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Research

What Influences Contract Talent Usage

In partnership with:



Table of Contents

Executive Summary.....	1
About this Research.....	2
Introduction.....	2
Key Survey Findings.....	10
Conclusions.....	22
Appendix A: About the Research Partners	23
Appendix B: Respondent Demographics	24
Appendix C: References	26



What Influences Contract Talent Usage

Executive Summary

As the economic recovery continues to take hold, The Human Capital Institute (HCI) is continuing its research in the Contract Talent (CT) field to further develop their scope of knowledge regarding this growing segment of the workforce.

CT Use and Management is explored in this latest HCI research study to evaluate whether there has been sustained post-recession CT utilization; has Management of CT changed in the past year; and what have been the benefits realized by organizations utilizing CT management systems and tools.

Results from this research study are compared to a HCI's previous CT survey to identify whether CT use and management has changed appreciably. According to the prior study, "The use of CT continues to grow in 2010....In order for organizations to truly reap the benefits that CT can provide to their organization (e.g., access to expertise- heavy skills and flexibility of workforce), they must consider the management of CT much more strategically and as a talent management imperative for the new normal."¹

Key findings from the current research include:

- Over the past few years there has been an increased use of Contract Talent and it appears this use will be sustained as companies emerge from the recession.
- Flexibility and the ability to quickly expand and contract the workforce as well as being able to access skills and experience that is not available internally are the primary drivers for CT utilization.
- CT management is becoming more centralized and standardized as evidenced by the increased use of Enterprise-Wide CT Programs (EWCTP) and CT tools including Managed Service Providers (MSP), Vendor Management Systems (VMS) and Independent Contractor Engagement Specialists (ICES).
- Those using an EWCTP and CT Tools are better able to realize cost savings, improved talent quality, improved operational efficiency and improved regulatory compliance for their CT workforce.

¹ *Contract Talent: An Imperative for Talent Management in the New Normal*, 2010, Human Capital Institute

About This Research

This research was conducted in March, 2011. A select number of HCI members were invited to complete a 32 question survey. One hundred and thirty-four surveys were completed and the results are summarized in this paper. In addition, several in-depth interviews were conducted with Contract Talent Management thought leaders. To supplement these primary research methods, HCI researchers also reviewed relevant information from a variety of secondary sources, including white papers, articles, books, interviews, and case studies. Several of these are cited in the report and all are referenced in HCI's Contract Talent Research Practice Area, to which interested readers are encouraged to visit for additional reading and online events.

Defining Contract Talent

Survey participants were provided with the following definition of CT:

Contract Talent includes contract or contingent employees. For the purposes of this survey, we define Contract Talent (CT) as full- and part-time workers and independent contractors who are NOT part of the organization's regular, traditional workforce, including: freelancers, temporary help, interim executives and consultants.

Introduction

With the flux in economies around the world, the style of talent used inside organizations is a hot topic. The hypothesis for this research was: many organizations are continuing to view contract labor as a short-term solution rather than an integral part of their talent management strategy as the economy continues to rebound from the recession.

This research detailed CT use within the following categories:

- **Professional Services:** Finance, IT, Legal or other professional services contractors
- **Temporary Staffing:** clerical, light industrial, administrative or other temporary positions
- **Consulting Services:** Call Center Help Desk and Database Maintenance; Management Consulting; Business Process Outsourcing, IT Outsourcing-Maintenance & Support; IT Projects Application; Off-Shore Development and Testing Stable or other consulting services
- **Outsourced Services:** Marketing/Print Marketing Agencies, Outsourced Departments including Training, HR, Finance and Customer Service; Facilities/ Maintenance including Janitorial, Landscape and Plant Maintenance or other outsourced services

Topics explored in this research included:

- Use of Contract Talent in times of uncertainty
- Use of Contract Talent in the workplace
- Managing Contract Talent
- Contract Talent Program benefits

CT Use in Times of Uncertainty

The world economy is just recently emerging from a recession that featured significant job losses and an accompanying rise in unemployment. This period of contraction is being followed by cautionary hiring practices with a reliance on the CT workforce.

According to a recent article by Bob Moulesong; "After two and a half years of economic turmoil, businesses are once again beginning to hire, according to the latest statistics from the U.S. Bureau of Labor. As employers begin to cautiously hire again, a new contingent of the work force is beginning to emerge. The contract, or freelance employee, is becoming more of a rule rather than an exception. For many businesses, contract or freelance workers could become a permanent solution."²

Daniel Indiviglio noted in The Atlantic at the end of 2010, "...it makes theoretical sense that this labor market recovery has been dominated by temporary hires. This recession was so long and so deep, and the recovery so fragile, that firms are being extra cautious when hiring back permanent staff. Only over the past few months have economists begun lowering the probability of a double dip recession in their forecasts. In this sort of very slow recovery, firms should be expected to hire more temporary workers."³

The results of the survey indicate **there will be a sustained reliance on CT following significant growth in the use of CT during the recession.** This finding is reinforced by recent labor statistics. "This year, companies have hired temporary workers in significant numbers. In November, they accounted for 80 percent of the 50,000 jobs added by private sector employers, according to the Labor Department. Since the beginning of the year, employers have added a net 307,000 temporary workers, more than a quarter of the 1.17 million private sector jobs added in total. The landscape two or three years from now might look quite different, of course. Many economists and executives at temporary agencies say there are signs that more robust permanent hiring is coming in the new year. Business confidence is up, and temporary agencies report that the percentage of interim workers who have

² Moulesong, Bob "Employers Bring In More Contract Employees as Hiring Slowly Climbs" January 30, 2011, nwi.com

³ Indiviglio, Daniel "Should the Rise in Temporary Workers Scare Us?" The Atlantic, December 20, 2010

⁴ Rich, Motoko, "Weighing Costs, Companies Favor Temporary Help" The New York Times, December 19, 2010

been offered full-time jobs is also up from last year. Nevertheless, there are signs that this time around, the economy could be moving toward a higher reliance on temporary workers over the long term.”⁴

In an interview for this research, Cynthia Moore, Co-founder of VMS Professionals, a national association comprised of end-user companies networking to discuss best practices in the acquisition and management of contingent labor, felt that even with the “perception of recovery” there is caution based on the significant workforce reduction that occurred during the recession. “And now (that) people have an opportunity for growth, I think there’s a little bit of optimism, but skepticism at the same time. And people don’t want to bring in full-time employees, because they’re afraid that they’d have to go through that (workforce reduction) again.”

CT Benefits

The primary benefits associated with CT expressed by the 2011 survey respondents, is staffing flexibility and efficient access to required experience and skills. A comparatively lower percent mentioned cost benefits.

Wanda Lundy, Vice President, Employee Recruiting, LPL Financial Services, reinforced this by noting she did not view CT as a way to lower wages, rather she pointed to the ability to quickly utilize certain skills and experience. “I see it as you have a spike in work and you need workers with specific talent and expertise.”

Sally Ballard, Manager, Strategic Sourcing at The Regence Group added “It’s really getting the skill sets that can hit the ground running without a lot of indoctrination. Understanding that responsibility in the development world or the analyst world so that they can hit the ground running on these projects and keep the schedule moving forward to the project completion date versus trying to have someone in an FTE role juggle too many things that therefore you could jeopardize the schedule, where the impact to the project would be detrimental.”

CT Management

As use of CT increases, a growing number of companies are transitioning hiring planning and decision making from traditional Human Resources, Procurement or Departmental Leader silo-approaches to a cross functional team approach.

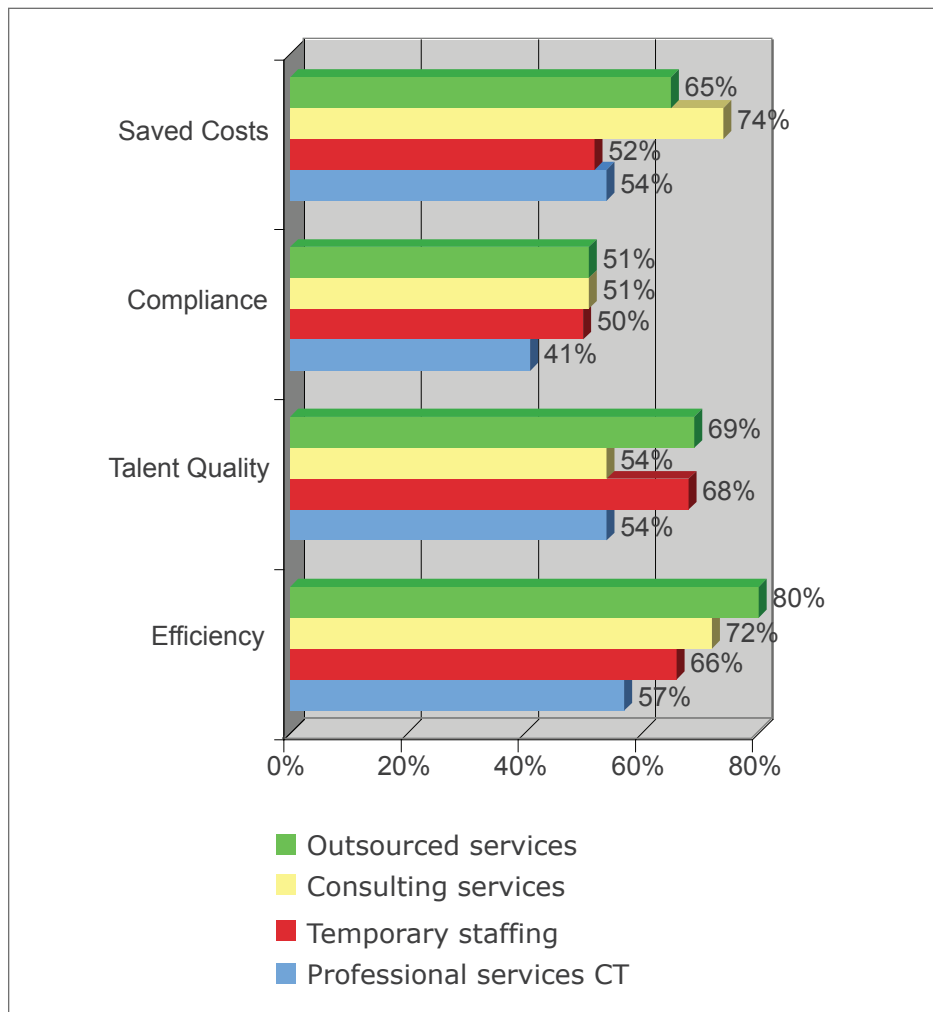
Elizabeth Rice, President of Innovative Employee Solutions, observed “As organizations increasingly rely on contingent workers, many are finding it a challenge to manage this critical component of the workforce. Some

⁵ Rice, Elizabeth. “Contingent Workforce Management: Best Practices.” January 3, 2009. [<http://www.articlesbase.com/management-articles/contingent-workforce-management-best-practices-707059.html>]

specific challenges faced by companies include: confusion in responsibilities between procurement, which is concerned with price and volume; and HR, which focuses on quality of hire. Moreover, in many organizations, individual hiring managers manage their own contingent workforce needs, resulting in multiple, redundant vendor relationships, non-uniform pricing and tremendous overall losses in time and money.”⁵

Benjie Hanson, Manager at CareFirst BlueCross BlueShield stated there has to be good communication between departments. “If we’re not doing our job effectively recruiting and qualifying folks that they end up needing in a direct hire scenario, we’re just causing a headache for our sister division across the way. They are a very different division, but we’ve got to be in lockstep with our HR area”.

The results from the survey clearly illustrate that CT management appears to be most effective when there is an enterprise wide CT program in place that integrates hiring and tracking of CT utilization across the organization.



Figures 1 & 2:

Percent Agreeing Using our Contract Talent program for our organization’s:

Professional Services CT

Temporary Staffing

Consulting Services

Outsourced Services

has:

Saved Costs

Improved regulatory compliance

Improved the talent quality

Improved operational efficiency

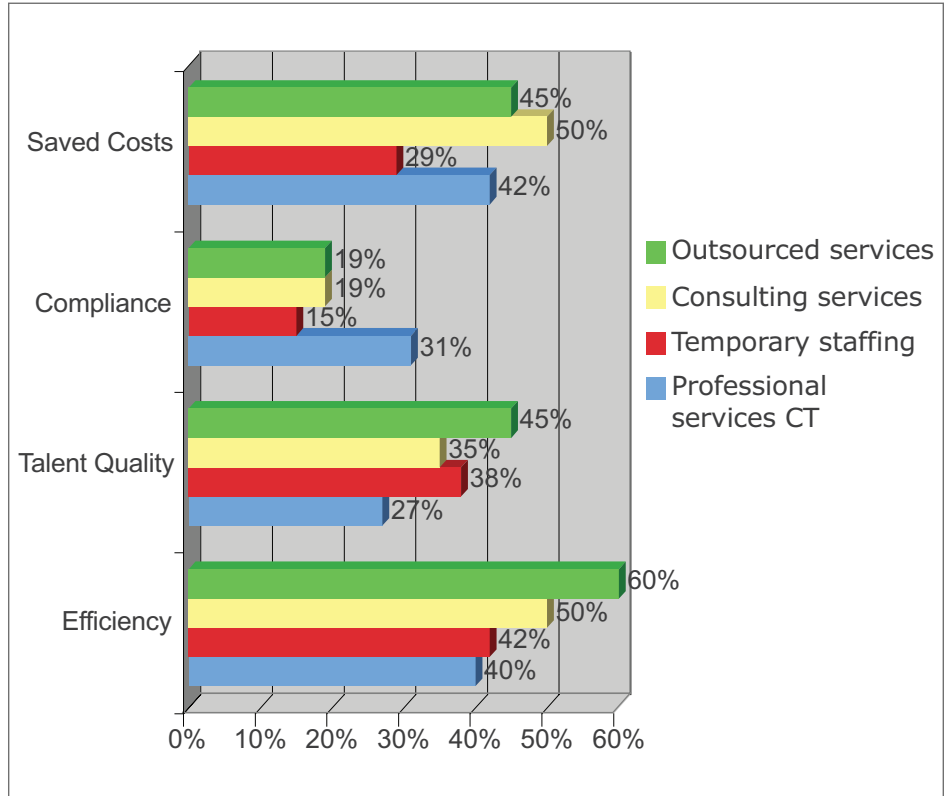
Figures 1 & 2:

Percent Agreeing Using our Contract Talent program for our organization's:

- Professional Services CT
- Temporary Staffing
- Consulting Services
- Outsourced Services

has:

- Saved Costs
- Improved regulatory compliance
- Improved the talent quality
- Improved operational efficiency

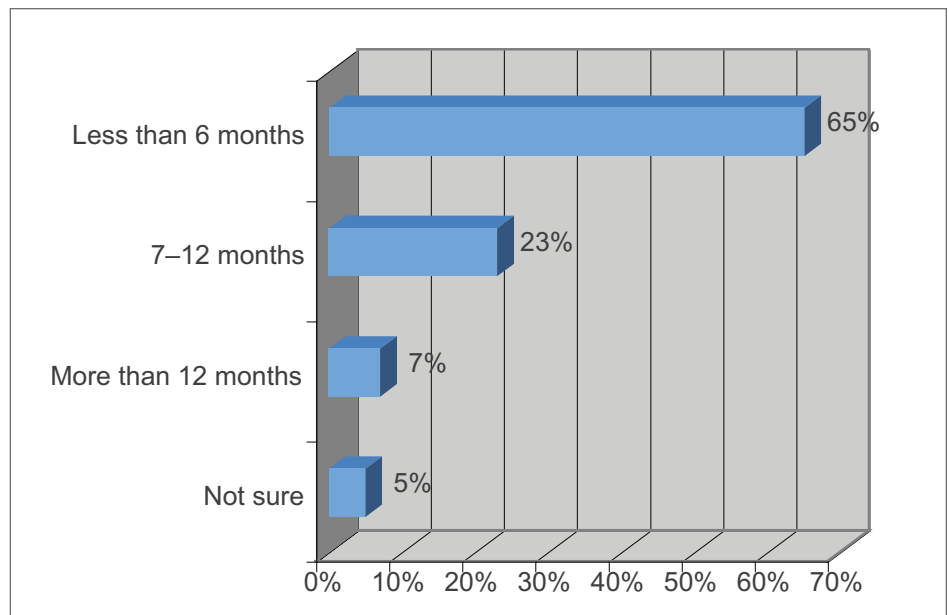


CT Projections

Nearly two-thirds of the organizations have a short term planning window for CT needs of less than 6 months.

Figure 3:

How far in advance does your organization project Contract Talent needs?



Cynthia Moore felt there needs to be a shift in attitudes within the industry away from just-in-time CT hiring. “We spent probably two years being fat and happy being able to take our time on hiring decisions in bringing on contract labor. The hiring community doesn’t seem to understand the market change in being able to move fast enough to get their people on board. Those that do become very successful, but those that don’t, they’re not forecasting. They’re still trying to stick to just-in-time recruiting.” She went on to note, “A couple of organizations have been able to convince their executive management very quickly and their hiring community to say, ‘Look, we need forecasts, because if we can put (our needs) out to the suppliers earlier, they’ll start to qualify a pool of people, and that way we can fill just-in-time recruiting with forecasting.’ But it’s not real prevalent, and that’s the challenge we’re all having sitting in these roles.”

Those companies in the survey that project their CT needs 6 months or more, are better able to realize benefits in regards to improved talent quality for Professional Services. Among CT categories, Professional Services is used most frequently. As competition for these sought after CT positions continues to increase, organizations should project needs further in advance to be able to find CT that will best meet their needs within this category.

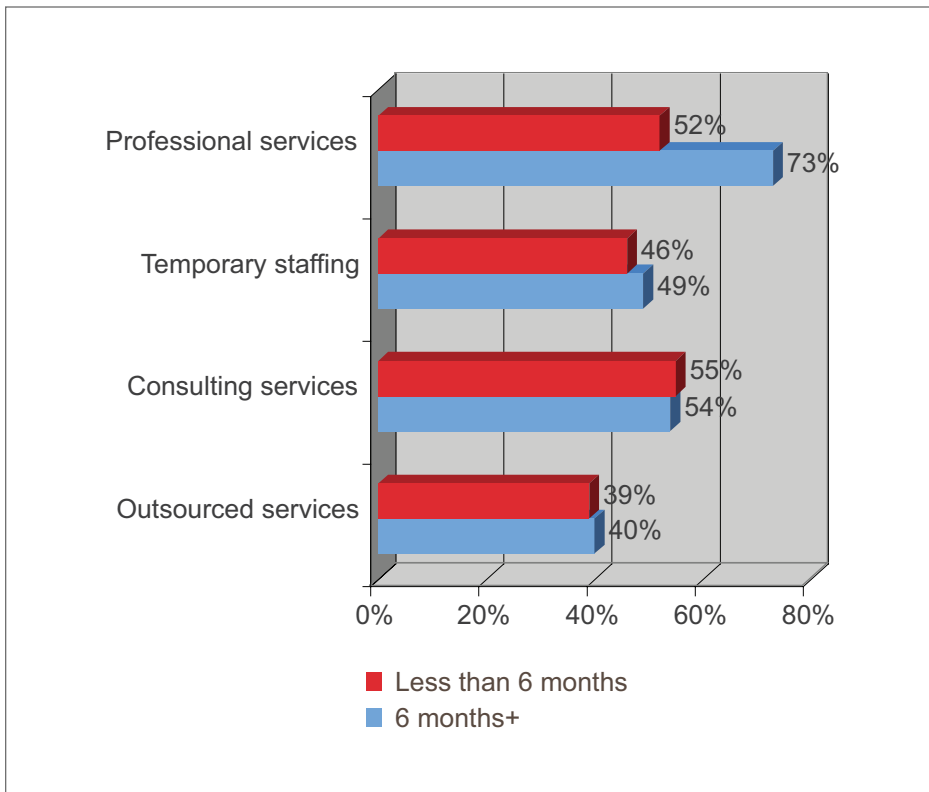


Figure 4:
 Percent agree that using Contract Talent program for organization's :
 • Professional Services CT
 • Temporary Staffing
 • Consulting Services
 • Outsourced Services
 has
 Improved the talent quality

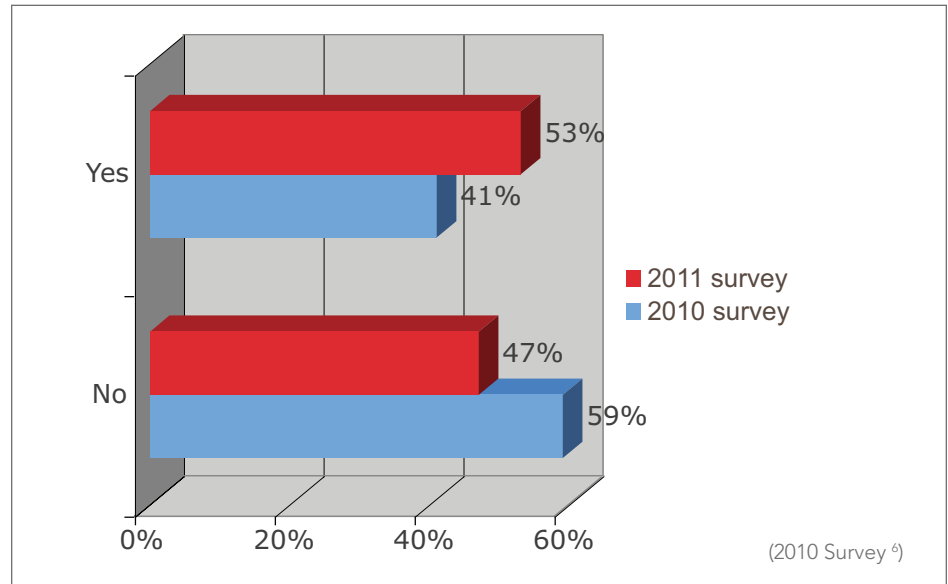
⁵ Interview, Diane Burrows, April 2011

⁶ Contract Talent: An Imperative for Talent Management in the New Normal, 2010, Human Capital Institute

CT Enterprise-Wide Management Programs and Tools

The survey results indicated a growing number of companies are adopting enterprise-wide programs to effectively manage the CT process.

Figure 5: Does your organization have a centralized enterprise-wide contract talent program?



This movement to an Enterprise-Wide Contract Talent Program (EWCTP) has been advocated by HCI. "Organizations that move toward enterprise-wide, centrally managed and technology-enabled CWM have the potential to realize significant, hard-dollar cost savings, as well as intangible benefits such as improved compliance risk, time savings and better reporting." ⁷

This recommendation is reinforced based on the survey results as those organizations in the survey that were using an EWCTP to manage CT have a significant advantage compared to those companies not using an EWCTP in regards to CT cost savings, improved talent quality, improved operational efficiency and improved regulatory compliance.

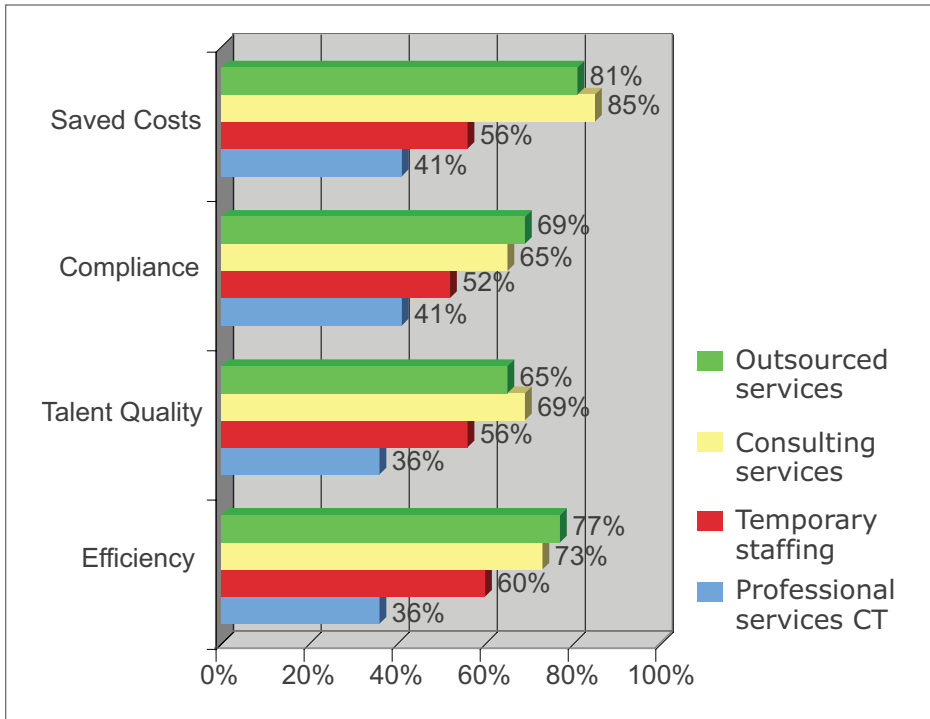
In addition to growth of EWCTP, CT management continues to become more centralized and standardized with a growing number of companies using Managed Service Providers (MSP), Vendor Management Systems (VMS) and Independent Contractor Engagement Specialists (ICES).

As HCI has recommended, "an organization must use some enterprise-level system or technology to manage CT...this usage has positive bearings and return on investment in the areas of risk and compliance, time and cost savings, and contract talent quality. It is also an essential tool for managing basic aspects of site or location security, emergency management and headcount." ⁸

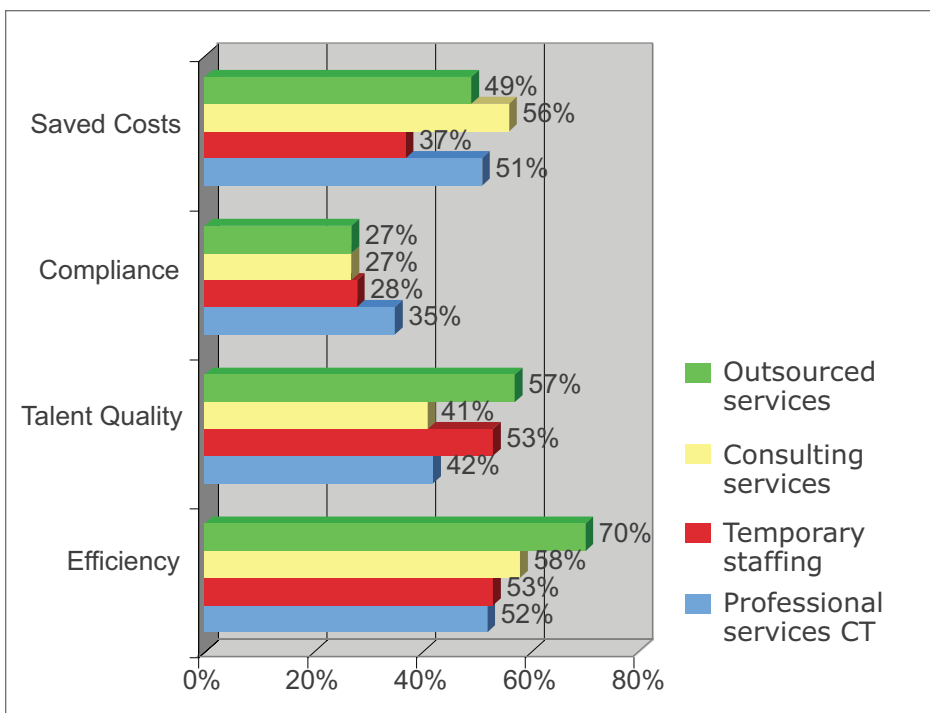
⁶ The ROI in Enterprise Contract Talent Management, 2009, Human Capital Institute

⁷ Contract Talent: Are Contractors Included in Strategic Talent Management Initiatives?, 2010, Human Capital Institute

The organizations in the survey that reported using a VMS, MSP or ICES, are realizing cost savings and improved regulatory compliance particularly within the Professional Services and Temporary Staffing categories compared to those who do not utilize CT Tools.



Figures 6 & 7: Percent Agreeing Using our Contract Talent program for our organization's
 Professional Services CT
 Temporary Staffing
 Consulting Services
 Outsourced Services
 has
 Saved Costs
 Improved regulatory compliance
 Improved the talent quality
 Improved operational efficiency



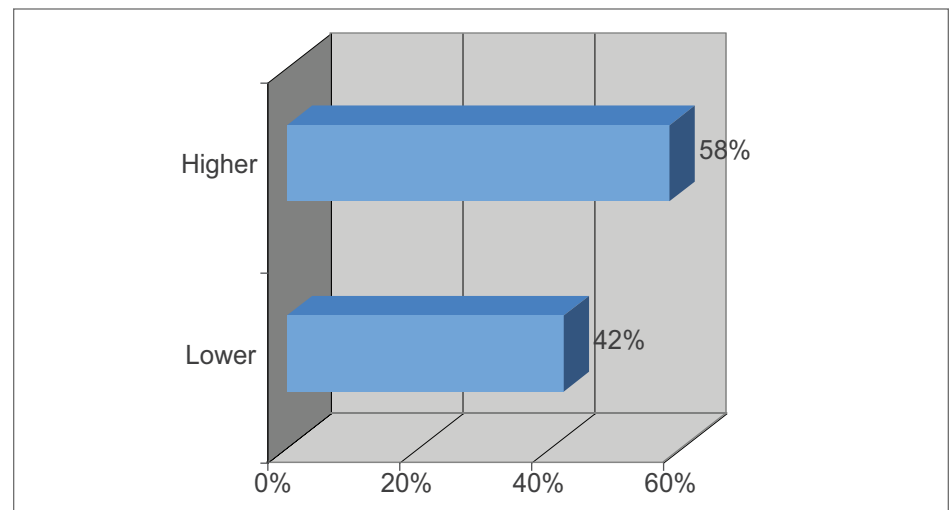
Kimberley MacDonald, Director of Talent Acquisition, H&R Block pointed to the scalability benefits her organization has realized by utilizing a VMS: “I will tell you that certainly in terms of being able to scale services like contract services across the organization, a Vendor Management System is critical to being able to do that. There was a time here at H&R Block where things were more decentralized. VMS helps from a reporting standpoint so that we understand what is our volume and how we can negotiate with our vendors to get the best prices.”

Key Survey Findings

Increased and Sustained Use of Contract Talent

There has been a significant influx of CT among the surveyed companies within the past year. More than 40% of the survey respondents stated the percent of CT in their current workforce was higher compared to one year ago. While there was a significant increase in CT within the past year there does not appear to be a similar increase projected for the coming year, rather CT staffing is projected to be stable.

Figure 8: *Is the percent of Contract Talent in your current workforce higher or lower compared to one year ago?*



“I actually do believe that we are going to see more contingent workers, as we go through our general business operations. I think with projects we’re going to see more areas using contract talent, now that the economy is improving, and that we will see a spike.”

Wanda Lundy, VP Employee Recruiting, LPL Financial Services

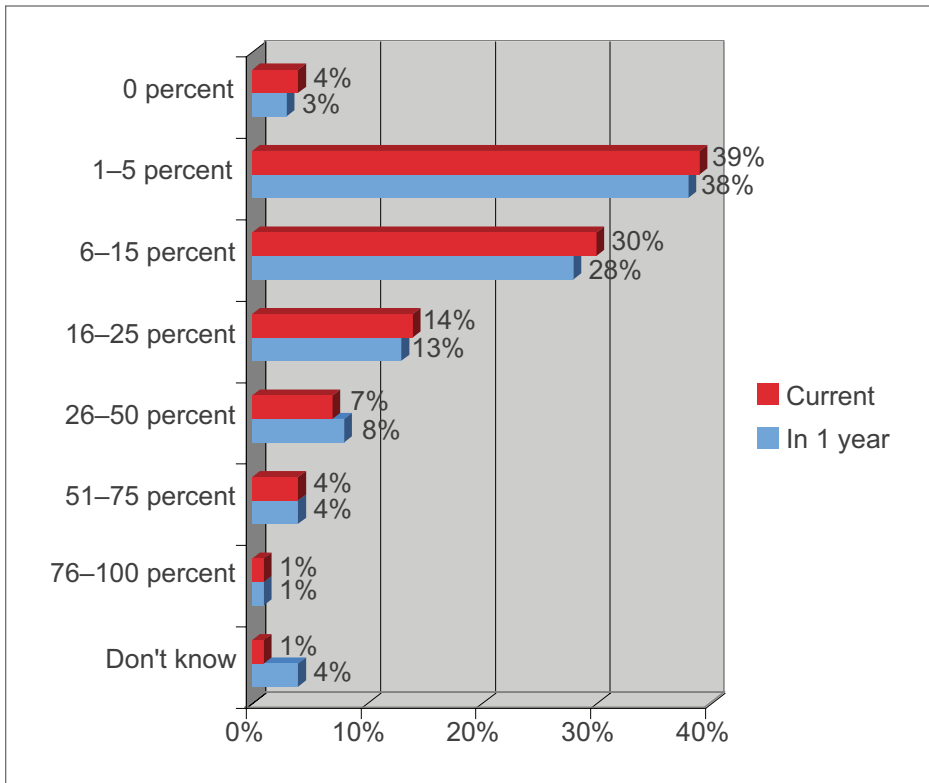


Figure 9: What percent of your current workforce would you estimate to be Contract Talent?

What percent of your workforce would you estimate to be Contract Talent one year from now?

Use of CT has increased within several departments, with Technology and Operations being the primary use areas for CT.

As hiring continues to improve in 2011 and into 2012, it is projected competition for Technology and Operations CT will accelerate as well.

	2010 ⁹	2011
Technology and Operations	78%	89%
Finance and Accounting	41%	56%
Human resources and Administration	45%	53%
Marketing and Sales	32%	40%

Types of Contract Talent in the Workforce

Use of Contract Talent for Professional Services had the highest workforce penetration with 86% of the respondents indicating they use of this type of CT. CT staffing levels were comparable for Temporary Staffing and Consulting Services. Outsourced Services had the lowest use with more than a third stating their organization did not use this type of CT.

⁹ Contract Talent: An Imperative for Talent Management in the New Normal, 2010, Human Capital Institute

What percent of your current workforce would you estimate to be Contract Talent for:

- Professional Services
- Temporary Staffing
- Consulting Services
- Outsourced Services

Percent of workforce	Professional Services	Temporary Staffing	Consulting Services	Outsourced Services
1–5% of workforce	53%	55%	40%	48%
6–15%	11%	14%	19%	6%
16–25%	8%	2%	6%	4%
26–50%	4%	3%	4%	2%
51–75%	8%	1%	4%	2%
76–100%	2%	2%	2%	2%
Don't use	14%	23%	25%	36%

“IT happens to be probably three-quarters of our total spend, but we run the gamut of other types of contingent positions, all the way up to the strategic level including very senior levels of management consultants.

(There are) healthcare vertical specific areas that support our provider. Our networks management is where you’re looking at folks that can interface with a doctor or a nurse practitioner. Our finance needs project coordinators who are doing the more tactical, (as well as) entry-level all the way up to CPA. (We also need) a lot of clerical and administrative... secretary and customer service representatives.”

Benjie Hanson, Manager, CareFirst BlueCross BlueShield

Primary Drivers of CT Utilization

The severe recession coupled with the uncertainty regarding the duration of the recovery has created an atmosphere of caution in the marketplace.⁸ 75% of the survey participants agreed that CT is used more in their organization in times of uncertainty. In this climate, an organization’s ability to quickly expand and contract the workforce is the primary benefit associated with using CT.

Bill Kahnweiler, associate professor and human resource expert at Georgia State University’s Department of Public Management and Policy observed “It’s cheaper to hire contingent workers, but also more flexible for employers. If someone decides, ‘We need to be this size,’ it’s far easier to do that with contract workers and temps.”¹⁰

¹⁰ Tahmincioglu, Eve “Need a job? Contract work could be new normal” May 6, 2010, msnbc.com

Sally Ballard stated that her organization, Regence Group, uses contingent labor to address a need when they don't have enough Full Time Equivalents (FTE) to cover the requirements. "We don't need a full-time person long-term, so we bring in top contract labor, particularly when we have project activity, to cover those ebbs and flows of the workload. It is usually a particular skill in regards to the IT world, it's something you know you can find in the marketplace more easily and quickly than trying to find an FTE."

According to the survey respondents, flexibility and the ability to quickly expand and contract the workforce is a primary factor in using CT. The ability to access skills and experience not currently available in their workforce are also frequently mentioned drivers of CT use. Cost savings associated with reduced benefits and lower payroll taxes are secondary drivers.

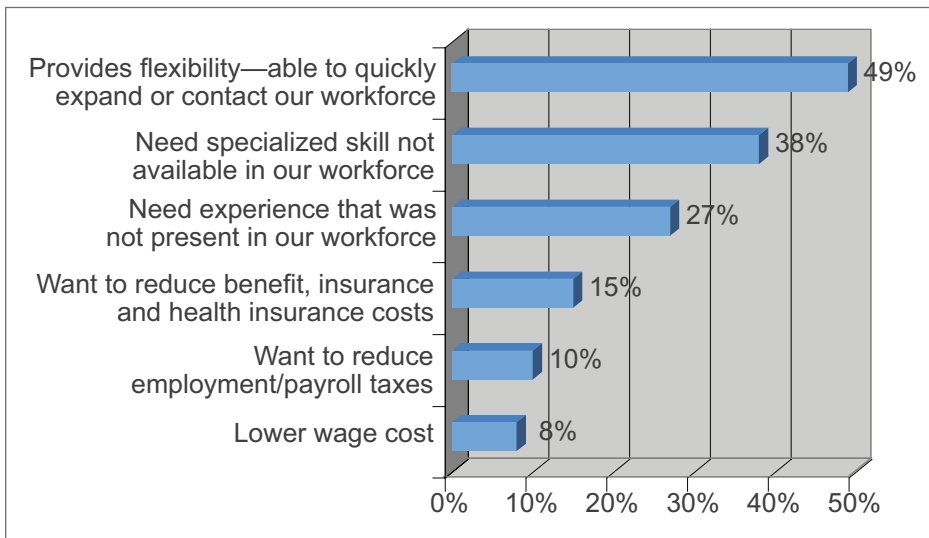


Figure 10: Why Does Your Organization Use Contract Talent?

I don't think folks look at (CT) as a cost savings. I shouldn't say it's not a cost savings, but with the talent wars starting over the last quarter, I don't think people are looking at it as a financial piece, but it is way beyond that. It is bringing in the technical skills necessary. It's time to market — sometimes bringing in full-time staff takes longer. It's a longer decision process. If you can bring somebody in quickly who can get your initiative or backlog done sooner, it's a more agile workforce that allows you to do more in a shorter period of time. So time-to-market is a big deal."

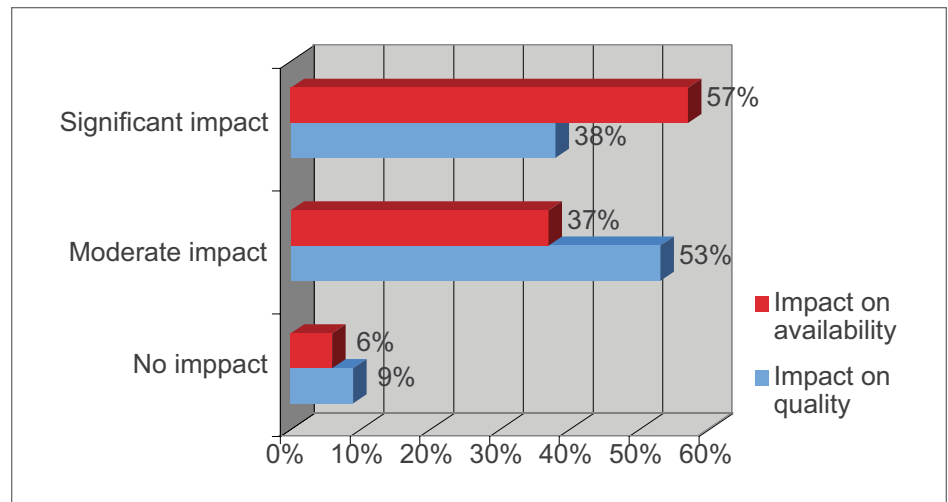
Cynthia Moore, Co-founder, VMS Professionals

Among those organizations who have realized a cost savings using CT, the primary reasons provided by a majority of respondents was their organization has hired more contractors and fewer full time employees, less has been spent on benefits, insurance and health insurance costs for full time employees and their organization can cut back on overall payroll spend by trimming the contract workforce.

Impact of Unemployment of CT Quality and Availability

With unemployment continuing to hover at 9%, the impact on CT availability has been significant according to the survey respondents. More than half (57%) stated that higher unemployment has had a "significant impact on CT availability". This increase in availability has not translated into CT quality. A comparatively lower percent (38%) felt higher unemployment had a "significant impact on CT quality."

Figure 11: *What impact does higher unemployment have on: Contract talent quality and Contract talent availability?*



In thinking about this issue, Kimberley MacDonald from H&R Block pointed out that even though the market has an abundance of talent, there may not be a match to the qualifications they are looking for. She described a planned recruitment process that addressed the increased demands on screening applicants. "At the same time it also creates a lot of additional work around making sure that your recruitment process has efficiencies, so that you are able to easily screen those who really don't meet those minimum qualifications."

Management of the CT Process

As CT use continues to grow, organizations are evolving from a siloed approach to a cross-functional team approach. Elizabeth Rice said the challenges faced by organizations looking to better manage CT have included

“confusion in responsibilities between procurement, which is concerned with price and volume; and HR, which focuses on quality of hire. Moreover, in many organizations, individual hiring managers manage their own contingent workforce needs, resulting in multiple, redundant vendor relationships, non-uniform pricing and tremendous overall losses in time and money.”¹¹

A significantly higher percent (51%) of organizations are using a combination of Human Resources, Department/Functional Managers and procurement to manage CT in their organization. It appears the biggest shift is away from Department/ Functional managers providing CT oversight to a cross-functional team approach.

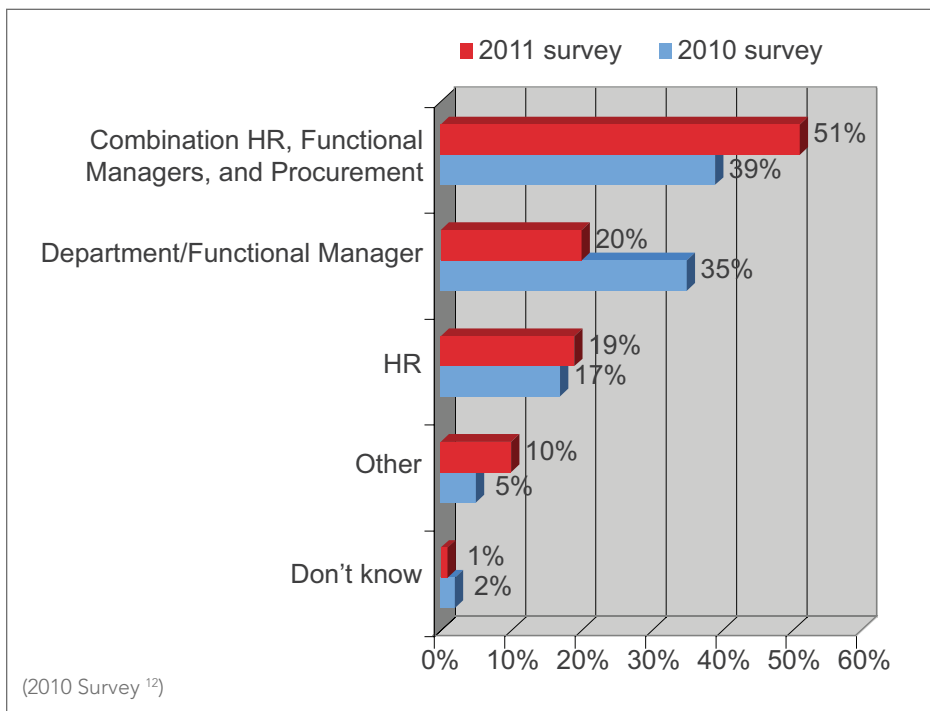


Figure 12: Who is responsible for managing Contract Talent at your organization?

“I have many, many partners out there from a sourcing perspective, from my marketing department perspective, from the actual management team over at the Operations Center of Excellence. We partner in how we go about working and running Talent Acquisition. It’s definitely a partnership.”

Kimberley MacDonald, Director of Talent Acquisition,
H&R Block

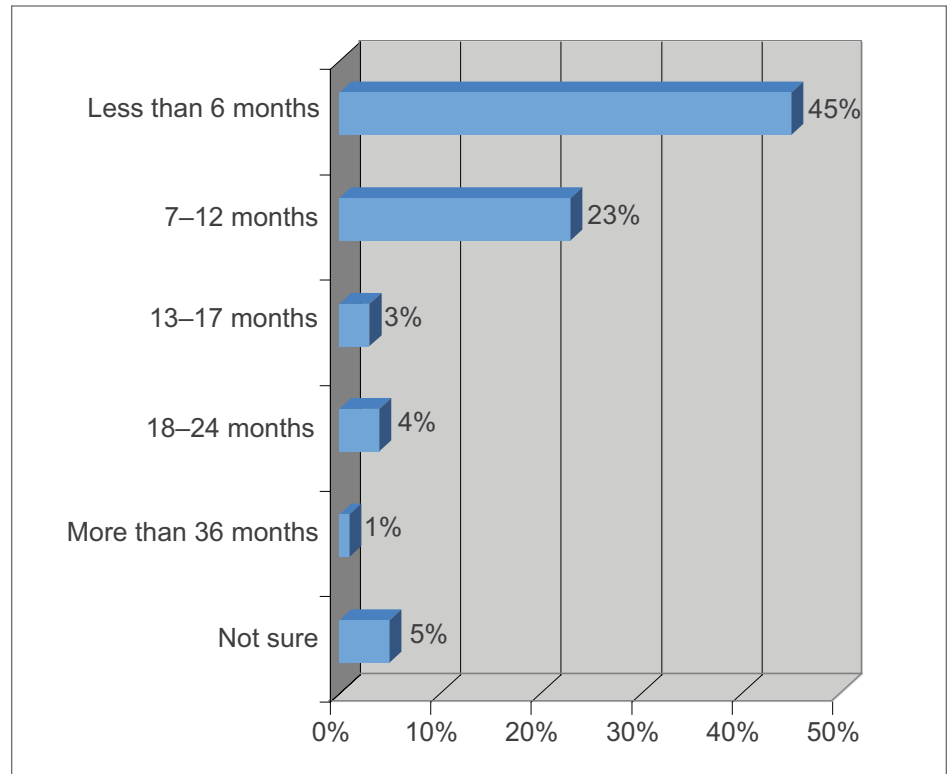
¹¹ Rice, Elizabeth. “Contingent Workforce Management: Best Practices.” January 3, 2009. [http://www.articlesbase.com/management-articles/contingent-workforce-management-best-practices-707059.html]

¹² Contract Talent: An Imperative for Talent Management in the New Normal, 2010, Human Capital Institute

CT Projections

Nearly two-thirds of the organizations have a short term planning window of less than 6 months projecting CT needs.

Figure 13: How far in advance does your organization project Contract Talent needs?



Benjie Hanson would prefer to be at 6 months; however “even that’s a challenge.” Mr. Hanson uses project funding to anticipate general CT needs. “Funding directly correlates, regardless of project, to a certain percentage of contingent talent that we’re going to need. We unfortunately don’t know if it’s a PM or an application developer. We just know that these are our busy times, these are the general needs of the project, the typical folks that we’d source, so we kind of build our own internal model to at least prepare and make sure that we’re staffed effectively.”

It appears there is an opportunity to improve CT Talent Quality within the Professional Services category. A higher percent of those utilizing longer term projections appear to be realizing a benefit in regards to being more satisfied with the Talent Quality for Professional Services CT. Expanded planning would appear to benefit organizations looking to use Professional Services CT which the most heavily utilized segment of the CT workforce.

Percent Agreeing Their CT Program Has Improved Talent Quality

	Project CT Needs Less Than 6 months	Project CT Needs More Than 6 months
Improved Talent Quality for Professional Services	52%	73%
Improved Talent Quality for Temporary Staffing	46%	49%
Improved Talent Quality for Consulting Services	55%	54%
Improved Talent Quality for Outsourced Services	39%	40%

Enterprise-Wide Contract Talent Program

Similar to the growth in cross-functional team management of CT within organizations, there has been an increase in the use of a centralized, Enterprise-Wide Contract Talent Program.

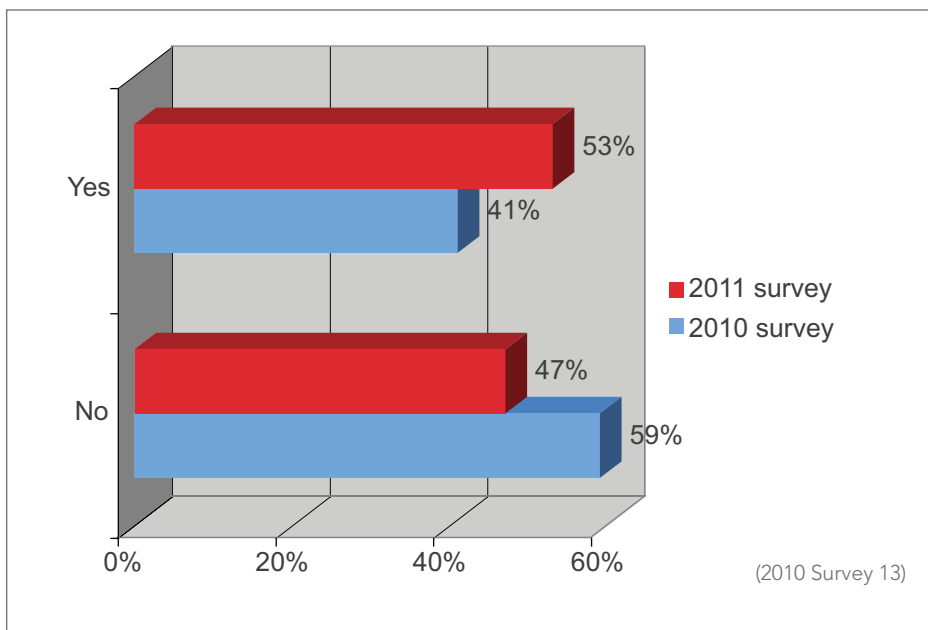


Figure 14: Does your organization have a centralized enterprise-wide contract talent program?

Nearly half (48%) of those with an EWCTP stated their organization began using this program 3 or more years ago.

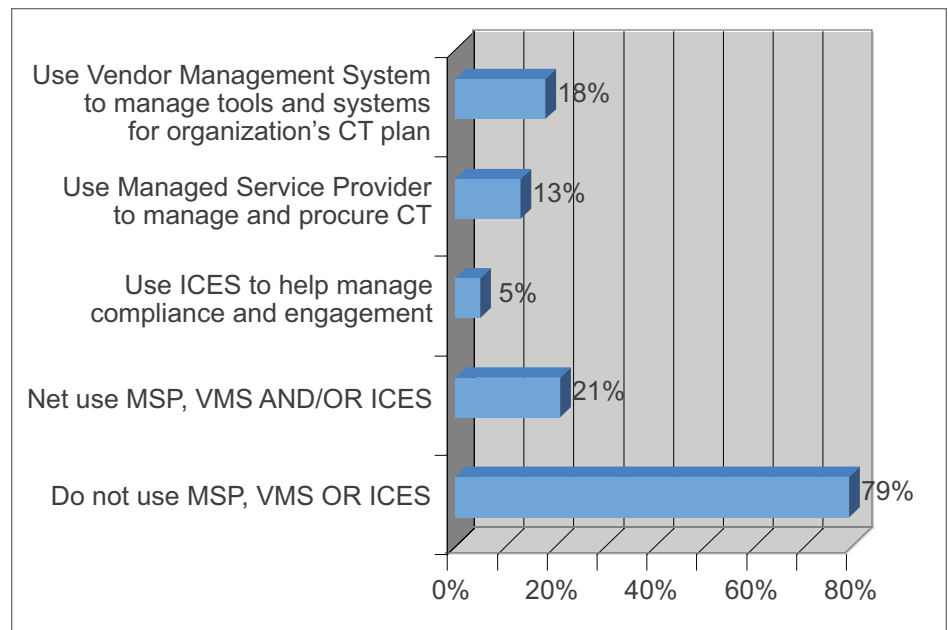
Enterprise-Wide Contract Talent Tools

As CT management has become more centralized and standardized, a growing number of organizations are using tools and systems to enable companies to better plan and monitor the CT process. These tools include Managed Service Providers (MSP), Vendor Management Systems (VMS) and Independent Contractor Engagement Specialists (ICES).

Each of these tools provides organizations with key capabilities to more effectively manage their CT program and people. Specifically, MSPs are outsourced service providers that are responsible for handling the procurement and management of Contract Talent. A VMS provides organizations with centralized web-based software options that are able to track a CT population by providing mechanisms to consolidate and automate the requisition, evaluation, engagement, management and billing for contingent workforce services. By contrast, ICES are third party intermediaries that specialize in the compliant and efficient engagement of independent contractors. An ICES' ability to act as the "Agent of Record" eliminates the administrative legwork an organization would otherwise face when using CT. It is also noteworthy that many of these software and service products are complementary and work cohesively to help organizations more effectively manage their CT.¹³

More than 1 in 5 (21%) of the respondents indicated they use at least one of the three CT management tools included in the survey which was significantly higher than the 6% use of these tools reported previously.¹⁴

Figure 15: *Who manages and procures Contract Talent for your organization?*
Who manages the tools and systems that are used for your organization's Contract Talent program?
Is your organization using services of an Independent Contractor Engagement Specialist (ICES) to help manage the compliance and engagement of independent contractors?



Benefits of Enterprise-Wide Contract Talent Program and CT Tools

The results from this survey demonstrate that utilizing an Enterprise-Wide Contract Talent Program (EWCTP) and CT Tools are key requirements for maximizing the benefits of CT programs including cost savings, improved talent quality, improved operational efficiency and improved regulatory compliance.

“I come from an operations background, so the first thing I did was say, “Okay, let’s figure out this human capital thing. What makes sense? What’s the industry best practices?” I started determining how to manage this.

What’s the customer need? Quality folks on the ground two minutes ago. What’s management need? They need a consistent pipe. A reasonable pipe with rate validation and data to support whether or not a supplier should be here.

We implemented a VMS and started maturing the program. It was a three year maturation from that point. Now we’re getting to a steady state and moving out to more complex human capital management such as implementations for offshore pipe initiatives, offshore applications development and onshore but outsourced types of engagement. It’s been a massive change.”

Benjie Hanson, Manager, CareFirst BlueCross BlueShield

Among those organizations who are using an enterprise-wide contract talent program or use CT tools, there is a higher level of affirmation that their CT programs are yielding cost savings, improved talent quality and improved operational efficiency particularly within the talent categories of Professional Services, Temporary Staffing and Consulting Services. There is also a higher level of agreement that their CT programs have improved regulatory compliance among those with an EWCTP or those using CT Tools.

The percent agreeing that their CT Program has saved costs is particularly strong among those organizations using CT Tools who have Professional Services and Temporary Staffing CT. Improved operational efficiencies are also higher within these CT categories among those organizations with an EWCTP and/or CT Tools.

¹³ Contract Talent: An Imperative for Talent Management in the New Normal, 2010, Human Capital Institute

¹⁴ Contract Talent: An Imperative for Talent Management in the New Normal, 2010, Human Capital Institute

How much do agree or disagree that using our Contract Talent program for our organization's

- Professional Services CT
- Temporary Staffing
- Consulting Services
- Outsourced Services

has

- Saved Costs
- Improved regulatory compliance
- Improved the talent quality
- Improved operational efficiency

Organizations with Professional Services CT

Agree that CT program has:	Use CT Tools	
	Yes	No
Saved costs	81%	49%
Improved regulatory compliance	69%	27%
Improved the talent quality	65%	57%
Improved operational efficiency	77%	70%

Organizations with Temporary Staffing

Agree That CT program has:	Use CT Tools	
	Yes	No
Saved Costs	85%	56%
Improved regulatory compliance	65%	27%
Improved the talent quality	69%	41%
Improved operational efficiency	73%	58%

Organizations report greater benefits for all of their CT programs by having in place any enterprise-wide contract talent program, but those firms that contract talent (CT) tools indicate an even higher level of positive outcomes.

Organizations with Consulting Services

Agree That CT program has:	Use CT Tools	
	Yes	No
Saved Costs	56%	37%
Improved regulatory compliance	52%	28%
Improved the talent quality	56%	53%
Improved operational efficiency	60%	53%

Organizations with Outsourced Services

Agree That CT program has:	Use CT Tools	
	Yes	No
Saved Costs	41%	51%
Improved regulatory compliance	41%	35%
Improved the talent quality	36%	42%
Improved operational efficiency	36%	52%

VMS Benefits:

Wanda Lundy
Vice President, Employee Recruiting
LPL Financial Services

LPL Financial is the largest independent brokerage, and our business is to manage the back office activities for financial advisors throughout the United States. We have offices in Boston, San Diego, and Charlotte with 2,700 or 2,800 employees right now.

My office manages the contingent workforce for LPL Financial, which consists of about 400+ contingent workers, located in the various offices. We utilize a vendor management system, which is Beeline.

Q: In the number of years in which you've been doing this for LPL, and have been using Beeline, what are the most important benefits have you achieved?

A: We've had some great success, and that's why I'm such a Beeline proponent.

We were able to report savings in 2010 from the utilization of the Beeline system of a little less than a million [dollars]. And then that percolated into some comp-pay and volume discounts that we were able to put into our program with suppliers, and then of course, had reduced through Beeline, and tracked in Beeline, so we had exact numbers on savings.

We also saw that our overall spend on supplier rates, which was a number in the millions, was reduced considerably. So it's been a win on the expense side.

We can report on anybody, at any given time, and track anything we need. Our hiring managers, once they had their appropriate training, appreciated this system. Before using this system everything was emails and trying to get approvals. It now runs very smoothly.

We've reduced the number of resources that needed to be devoted to the contingent workforce substantially, including invoicing. We've taken all the invoices that used to come in from all these different agencies, and now we have (only) one.

“I’m such a proponent of Vendor Management Systems and the contingent workforce and how it’s utilized. I want to learn just as much. Everything we’ve learned or hear about is good news to me so we can be more efficient and effective down the road.”

Conclusions

Contract Talent (CT) continues to evolve from a stop-gap segment of the workforce used by companies only in times of economic distress, to a class of workers that will have a sustained presence in the workforce. If managed correctly, CT can provide significant benefits to those organizations that utilize enterprise wide planning and management as well as integration of CT Tools.

- CT use has increased over the past several years and use is projected to be sustained as organizations emerge from the recession and are planning their workforce needs in this time of economic caution.
- Access to CT within the Professional Services and Technology categories may become more competitive and those companies able to better manage and project needs will have an advantage over “just-in-time hiring” companies.
- There appears to be growth in the adoption rates of Enterprise-Wide Contract Talent Program (EWCTP) and CT Tools.
- Those organizations using an EWCTP and CT Tools have a distinct advantage over companies who are not using either to manage their CT workforce. As Benjie Hanson noted “The contingent industry needs to be more aggressive in looking at the strategic workforce, what’s the value, and how do we deploy it to be effective? It’s kind of a combination of things, but you’ve got to measure it. You’ve got to know what you’re buying and what you’re getting.”

Appendix A: About the Research Partners

About the Human Capital Institute

HCI is the global association for strategic talent management and new economy leadership, and a clearinghouse for best practices and new ideas. Our network of expert practitioners, Fortune 1000 and Global 2000 corporations, government agencies, global consultants and business schools contribute a stream of constantly evolving information, the best of which is organized, analyzed and shared with members through HCI communities, research, education and events.

About Beeline

Headquartered in Jacksonville, Florida, Beeline is the market leader in Contingent Workforce Solutions managing active contractors and contingent and project based labor spend. Size, stability and expertise have put Beeline on top in a field of growing importance. Beeline's solutions include: Vendor Management Software, Services Procurement, Managed Services, and SmartView® Analytics and Intelligence.

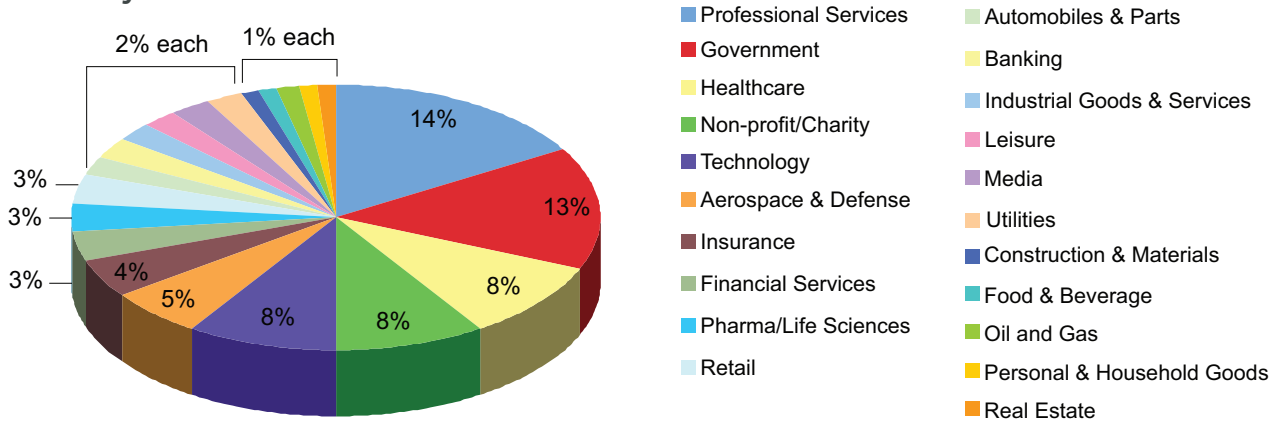
Beeline is a strategic business unit of Adecco Group, the world's leading provider of HR solutions. With close to 32,000 employees and 5,500 offices in more than 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting more than 700,000 associates with over 100,000 clients every day.

For additional information on Beeline, visit www.beeline.com.

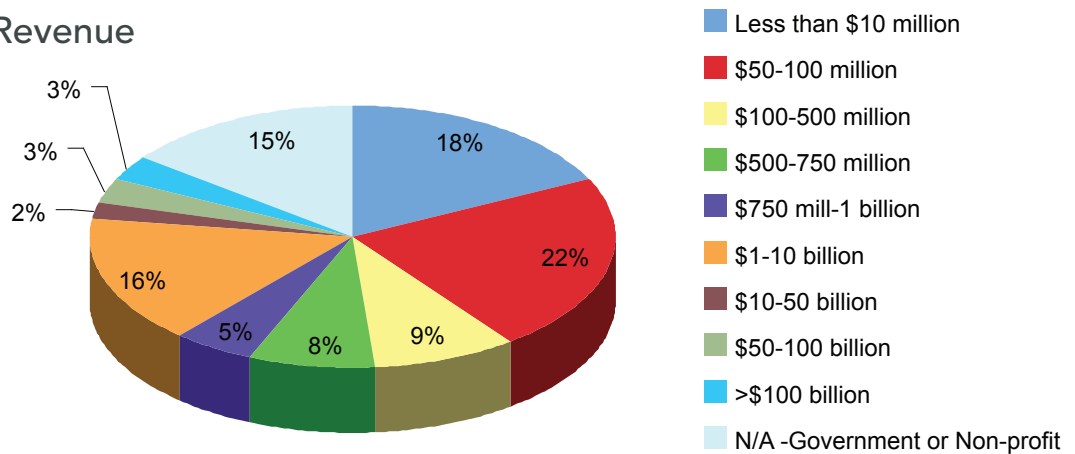


Appendix B: Respondent Demographics

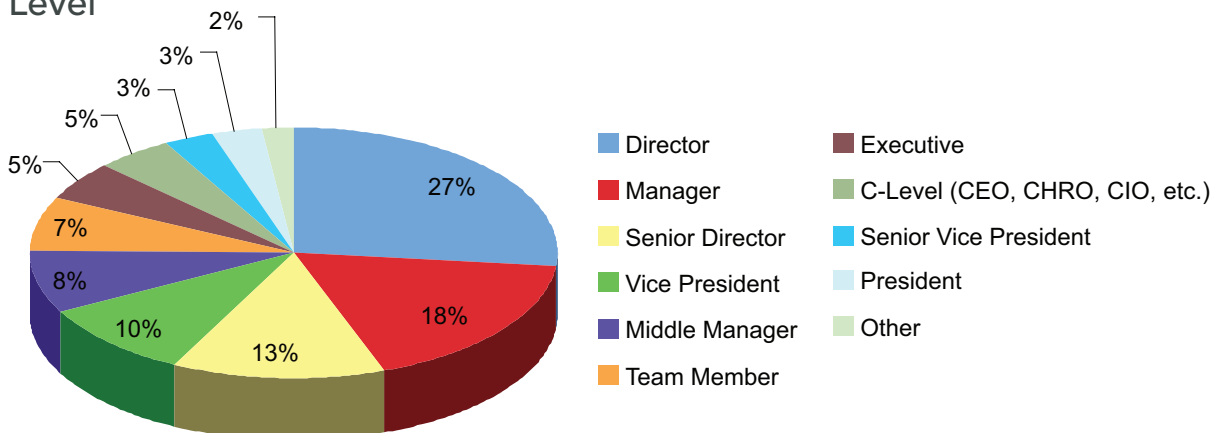
Industry



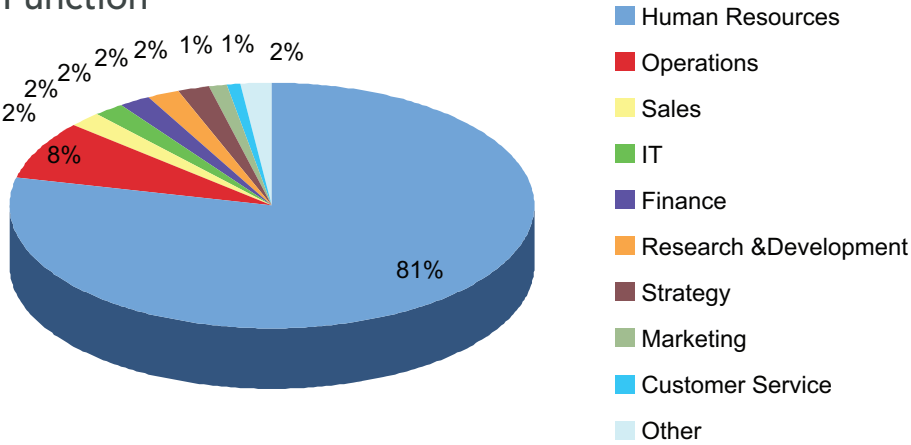
Revenue



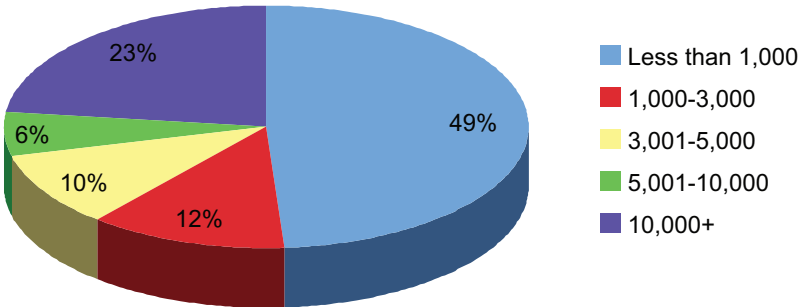
Level



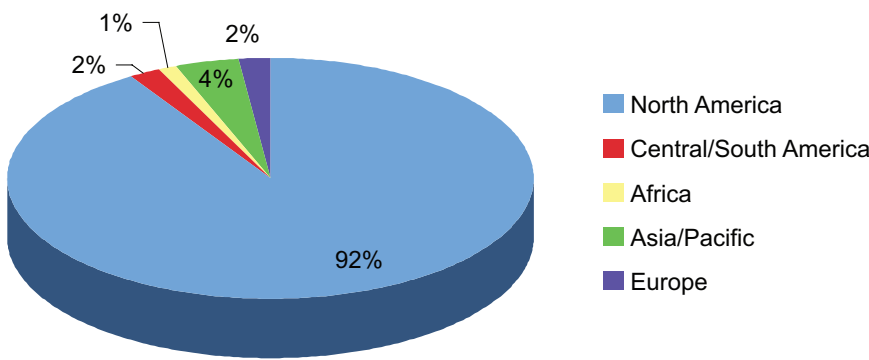
Function



Number of Employees



Function



Appendix C: References

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