



CREATIVE COST SAVINGS **INITIATIVE CASE STUDY**

CLIENT PROFILE

IT client

CHALLENGE

Needed to realize cost savings without disrupting current worker population or displeasing supply base.

CHALLENGE

One of our long-standing, managed services (MSP) IT clients was looking for creative ways to increase ongoing cost savings within their contingent labor program. While several different solutions were identified, our client ultimately wanted to move in a direction that allowed for more subtle cost-savings initiatives that would not affect the existing worker population, or introduce cost-cutting measures that might create dissatisfaction amongst the supply base.

SOLUTION

After an evaluation, a review, and multiple discussions between various stakeholders across all levels of the organization, Allegis Global Solutions (AGS) recommended that system changes, such as improving rate visibility, reducing the number of allowable submissions per opening, and increasing program office involvement during requisition intake, be implemented within the vendor management system (VMS). Not only would these changes provide suppliers with visibility into the lowest submitted rate on a job posting, but they also served to increase competition around contractor rates—driving suppliers to become more aggressive in providing lower bill rates back to the business and increasing cost savings.

From there, the AGS program office then implemented the additional changes to help monitor incoming rates on new requests for labor, providing visibility into the lowest submitted rate for all suppliers that were providing candidates to open requisitions. Also, all new requests for labor were routed through the program management office prior to approvals taking place. This served to ensure proper usage of job templates, as well as proper alignment to rates and distribution lists. Additionally, the number of submissions allotted per supplier per open role was reduced from three to two.

RESULTS

Since making this change, our client has begun realizing cost savings without sacrificing candidate quality. Following the system modification, average rates of candidates submitted for one role-type dropped by more than five percent in two months, and amongst remaining titles within the program, AGS was able to realize a six percent decrease in average submittal rates. Additionally, from a programwide perspective, the rate of new contractors that successfully completed the first 15 days of their assignment/probationary period increased from 92 percent to over 94 percent.

With a tangible cost-savings increase of nearly two percent in two months, AGS foresees further positive results from this change for candidate submittals. As the incumbent population of workers weans out of the program, and the new, more competitively sourced population begins to increase their market share, we expect these cost savings figures to increase even more substantially.



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.