A forward-thinking oil company automated its external labor management

SAP Fieldglass Case Study
A systematic way to manage a flexible workforce

An inefficient external workforce

With no formal processes or technology solution in place, one of Australia’s leading oil companies was managing its $27 million flexible labor force using a decentralized and highly fragmented process. This exposed the company to a myriad of potentially costly risks. Some of the business challenges associated with its external workforce included:

• No single point of accountability
• Limited compliance management resulting in employment risk associated with long-term contractors
• Poor visibility of spend and overall visibility of contractor workforce
• Inefficient supplier management with 54 percent of roles sourced via non-preferred suppliers
• Misaligned pay rates and inefficient invoicing
• Limited spend and performance reporting

The company needed a systematic way to manage its flexible workforce, which includes all types of workers from professional positions to clerical workers and field operations such as airline refuelers.

Best-of-breed service providers

After evaluating several options, the company decided to implement a Managed Service Provider (MSP) to manage its external workforce through a Vendor Management System (VMS). Using both, it could leverage a MSP’s management expertise and a VMS solution’s ability to automate and measure its external workforce. Through the combination of solutions, the organization would have access to a variety of services including:

• Process, policies and toolset development
• Governance and supplier management
• Compliance management
• Supplier performance management
• Visibility and safety management

Program at a glance

• $27 million in annual external labor spend
• Using the SAP Fieldglass solution, managed by an MSP provider

Results expected across nearly all aspects of its external labor management.

About SAP Fieldglass

SAP Fieldglass, a longstanding leader in external talent management and services procurement, is used by organizations around the world to find, engage and manage all types of flexible resources. Our cloud-based, open platform has been deployed in more than 180 countries and helps companies transform how work gets done, increase operational agility and accelerate business outcomes in the digital economy. Backed by the resources of SAP, our customers benefit from a roadmap driven by a continuous investment in innovation.
Expected Savings
With a fully integrated solution now implemented, the company will achieve a variety of cost savings, including:

- **5-9% improvement** on supplier margins
- **3-5% improvement** on pay rate harmonization
- **4-7% improvement** on demand for long-term contractors
- **5-10% improvement** on supplier management

Learn more
The world of work is changing, and SAP Fieldglass is leading the way with innovative solutions that harness the power of the external workforce in driving the digital economy. Explore additional resources on www.fieldglass.com/resources to learn more about the external workforce and the way work gets done.