SAP Fieldglass

External Workforce **101**

SAP Fieldglass eBook

THE BEST RUN **SAP**

A changing workforce dynamic

A fundamental shift is taking place in today's workforce. In the past, the majority of a company's labor force consisted of full-time employees who stayed with the same organization for years, sometimes until their retirements. Now a "new normal" exists — external workers are a significant portion of companies' labor populations with workers moving between jobs, companies and even industries much more frequently. But what is meant by external workers? They are also commonly called contingent workers, flexible laborers and contractors. This labor population also includes services provided by independent contractors, consultants, offshore and/or outsourced services.

This means that the total workforce is now divided into two distinct groups: traditional employees and external employees. While many organizations have solved the problem of recruiting their full-time workers, it's those flexible workers that are the new challenge.

44%
of **workforce spend** is on the external workforce

No matter what you call it, this segment is growing rapidly and now comprises an average of 44 percent of the workforce at some organizations. External workers are likely spread across different departments, offices and even geographies. On top of that, companies are often using disparate, manual processes to manage them. With so many departments and individual hiring managers engaging these workers with inconsistent, undefined and non-compliant processes, it's difficult to get full visibility into your total workforce.

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.

Take a moment to ask yourself the following questions about your flexible workforce:
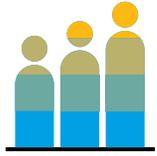
Who are your workers?   **How much are you spending on them?**   **Where are they located?**   **Are they compliant with your policies?**

Can you easily answer all of these questions?

More often than not, the answer is no. So where do you start? This eBook walks you through how the problem can be solved, how the SAP Fieldglass Vendor Management System (VMS) simplifies external workforce management, what our customers and industry analysts are saying about their experiences with our application and support, and real-life examples of how organizations across industries have made significant improvements with SAP Fieldglass.

Understanding the problem

Let's take a step back and examine how organizations without a VMS might currently manage their flexible workforce.

Many companies choose to self-manage this workforce internally, while others outsource these activities and instead leverage a third-party vendor, called a Managed Service Provider (MSP). Whether a program is self-managed or run by an MSP, the internal or external group that does so is called the Program Management Office (PMO).

Hiring managers typically work with the PMO to manually request a worker. Based on the requirements for the position, the PMO will then engage staffing agencies, or suppliers, to recruit the right candidates. With many parties involved at any given moment, there is vast potential for miscommunication, inefficiency, untracked processes and little visibility.

Managing external labor through a VMS

With a solution like SAP Fieldglass in place, you can take a more organized and systematic approach to managing your flexible workforce.

SAP Fieldglass automates the entire process of procuring and managing temporary and contract labor, from requisition all the way through invoice and payment. The platform has powerful applicant tracking functionality that helps organizations acquire external workers, services and direct hires. From the moment a resource is requested to the time workers are onboarded and eventually evaluated, the application is taking automated actions that eliminate tedious administrative tasks.

SAP Fieldglass provides direct access to an organization's full external workforce management program to gauge successes, make necessary adjustments and continuously produce positive results. SAP Fieldglass allows users to accurately evaluate time, cost, compliance, quality and quantity by generating comprehensive reports.

Organizations can leverage SAP Fieldglass to implement procedures that are consistent across the entire organization, including different departments, geographic locations, brands or divisions even if the programs are managed independently of one another. This not only helps with organizational efficiencies, but also to ensure compliance with governmental and internal policies.

Organizations utilizing SAP Fieldglass can easily request a candidate in just two clicks and select them for hire. Hiring managers can also approve workers' timesheets either in the application or through mobile devices. The solution provides visibility into the entire process.

> **The benefits of the implementation for us are a consistent process, visibility to the data, risk mitigation and cost savings.**
>
> – A customer in the telecommunications and technology sector

What SAP Fieldglass customers are doing

Now that you know how external workforce management processes can be simplified through a VMS, here's how customers have achieved cost savings, efficiency, quality, compliance and full visibility into their flexible workforces.
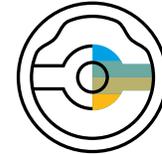
Healthcare/pharma sector

Decrease in requisition cycle time approvals from 14+ days to 1.75 days

Financial services sector

$100M+ in cost savings, attributable to visibility, competitive bidding & rate card creation

Automotive sector

$10,548 in average annual savings per contractor

Tech/telecom sector

The amount of incorrect invoices decreased from 1,500 to < 20

Not-for-profit sector

On/offboarding are completed by suppliers, with each step (and therefore compliance) verified in SAP Fieldglass

Oil & gas sector

5-10% improvement on supplier management

What SAP Fieldglass customers & industry analysts are saying

Hear how SAP Fieldglass has enabled VISA to gain a full view of its workforce, make better workforce decisions and attract the right talent.

RELX Group discusses program global expansion, SOW and integration to SAP Ariba.

Using SAP Fieldglass, Siemens has expanded its program beyond managing contingent labor and is focused on total talent management and SOW initiatives.

> **We were trying to integrate with a large ERP system, and SAP Fieldglass went above and beyond — from a development perspective — to make that integration work.**

– A customer in the telecommunications and technology sector

Appendix

Agency

A shorthand term that has come to apply to any staffing firm providing temporary or direct hire services.

Agency worker

An employee who performs work for an organization with the expectation that the work will be for a finite time period. Temporary employees are also often referred to as "consultants" when they are of a higher professional level. Also known as a Temporary Employee in the U.S.

Consultant

A term often used interchangeably with "Temporary Employee," though typically one performing professional-level work in areas such as IT or engineering.

Contingent work/external work/contingent labor/flexible labor

Used to describe work arrangements that differ from regular/permanent, direct wage and salary employment. Contingent workers most often include temporary employees provided by an outside staffing agency and independent contractors/consultants.

Contingent workers may also include temporary workers from an internal pool, and others (such as summer interns) employed directly by an organization for an intentionally limited time period. They do not include work done by consulting firms or by part-time regular employees, and are primarily distinguished by an explicitly defined tenure. The "contingent worker" label applies to all workers of any skill type or experience level who meet this definition, including those in professional, blue-collar, or office/clerical roles.

Contractor

An individual hired to deliver a specified service as laid out in a contract. In some organizations this term is used interchangeably with "temporary employee" to refer to individuals employed by a temporary staffing firm, typically at a professional level (see also: Independent Contractor).

Contract services

Well-defined services delivered by an individual or organization as laid out in a contract.

Direct hire

A term commonly used to refer to services provided by a staffing agency related to helping an organization obtain an employee to work on their payroll as opposed to temporary staffing relationship where the employee is typically working on the staffing firm's payroll.

Employee

Whether full- or part-time, exempt or non-exempt, the term employee is generally accepted as one who receives a W-2 (or equivalent outside the United States).

Flexible staffing

A generic term used to convey the use of various nontraditional work approaches, such as contingent employment arrangements, planned staffing strategies or flexible work arrangements.

Freelancer

A term used to refer to an independent contractor, usually focused on creative or writing work (see also: Independent Contractor).

Independent contractor

A self-employed individual performing services for a company under contract rather than as an employee, either on- or off-site. The IRS lists 20 separate "tests" that can be used to determine independent contractor or employee status. (Also referred to as freelancers, consultants, and "1099s," which is the designation of the IRS form that companies use to report the money paid to independent contractors.) Also known as ICs or 1099 workers.

IT services

IT services includes both IT staffing and IT solutions. IT solutions includes systems integration, more project-based work where the provider takes full responsibility of the project's completion.

Job order / job requisition

Refers to a bona fide request to a staffing firm or employment agency to refer applicants for a specific position. A job order is the specific set of requirements set forth by an employer for an actual position.

Managed service provider (MSP)

A company that takes on primary responsibility for managing an organization's contingent workforce program. An MSP may or may not be independent of a staffing supplier. MSPs often promote themselves as vendor-neutral, in that they do not favor any one staffing firm for distribution of orders. The vast majority of MSPs also provide their clients with a vendor management system (VMS) and may have a physical presence on the client's site. Typical responsibilities of an MSP include overall program management, reporting and tracking, supplier selection and management, order distribution and often consolidated billing.

Offboarding

The process of "checking-out" a contingent worker at the close of an assignment. May include final compensation, equipment return, and an exit interview among other steps.

Onboarding

The process of bringing a contingent worker into a position with a goal of providing the contingent all necessary tools to be productive as soon as possible. May include training, seat assignments, and other steps.

Outsourcing

Use of an outside business services vendor (and its supervised personnel), either on the customer's premises or off-site at the vendor's location, to perform a function or run a department that was previously staffed and supervised by the customer directly. (Sometimes, but not necessarily, limited to situations where some or all of the customer's previous staff performing that function are hired by the outsourcing vendor.)

Requisition

A formal written request for a particular job or service which has specific and unique requirements. Also known as a "job requisition," "job posting" or "job order."

Vendor Management System (VMS)

An Internet-enabled, often Web-based application that acts as a mechanism for businesses to manage and procure staffing services (temporary help as well as, in some cases, permanent placement services) as well as outside contract or contingent labor. Typical features of a VMS include order distribution, consolidated billing and significant enhancements in reporting capability over manual systems and processes.

Work order

Refers to a request from an organization for a specific type of service to be provided by one or more temporary employees for a specific period of time.

Source: Staffing Industry Analysts' Lexicon of Terms.

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.

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