



FULL MSP & VMS TRANSITION FOR **GLOBAL ENERGY ORGANIZATION**

CLIENT PROFILE

Global energy organization

CHALLENGE

Transitioning from a stagnant incumbent
MSP/VMS

CHALLENGE

When our client, a Fortune 500 energy organization, engaged Allegis Global Solutions (AGS), their then-current managed service provider (MSP) was doing little to drive their contingent workforce program. Despite having a 10-year relationship with our client, the incumbent MSP was only handling a small fraction of their overall North America spend, and had not built the credibility required to drive program adoption across the organization in order to expand to other business units and other countries. With a lack of customer service and industry best-practices, our client's incumbent was failing to drive value.

Additionally, economic conditions heightened our client's demand for visibility into their non-employee workforce globally, as did the need to have a consultative partner that could bring proactive solutions to help solve for their business challenges and drive program adoption globally. As a result, in March 2015, our client initiated a sourcing effort for a new MSP partner. During the selection process, client stakeholders attended an AGS workshop at our corporate office, where they had the opportunity to meet key AGS subject matter experts that would support different components of their program, including implementation, technology, contracts, and supply base management, among others. This consultative session allowed our client to experience AGS' culture first-hand, and provided a glimpse into the depth of knowledge our tenured teams possess.

SOLUTION

AGS was selected as the global MSP over a number of industry-leading MSP providers. With a tight 12-week implementation timeline, AGS successfully transitioned-out the incumbent MSP, implemented a new VMS, and established a new program office staffed with individuals who have strong customer service skills, experience in recruiting, and an understanding of energy-vertical nuances.

To provide increased visibility into their contingent workforce and market conditions, AGS engaged our market and business analytics teams to perform rate card benchmarking, incorporate stronger reporting and analytics and assist with various initiatives. For example, given the decline of the oil and gas sector, our client was looking to reduce their global contingent labor spend by roughly 33 percent, while adjusting pay rates in various skill-sets. Our market analytics team reviewed all contingent workers transitioning into our program, and performed a cost analysis which aligned bill rates to current market standards, resulting in a 20 percent cost reduction.

THE RESULTS

Within a year's time, AGS has been able to completely transform our client's contingent workforce program and demonstrate the value a well-run MSP program can provide. Since taking over as their MSP, AGS has successfully incorporated nearly 60 of our client's North American business units into the program, including upstream, midstream, downstream, corporate, and field functions. We also brought in 48 new suppliers to support those business units, and by gaining hiring manager confidence via our immediate response times, providing consultation around requisition intake, and offering guidance on program and VMS processes, have introduced more than 750 engagement managers to the program.

- Reduced hourly rate for non-competitive candidates by an average of \$18 via program office negotiations
- Achieved 13 percent cost savings/avoidance via rate negotiations
- Negotiated \$400K in rate reductions for existing workers within the first nine months of the program

RESULTS

- Successfully transitioned incumbent program to AGS' MSP and implemented new VMS
- Delivered various market analytics' initiatives, including cost savings exercises, rate card building and reviews, and overall industry and economic trend overviews
- Expanded support model to include nearly 60 business units and added 48 new suppliers to support more than 1,500 hiring managers
- Realized numerous cost savings/avoidance/reductions via program office initiatives
- Collaborating with client to expand program globally

Currently, AGS is in the process of implementing our program in Australia, and is working with our client to build out a global roadmap to expand to their global locations in the next two to three years.



ABOUT ALLEGIS GLOBAL SOLUTIONS

Allegis Global Solutions is founded on a culture that is passionate about transforming the way the world acquires talent by delivering client-focused solutions that make a difference for businesses worldwide.

