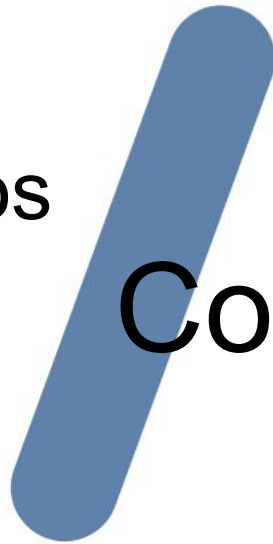


## Manpower Business Solutions

Chaos



Control

200 suppliers, inconsistent service, no control...What do you do?

### Manpower's Vendor Management Solution

Using the right Vendor Management Solution in the right situation means Manpower has exceptional working relationships and high levels of sub-vendor satisfaction and loyalty. Manpower's partnership approach is based on mutual benefit by reducing costs across multiple areas and sharing in the savings as opposed to relying on rate reductions alone.

#### Scenario

In 2002, following the merger of our client with another multinational organisation, Manpower was appointed as the aligned Master Vendor, superseding all prior agreements and creating what is the largest Master Vendor Solution in Australia. Critical to our appointment were the satisfaction levels of downstream recruitment suppliers. The results of an independent survey identified that 92% of these suppliers were highly satisfied with their relationships with Manpower.

#### Critical Issues

- The client was experiencing high transaction costs due to their inefficient supplier and vendor systems
- Their cost of hire was a significant burden to productivity for HR and line management
- Their large supplier and vendor network led to lack of control
- Talent levels entering the organisation were poor and staff retention was a problem.

## Solution

In true partnership, Manpower has been this client's Onsite Master Vendor for the past six years. Manpower's ability to develop a mature and proven VMS from infancy and deliver continuous value is the hallmark of this partnership.

Depending on resource surges, Manpower manages and coordinates between 1,000 to 1,500 contractors, the equivalent of 30% of the client's entire Australian workforce. Our Master Vendor solution now incorporates seven operations, four onsite, which manage all of the client's human resource requirements. To date, 29 full-time Manpower staff are responsible for the management of 19 First Tier Suppliers and over 35 Second Tier Suppliers, guaranteeing 100% accountability for all recruitment requirements.

As the partnership has matured and Manpower's intimate knowledge of our client's new business structure has developed, numerous innovations have resulted from the identification of value-added opportunities outside the express boundaries of a pure Master Vendor solution. Some of these innovations include:

1. Streamlined and standardised order processes to reduce client workload and create high-order cost savings
2. Well defined and stringently adhered to KPIs
3. Radical improvements in efficiencies by implementing tailored solutions including:
  - Capturing order processes and controlling procurement procedures
  - Reducing time to hire
  - Cost and process control
  - Ensuring those with the approval to hire have the most flexible, reliable and accountable systems in place
4. Workforce Retention - Manpower implemented a candidate care continuity programme for contract staff, aligned to the benefits that permanent workers receive. It was so successful that it was extended further with 'salary sacrifice' and numerous other benefits
5. Provision of HR and ER support
6. Consolidated invoicing and powerful layered reporting functionality, including the introduction of a time management capture system, providing web-enabled time sheet management
7. Joint Ventures - Manpower and the client work together in various 'outsourcing' opportunities associated with new projects and new contracts.

What do you do?

## Outcome

Various cost reduction strategies have resulted in savings of up to 10% per annum in 'traditional' associated agency costs. The most significant savings came from the removal of associated workforce management overheads.

Our VMS partnership transferred the risk associated with workforce management from our client to us.

Some of the direct and indirect cost savings included:

### Transactional Costs

- Online ordering, order management technology (Direct Source), payroll, billing and payment systems
- Elimination of errors and rework

### Supplier Management Costs

- Online reporting
- Master / managing vendor supply models
- Self auditing continuous improvement

### Workforce Productivity Costs

- Smart sourcing and hiring cycle reduction including 24 / 7 access
- Adherence to and over-delivery against KPIs and SLAs, in particular increased delivery speed and increased order fill rates
- Competency and skills based recruitment methods
- Workforce optimisation practises including resource planning and management, training and induction programmes and time critical resourcing and talent pool management.

For more information please visit [www.manpowerbusinesssolutions.com/ap](http://www.manpowerbusinesssolutions.com/ap)



Manpower®