-leading VMS, the organization can be confident in its compliance to organizational and governmental requirements such as tax law, despite a multi-country, multi-state footprint.

### Company Accomplishes Goals and Yields Positive Results

A defined set of processes have been successfully implemented throughout designated plant locations to standardize the procurement of flexible labor thereby providing the infrastructure to improve previous organizational practices. In fact, cycle times for creating a job posting to workers registering is most recently averaging only about .5 days. In addition, suppliers use SAP Fieldglass’ Timesheet integration to upload workers’ times. Timesheets are now approved in .2 days on average, resulting in faster and accurate payments.

Visibility into the supply base and application of performance metrics has allowed for supplier rationalization. In fact, it now has five primary suppliers that manage 90 percent of its spend. While the worker population is primarily in Tennessee and California, it also stretches to more than 30 U.S. states and Canada. By engaging with only the five best suppliers, there is improved process consistency and a deeper knowledge of the company’s business needs. The company is able to better negotiate rates and quickly fill worker requisitions with more qualified candidates.

Finally, SAP Fieldglass’ enhanced onboarding capabilities enable the program office to ensure proper worker orientation and safety training occurs before they set foot on the production floor.

### About SAP Fieldglass

*SAP Fieldglass provides the industry’s leading cloud technology for services procurement and external workforce management. More than 400 global businesses leverage SAP Fieldglass’ intuitive Vendor Management System (VMS) to gain visibility into its external labor, project-based services including Statements of Work (SOWs), independent contractors and additional flexible talent pools.*