

case study

Cost Savings Achieved for Leading Multimedia Company



Randstad Managed Services Case Study

The Business Need:

A large multimedia company spends millions of dollars annually on contingent labor. The client engaged Randstad Managed Services (RMS) to significantly reduce costs associated with the use of temporary workers and contractors by making the process more efficient. RMS performed a complete review of the contingent worker usage. After the thorough review, it was concluded that the rates had already been aggressively negotiated to the lowest terms. The HR and Purchasing stakeholders tasked RMS in identifying an additional 5.5% in annual cost savings.

The Solution:

After reviewing all aspects of the contingent labor usage, RMS identified a number of areas that would result in cost savings for the client.

Randstad then determined the key aspects of the cost savings program:

- RMS identified inconsistent rates being charged for similar positions in different parts of the client organization.
- The absence of any overtime reports or overtime tracking was costing the client significant overtime costs.
- RMS identified bill rates for temporary workers that were higher than the industry average. By bringing the bill rates in line with market rate, the client could reduce costs.
- The client was paying most of its temporary workers using paper timecards that contained arithmetic errors, questionable approvals, and illegible hours. RMS determined that by introducing software for tracking and approving timecards, the client could save considerable costs and improve the accuracy of its payments.
- The client was paying hundreds of paper invoices per month with invoices costing \$18 to \$80 to process. RMS recognized that by providing AP with a single consolidated invoice, FTEs in AP could be reduced. In addition, RMS identified a number of services that were inadvertently invoiced and paid twice.

Actions Taken:

RMS instituted a comprehensive cost savings program across all client divisions. RMS established a rate card for all positions and enforced compliance with the rate card. RMS developed and distributed reports detailing overtime costs by cost center to senior management which resulted in virtually eliminating OT unless approved by the CFO. RMS implemented software to track and approve hours. RMS provided the client with one consolidated invoice that had already been approved by multiple parties according to the approval process identified by the client.

In addition, RMS negotiated with suppliers on existing assignments to reduce rates by 5-11%. Additionally, RMS performed an RFQ to reduce the supplier list from 51 suppliers to 10, allowing the client to leverage spend for more favorable rates.

The client provided strong executive support, which enabled RMS to execute on its savings commitment without sacrificing quality.

Results:

RMS achieved 9% costs savings in nine months and several million dollars in cost savings are projected during the three-year contract. In addition, executives and managers expressed high levels of satisfaction with the increased control, transparency, and efficiency related to the program. RMS continues to create additional costs savings for the client and has recently proposed new services and recruiting strategies that have the potential to generate an additional \$2 million in savings.

"In warp speed Randstad has managed to implement with no disruption to our business a one stop solution that drives down costs and provides meaningful data that enables us to make informed business decisions."

– Chief Financial Officer

Contact us to learn more about what we can do for you:

866.467.WORK (9675)
sales@randstadmsp.com

