S-O-W: How a Global Leader spells workforce success with a focus on Statements of Work
Designing a thoughtful solution around specific goals

This company is a worldwide leader that designs, manufactures and sells networking equipment. It employs more than 75,000 workers to serve its customers worldwide. With more than $1.5 billion in Statement of Work (SOW) spend and $65 million in contingent labor spend, this organization looked to SAP Fieldglass to help it achieve three high-level goals surrounding its services procurement and external workforce management program:

Deliver an end-to-end business process for external workers at the company. This included simplifying and improving its contracting process across its global labor by standardizing rates and leveraging spend by volume.

Mitigate risk by ensuring compliance to regulations, classification, tenure and other requirements. The organization also hoped to minimize its exposure to legal and financial risk while allowing managers to focus on finding high quality talent.

Provide visibility into external workforce data. This increased visibility into spend would also enable managers to make informed, data-driven hiring decisions.

The company benefited from having a strong, engaged team of stakeholders to help define and identify which specific business objectives would help the company meet its top-line goals. By thoroughly examining each department’s needs prior to implementing SAP Fieldglass, the organization was able to develop a solution that would meet both long- and short-term objectives:

**Procurement**

- 100% of spend managed through the program
- 7% savings of managed labor spend
- Phased rationalization of labor suppliers through the program
- 100% compliance with engagement types
- 100% compliance with global procurement and HR policies
Focus on SOWs

The company uses SAP Fieldglass’ SOW functionality in conjunction with its procurement system. The SOW is created and approved in SAP Fieldglass, then immediately and automatically flows into the procurement system where the Purchase Order (PO) is then generated and transmitted back to SAP Fieldglass.

SAP Fieldglass has helped the organization simplify many of its time-consuming processes associated with managing a large services program. For example, it had previously required managers to create/recreate SOWs and resubmit SOW workers quarterly as their procurement policies did not allow POs to be revised.
To ease this burden, SAP Fieldglass created and implemented the “Copy SOW” feature. This allows the company to effectively copy all active workers and generate a new PO with minimal impact on its hiring managers. The organization was also concerned that foreign suppliers subject to Fixed, Determinable, Annual or Periodic withholding might add workers from multiple locations onto the same SOW. This risk was mitigated by using custom fields and SAP Fieldglass’ standard reporting tools.

**Results, successes, and what’s next**

By implementing SAP Fieldglass, the company has achieved a number of successes around both services and external labor. Most significantly, it has realized $33+ million in services cost savings to date, which can be attributed to competitively bidding SOWs and identifying commoditized SOWs. In addition, the organization has realized other soft savings by tracking SOW revisions, enforcing approvals and limits based on preapproved amounts, and avoidance savings.

Additional results include:

- The assurance of a formal process, singular tool and published external worker policy
- A formal tenure policy to address compliance
- Proper system and building access ensured through SAP Fieldglass
- Rate reporting for all managers to better manage costs
- Proper worker classification guaranteed throughout the managed spend portfolio
- Secure transfer of SAP Fieldglass data to the company’s business intelligence tool for reporting

The organization has no plans to slow down. Because of the visibility it now has into its external labor and SOW engagements, the company is able to consider many new optimization opportunities, with current efforts including further consolidation, vendor negotiations and reorganizations as well as labor category redistributions.

**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](http://www.fieldglass.com/resources) to learn more about the external workforce and the way work gets done.