



**From Risk to Reward 2022**

# **8 Common External Workforce Challenges and How to Solve Them**

# Welcome!

Begin your journey through the 8 most common external workforce challenges by reading the e-book or select any challenge from the table of contents to get started.

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# 42% of global workforce spend is on the external workforce

SAP Fieldglass research studies, in collaboration with Oxford Economics, reveal an increasing reliance on a flexible and global external workforce to help companies stay competitive, remain resilient, and deliver positive business outcomes.

But with an increased reliance on external workers comes **increased business and compliance risks**.

Contractors, services agencies, consultants, freelancers and others – **how does a company manage them all?**

## If your company is experiencing these or similar challenges, you are not alone.

## SAP Fieldglass can help.

For over twenty years, SAP Fieldglass has helped thousands of global customers across all industries turn their external workforce risks into business and organizational rewards.

In this interactive online e-book, you'll learn how global companies such as **Red Hat, Philips, Los Alamos National Laboratory**, and **Capgemini** conquered their contingent workforce challenges with transformative results.

## Across the globe, in all industries, senior HR and Procurement leaders are asking...

### Do we really know who's working for us?

- Our research studies reveal **only 40%** of executives know who is doing the work

### How can we maintain compliance?

- According to the research data, **32%** executives experience compliance issues with services providers

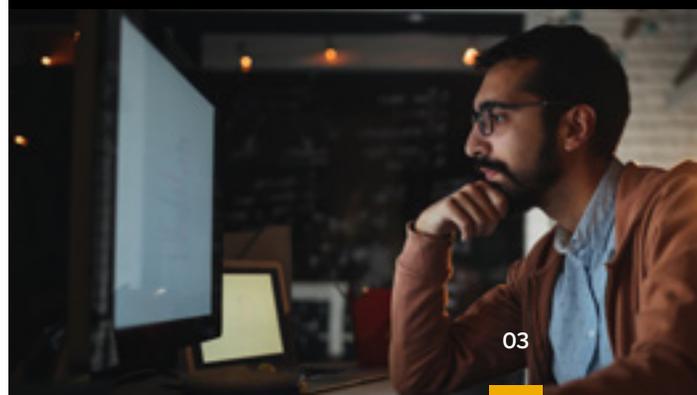
### Are we being charged the correct rates?

- The research studies confirm **35%** executives report problems with overcharges and duplicate payments with contingent workers

### Are we tracking project quality and delivery with our services providers?

- Our research data reveals that **25% of projects** done by services providers is not completed on time or on budget

All data sourced from [Agile Procurement Insights: Agility Isn't Always on the Payroll](#)



# 01.

## “How can we keep better track of all our contingent workers?”

### The Challenge

Do you know the “who, what, where, when, and how” of your external workforce? If not, **you’re not alone.**

External workers in your organization are likely spread across different geographies and departments, and often managed with manual, non-compliant, and disconnected processes.

When you lose track of these resources, you risk losing time, money, quality of work, and even the theft of your company’s assets and IP.



#### Risks

**Inconsistent** security protocols leave company IP and assets vulnerable to breach

**Disparate** processes and systems can’t be reconciled

**Irregular** tracking of deliverables and milestones

### The Solution

With [SAP Fieldglass Worker Profile Management](#), you can **see and maintain a standardized record of all your global, external workers** in one place: contact information, work history, certifications, pay rates, access to company assets, and more.

With all this information and reporting at your fingertips, you can ensure that your contingent workforce is **fully tracked, managed, and compliant.**

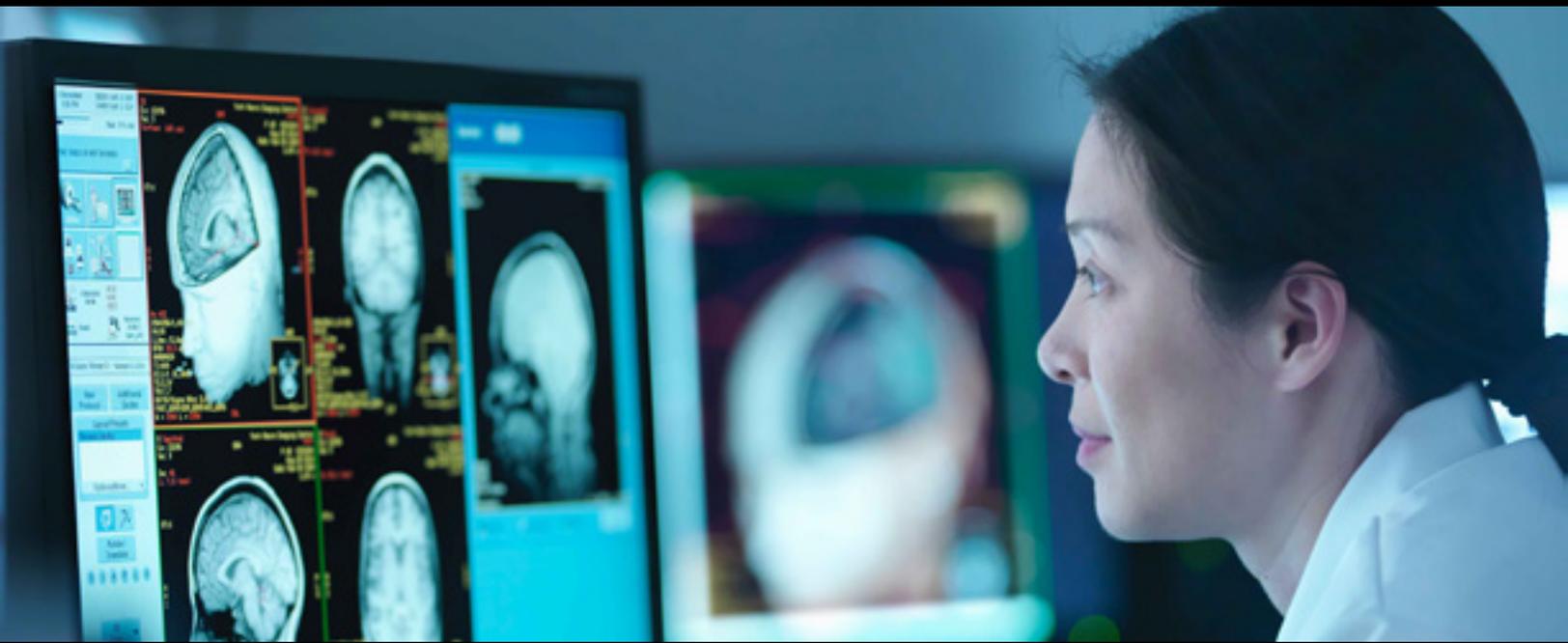


#### Rewards

**Strict** security policies consistently enforced across every geography

**Global** master worker record and one source of truth

**Consistent** evaluation of the quality of work delivered



## The Results

### Philips achieves 97% external workforce visibility

As a healthcare technology company, Philips relies on highly specialized skills that are often in short supply. Philips needed a global solution to find, engage, and manage its total workforce.

Philips looked to SAP Fieldglass solutions to gain greater visibility across its entire global workforce—with transformative results.

- **97%** external workforce visibility
- **€500 million** in yearly contingent worker spend now managed with SAP Fieldglass solutions
- Global contingent workforce in 25 countries in multiple languages managed with one solution
- Significant **cost savings** year-on-year have been unlocked, freeing up funds for investment

## PHILIPS

"Equipped with tangible insight from SAP Fieldglass, we can support better decision-making across the business. Ultimately, we help the business get the right skill in the right place through the right channel to get work done."

Martin Thomas,  
Head of Total Workforce Management at Philips



Watch video >

# 02.

## “How can we ramp up our external workforce quickly?”

### The Challenge

Whether you're racing the competition to be first-to-market, or racing against time to ramp up production of critical healthcare equipment, finding contingent workers with the right skills in the right location can often determine success or failure.

Companies frequently struggle with urgent staffing surges due to inefficient and disconnected processes, or confusion as to where to go and how to get it done quickly.

**With so much at stake, reacting at speed and scale is essential.**



#### Risks

**Slow response** may lead to lost opportunities and diminished reputation

**Inability** to hire skilled external workers quickly can mean too little, too late

**Inflexible** to reassign resources where and when you need them most

### The Solution

For a company to react quickly to a crisis, or to take advantage of market changes and business opportunities, an external workforce management program is invaluable.

With [SAP Fieldglass solutions](#), you are connected to the most effective resourcing channels for your industry, so you can **rapidly identify and hire workers with the necessary skills**. With a robust, global platform, you can make staffing decisions quickly, and even redeploy workers from one site to another.



#### Rewards

**Empowered** to respond rapidly to a challenge, opportunity, or crisis

**Capable of** engaging skilled external workers quickly, where and when you need them most

**Flexible** to scale resources up or down as you need them



## The Results

### Philips triples production of critical healthcare equipment in rapid and resilient response to COVID-19

When the pandemic hit, Philips urgently needed to ramp-up their production lines of healthcare equipment and increase the number of skilled workers quickly. They turned to their innovative external workforce strategy with SAP Fieldglass to make it happen.

- Production lines tripled to **24-hour uptime**
- **97%** of its contingent workforce managed in 25 countries
- **€500 million** in yearly contingent workforce spend effectively administered

## PHILIPS

“To meet a surge in demand for our health monitors and ventilators, we went from one to three production lines and moved from one shift a day to 24-hour uptime. Thanks to SAP Fieldglass Contingent Workforce Management, we were able to quickly locate workers with the right skills so we could speed the ramp up of our activities..”

**Martin Thomas, Head of Total Workforce Management, Koninklijke Philips N.V.**

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# 03.

## “How can we stay compliant in a highly regulated industry?”

### The Challenge

When it comes to managing the external workforce, **strict compliance and security protocols are critical.**

Unfortunately, few VMS solutions have the full-featured capabilities needed to handle the complex rate structures and invoice requirements of different countries, or navigate the complexities of tax requirements, securing IP, and more.

Failure to comply with these and other localized or regionalized requirements can **result in fines** and open you up to **potential lawsuits.**



#### Risks

**Disparate external workforce data** can lead to inaccurate reports and records

**Non compliance and miscalculations** of regional tax, labor, and privacy laws can put your company at risk

**Violation** fees or legal action may result

### The Solution

Many industries are routinely entrusted with confidential information and must be in compliance with legal and corporate regulations at all times.

**SAP Fieldglass solutions** can help your business **simplify the complexity of compliance by consolidating all external workforce data in one solution.**

Our cloud-based platform is available in **over 190 countries and 21 languages**, meets all data privacy standards, and documents security certifications for all highly regulated industries. In addition, advanced reporting and analytics ensure you have financial data at your fingertips.



#### Rewards

**Strict** compliance with local, tax, labor, and privacy laws in 190+ countries

**Accurate,** consolidated data simplifies records and audit

**Enterprise-wide** transparency provides a single point of reference



## The Results

### Los Alamos National Laboratory (LANL) manages external workforce with strict compliance

To keep pace with tremendous growth, Los Alamos National Laboratory (LANL) needed to replace paper-based, manual processes with automated digital workflows – while also adhering to strict security and compliance standards.

With the deployment of SAP Fieldglass solutions, LANL has established an integrated, standardized technology foundation that enables it to scale external workforce management quickly, while also meeting the needs of a highly regulated environment.

- **Advanced reporting** enables more control over external workforce spend
- SAP solutions play a critical role in LANL’s adherence to strict compliance
- 250% expected growth in contingent labor over the next two years



“SAP Ariba and SAP Fieldglass solutions have enabled us to drastically change the way we do business, so we can grow rapidly and **support an important national security** mission.”

Christine Hipp, Head of Procurement Center of Excellence, Los Alamos National Laboratory

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# 04.

## “How do we get more value from our contingent workforce?”

### The Challenge

Can you **actively track the value** your external workforce brings to your business? Not just cost, but also the quality of work, progress against milestones, and time saved due to increased efficiency?

Without a rigorous and strategic external workforce management program, companies risk going over-budget, missing crucial deadlines, approving unsatisfactory work, or re-hiring contingent workers who have not met performance or quality standards in the past.



#### Risks

##### Unsatisfactory

work goes unchecked, resulting in potential future repeats

**Missed deadlines** can put your project, and budget, at risk

**Costly** rework may be required, causing budget overruns

### The Solution

With [SAP Fieldglass Contingent Worker Management](#), companies can maximize the business value of contingent workers – right from day one. The solution automates the entire process of finding, managing, and evaluating contingent workers so you can be sure they are **qualified, certified, high performers**.

With a single, cloud-based solution, you can track milestones and deliverables of your projects against the plan and budget. You can also assess the quality of services at the time of completion, and even flag “do not re-hire” if the work is unsatisfactory.



#### Rewards

**Validate** the work quality of work and projects completed

**On-time** and on-budget projects deliver better value

**Re-hire** only the contingent workers who are high performers



## The Results

### NTT DATA earns \$3 million in annual rebates sourcing contingent labor via SAP Fieldglass solutions

With the acquisition of Dell Services, NTT DATA needed to establish a core global procurement organization that could effectively manage a massive increase in spending.

By choosing a suite of SAP solutions, including [SAP Fieldglass® solutions](#) for contingent labor, NTT DATA automated and streamlined its end-to-end procurement operations with eye-opening results.

- \$3 million+ in annual rebates from contingent labor sourcing with SAP Fieldglass solutions
- 1200+ contingent workers managed with one application
- \$125 million+ in value achieved since implementation
- \$1 billion+ in spend and 3,700 suppliers managed

## NTT DATA

“We knew that utilizing world-class tools to create a modern procurement function with the help of SAP was going to enable our business to move forward and **deliver clear value**. SAP’s support has been instrumental in helping us build and deploy a standardized set of processes and tools that enables us to reduce cost, enable revenue and mitigate supplier risk now and into the future.”

Jeffrey R. Tramel,  
NTT DATA Services vice president of  
Global Procurement

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# 05.

**“Every department has a different process for hiring external labor and services.”**

## The Challenge

Typically, a company’s Human Resources department manages salaried or hourly employees while the Procurement department manages goods. But who is responsible for managing contract workers and people-based services like maintenance companies and marketing agencies?

**The lack of clarity makes this “gray area” of spend ripe for inefficiency, mismanagement, and human error.**

Without an enterprise-wide external workforce management solution, companies risk wasting time and money on incompatible and inefficient systems that may require hours of research and reconciliation.



**Risks**

**Disconnected,** multiple processes lead to confusion

**Manual** processes consume too much valuable time

**Time-consuming** research and reconciliation required for accurate reports and audits

## The Solution

SAP Fieldglass Vendor Management Solution (VMS) can help **bring your external workforce into one unified view.** Manual and time-consuming functions can be automated and streamlined.

With one application, your HR, Procurement, and other functional areas can share data and “talk” to each other. **Access all workforce data in one place,** with advanced reporting and analytics to help inform future workforce decisions.



**Rewards**

**Streamlined,** efficient processes enable you to get more work done in less time

**Single** enterprise application means everyone is on the same page

**Generate** automated reporting and deep analytics



## The Results

### PVH Europe B.V. breaks down silos for a holistic external workforce strategy

Looking to break down silos and better manage contingent labor in Europe, PVH Europe B.V. implemented SAP Fieldglass solutions in collaboration with its Human Resources and Procurement teams.

With one centralized solution in place, the company now has a holistic view of its external workforce, more cross-team oversight, and better access to qualified external talent.

- **€20 million** in contingent labor spend in Europe each year captured in SAP Fieldglass solutions
- **20-day time-to-fill** rate achieved – from job request to onboarding
- **90%** of job postings served by three qualified candidates from PVH Europe B.V.'s talent pool



“**HR and procurement teams worked together** on our implementation of SAP Fieldglass solutions, giving us one centralized location to manage every stage involved in engaging and managing external resources giving us more oversight and control.”

Nicolas Tiercelin,  
Procurement Manager Professional Services,  
PVH Europe B.V

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# 06.

## “How can we reduce our “time-to-fill” rate?”

### The Challenge

Finding the right talent for an open position is often **subject to inefficient processes and risks**, like manual job postings, incomplete background checks, and inconsistent on- and off-boarding.

As a result, you may be slow to make the job offer and **lose out on top talent to faster competitors** – or worse, hire the wrong (unvetted) contractor for the job, leaving your company vulnerable to security breaches, IP, or real property theft.



#### Risks

**Manual** processes tether you to inefficiency and inaccuracy

**Inconsistent** access to reliable workers slows you down

**Slow** “time to fill” = wasted days before project starts

### The Solution

With [SAP Fieldglass Contingent Workforce Management](#) solution is designed to help you find the right talent, faster. You can customize job templates and distribute the posting to preferred providers first. Quickly identify qualified candidates with Candidate Review. Interview, perform secure background checks, check market rates, and negotiate the offer – **all in one place**.

**Be assured: you not only securely hired the right worker at the right price, but you also did it in a fraction of the time.**



#### Rewards

**Automated** processes enable you to hire the best talent, faster

**Reliable** Candidate Portal connects you to top talent

**Quicker** “time to fill” = your project gets a jumpstart



## The Results

### Capgemini achieves 60% reduction in time-to-fill rate

With highly skilled IT professionals typically difficult to source, Capgemini needed a flexible, cost-effective way to access the skills it requires at the right time and at the right cost.

Capgemini deployed SAP® Fieldglass® Contingent Workforce Management application to automate and standardize the sourcing, engagement, management and pay of its contingent workers.

- 60% reduction in time-to-fill rate
- Less than 10 days in time-to fill-rates achieved
- Less than 30 days job posting aging
- 80% of contingent labor requirements fulfilled



“We can now measure **business process improvements** around our contingent workforce and are seeing a fulfillment rate of 80%. We are also able to measure the quality of job ads and prioritize the right job postings. This is helping us achieve efficiency in capability sourcing as most job postings can be closed in under 30 days globally, and the **time-to-fill rate has fallen to below 10 days** from job posting creation to selection.”

Andreas Hettwer,  
Vice President – Group Procurement Category

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# 07.

## “Can our vendor management solution scale as our contingent workforce grows?”

### The Challenge

Are you using a VMS built for global use? Does it have features and functionalities you'll need to grow your business in the years to come?

**Because what you need today may not be what your business will need tomorrow.**



#### Risks

**Narrow** VMS capabilities that you may outgrow

Investing in **multiple niche VMS systems** that do not integrate

**Over-spending** to customize a functionality the VMS should have built in

### The Solution

With [SAP Fieldglass Vendor Management System \(VMS\)](#), you can **future-proof your VMS for years to come.**

SAP Fieldglass VMS is a flexible solution with a long-term technical road map. It can be deployed incrementally to meet both current and future needs across all categories of spend. You can establish an enterprise-wide strategy for engaging contingent workers with standard, efficient, and compliant processes across the globe.



#### Rewards

**Robust functionality** that can adapt to your needs

**All categories of spend** managed holistically in one solution

**Long-term roadmaps** for continuous innovation



## The Results

### Los Alamos National Laboratory (LANL) prepares for 250% growth in external workforce

Los Alamos National Laboratories (LANL) is expanding fast. The organization aims to grow its contingent workforce by over 250% in the next few years. Spend has already doubled in the last two years – and continues to grow.

With the implementation of SAP solutions, LANL can now rely on digitalized and automated processes to scale its operations, support its organizational growth, and move with speed.

- Meet an expected **250% increase** in contingent labor over a two-year period
- Manage **200% growth** in spend in two years
- Transactions processes more than 18 times faster than before



“With digitalized procurement processes enabled by SAP Ariba and SAP Fieldglass, we can scale our operations to **support rapid organization growth.**”

Drew Fuller,  
Chief Procurement Officer, Los Alamos National Laboratory

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# 08.

## “Are we getting the right talent at the most competitive rate?”

### The Challenge

Bringing in new external talent can also mean bringing in new ideas and specialized skills to keep your company competitive in a digital world.

**But you need to find the right external talent at the right cost** globally - and the old ways of finding external talent are growing more obsolete. Are you fully equipped to send out a requisition, quickly evaluate candidates from preferred agencies, then negotiate the contract and onboard quickly – **all within one application?**

Without a solid strategy and a robust, enterprise-wide solution, you may be over-paying for less qualified talent and draining your budget and resources.



#### Risks

**Unable** to quickly evaluate candidate's qualifications and pay rates side by side

**Antiquated** processes slow you down

**Over-paying** for mid-tier talent drains budgets and resources

### The Solution

With [SAP Fieldglass Contingent Workforce Management](#), you can **find the right talent at the right price – every time**. Customize your job templates and enable preferred staffing firms to submit candidates first. With **advanced resume screening and Candidate Portal**, you can view and compare candidates side-by-side, from skills to pay rates and much more. The **rate card functionality** also consults real-time labor rates for guidance and streamlines communication during negotiation.

Along the way, you are also strengthening relationships and building resources, like a **customized Talent Pool**, so you can fill future roles from a vetted contingent talent base.



#### Rewards

**Evaluate** external talent from preferred agencies and build a customized talent pool to fill future roles

**Real-time** recruitment sends out immediate notifications to candidates

**Primed** with the right talent at the right cost, your company gains a competitive edge



## The Results

### Red Hat lowers contingent worker rates by 10%

Red Hat's processes for engaging contingent workers were manual and irregular, leading to inconsistent billing rates and a lack of centralized tracking of costs for contingent workers.

The company implemented the SAP Fieldglass Contingent Workforce Management application and achieved its goals of increasing visibility on spending, headcount, and trends while also standardizing operational practices in North America.

- **10% lower rates** for the same contingent workforce contractors
- **7% savings** to workforce program
- **7% savings** with market rate-card functionality
- **92%** hiring manager satisfaction



"SAP Fieldglass solutions enable us to gain insights into program use, spend, hiring trends, length of service metrics, and vendor performance. This level of visibility is **paving the way for expansion opportunities.**"

Jennifer Dudeck,  
Senior Vice President, Chief People Officer, Red Hat

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# Thank you!

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