Extended Workforce

Aumenta visibilità e controllo dei collaboratori esterni

Giovanni Giacchetti, Director, Value Advisory for Spend Management, EMEA South, SAP
Do you know…

..how many external contractors are working in your Company?
Do you know...

..what are they doing and in which facilities are they working?
### Why this is relevant for you?

Organizations are increasingly turning to the external workforce to get work done.

<table>
<thead>
<tr>
<th>Internal workforce</th>
<th>External workforce</th>
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<tr>
<td><strong>Employees</strong></td>
<td><strong>Non-payroll workers</strong></td>
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<td>Workers who are on the company’s payroll, typically receiving traditional employment benefits.</td>
<td>Also referred to as contingent labor, these individuals are engaged by an organization to do work on its behalf, but not as employees. They can be contracted via staffing agencies, through freelancer marketplaces, or directly by the company.</td>
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<td><strong>Services providers — the invisible workforce</strong></td>
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<td>Companies contracted to get work done, typically on a project basis, via a Statement of Work (SOW). They provide services delivered by people.</td>
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<td>Examples: Consultancies, IT outsourcers, marketing agencies, law firms, facilities management companies, call-center operators and accounting firms.</td>
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The external workforce is essential for organizations to thrive in the digital age.

59% of executives say the external workforce helps them compete in a digital world.

62% say it is important or extremely important in meeting business needs for specialized new IT and digital skills.

What’s more, the external workforce accounts for 42% of total workforce spend.
“For us, the value of the external workforce has never been cost. It’s flexibility. It’s strategic.”

JP Stadelmann
Head of Purchasing for the External Workforce, Swisscom
Narrowing the lens to focus on services providers…

Services providers such as strategy firms, IT outsourcers and marketing agencies are a significant portion of external workforce spend.

They play pivotal roles in getting work done and operate at the heart of the enterprise.

The stakes are high as companies spend billions on these services.
Services providers are frequently under-managed. They often operate as an invisible workforce.

Under-management prevents organizations from reaping the full value of their services providers and creates risk.
We identified four key actions to help organizations unlock more value from their services providers.

- **Illuminate your invisible workforce**
- **Manage with rigor**
- **Rise above the silos**
- **See your collaboration in a new light**
Not just “a Procurement thing”

Services providers are vitally important to an organization’s future success.

Yet, in most organizations, management is confined to Procurement, and the focus is on the financial aspects of the work.
However, Procurement doesn’t have visibility into operational aspects such as who is doing the work, quality and milestones. Seldom is there a closed loop to feed this performance back to inform the master contract.

This is an opportunity for the business to contribute and add more strategic value.
Our Solution: SAP Fieldglass addresses the following questions with an holistic approach:

- **Who** is working for you?
- **What** are they doing?
- **Where** are they located?
- **What** facilities are they accessing?
- **How** much are you paying them?
How it works in practice?

- **NEGOTIATE**
  - Run Sourcing
  - Master Agreement & Rate Card
  - Compliance management

- **RECRUIT**
  - Missing talent sourced externally
  - Define SOW
  - Link to existing contract
  - Preferred Suppliers

- **CERTIFY**
  - Training course made available
  - Unified view of all certifications

- **ON-BOARDING**
  - Automated on-boarding

- **PROJECT**
  - Project details agreed and defined with suppliers
  - Deliverable status tracked for each step
  - Service entry sheet completed
  - Quality of completed work assessed.

- **PAYMENT**
  - Invoice and expenses for workers approved and processed

- **EVALUATION**
  - All workers evaluated
  - Successful candidates marked for future projects
  - Real time visibility into all project activity

- **OFF-BOARDING**
  - Workers are automatically off-boarded
  - Access to facilities and systems is terminated
  - Return of all equipment is fully tracked
Value levers enabled by External Workforce Management optimization

- Reduce project costs through better management of budget, resources, and timeline
- Improve Tactical Sourcing
- Increase External Workforce & Service delivery compliance
- Lower effort on Service Entry Sheets creation and Approval
- Purchase order requisitioning and transmission efficiency

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### Some customers using SAP Fieldglass for their external workforce

<table>
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<tr>
<th>Consumer &amp; Retail</th>
<th>Energy, Power &amp; Resources</th>
<th>Financial Services</th>
<th>Healthcare &amp; Pharmaceutical</th>
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<td>bp</td>
<td>General Electric</td>
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<td>Rio Tinto</td>
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<td>GlaxoSmithKline</td>
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<td>Halliburton</td>
<td>Citi</td>
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About our research

SAP Fieldglass collaborated with Oxford Economics to conduct an in-depth telephone survey with 1,050 senior executives about their use and management of the external workforce, with a focus on services providers. Respondents were from mid-sized to large companies in 24 industries across 21 countries in five regions. Oxford Economics also conducted qualitative interviews with multiple executives in the field, to take a deep dive into services procurement and to hear reactions to the survey findings.

Get our full report at:
https://www.fieldglass.com/services-procurement-insights-2019

Find out if you are a Pacesetter.
Thank you.

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