

Contingent labor has emerged as an essential element of most corporate workforce strategies, and because Managed Services Provider (MSP) programs provide powerful capabilities for increasing control, visibility, and talent quality within a contingent labor program, many companies are exploring opportunities to expand their domestic MSP program globally. The key to a successful expansion is understanding how an effective solution in one country may require more flexibility in other nations. Because there are different economic, regulatory, and cultural environments in each location where the MSP will be deployed, asking the right questions at the outset is critical to the long-term success of the program.

Identify Your Needs and Goals

Deploying a global MSP involves significant change management to ensure seamless implementation with minimal disruption, so make sure you have a thorough understanding of the program objectives. Is your goal to increase control of your contingent labor spend? Improve visibility of program efficiency? Better management of regional staffing suppliers? Accurately identifying the opportunities for process improvement enables you to determine whether a truly global MSP, a modified version that addresses specific objectives, or improved execution of your existing regional processes is the best contingent workforce management solution. Moreover, this preliminary work enables you and your MSP provider to design the most efficient implementation process for each region.

Understand the Landscape

MSP programs are most often deployed in nations that have mature staffing markets – according to Staffing Industry Analysts, more than 80% of existing MSP programs and 90% of client spend under MSP management are deployed in North America and Western Europe – while their use is significantly less common in many parts of the world. Every country has specific regulatory requirements, local customs, and established business expectations that will impact your MSP's capabilities, so understanding each regional market is crucial to deploying the right program.

Consider as well the geographical distribution of your workforce. An MSP program may provide crucial control and visibility in areas with a large workforce, but regions with a small contingent workforce may be better served by different management models. Your organization can still get tremendous value from a global MSP program even if locations in low-usage countries don't participate.

The Right Change Management Strategy Changes Everything

Because of the complexity of rolling out an MSP program globally, it's critical that your Change Management plan addresses the known variables in expansion while maintaining the flexibility to allow for change in scope. Some countries will require a longer implementation cycle because suppliers and stakeholders have limited experience working within the requirements of an MSP. Working with an experienced provider ensures your plan anticipates all of the common factors that impact efficient implementation:

Economic

Different regions, depending on your business footprint and workforce size, will require different levels of program administration and physical presence. Preliminary planning needs to address the cost/value ratio of deploying in different regions.

Key questions to ask ▶

- Is an in-country presence necessary to manage the local supplier base and the contingent workforce, or can you manage the program remotely?
- How much contract standardization can be implemented across regions? Do you have in-country translation services for the local language in each region?
- Do your global MSP program plans align with your overall corporate expansion goals?

Regulatory

The capabilities of an MSP may be impacted by local regulations. For example, staffing suppliers in France and Italy are not permitted to bill through a third-party program, so transactions will need to be processed through a Vendor Management System (VMS) or directly with the company, and the Agency Worker Directive, an EU initiative designed to provide more parity between temporary and permanent employees. Understanding the requirements in each area will help you anticipate and avoid obstacles and delays in the deployment process.

Key questions to ask ▶

- Which markets will require modification of the standard model and/or contract due to regional regulatory requirements?
- Does your provider have experience working in the key regions of your expansion? (continued)

Technology

Just as your MSP program has to adapt to each region of your expansion, your VMS technology must be localized for each country – and in the case of multilingual nations like Belgium, for specific geographic regions of the country. Moreover, data protection and system security must be a top priority in every location.

Key questions to ask ▶

- Does your current VMS provider serve the areas where you want to expand the MSP program?
- Does the VMS support all of the local languages used by your company worldwide?
- Are you confident in the data security of your chosen VMS technology?

Cultural

Cultural considerations include both the business culture of the region where you want to expand your program, including language barriers and supplier familiarity with MSP processes, as well as the internal culture of your own company in those regions and the willingness to embrace new processes.

Key questions to ask ▶

- Do your established regional suppliers have experience working with local and global MSP programs?
- If your regional offices traditionally run independently, will they resist a centralized process?
- Do you have in-country leaders who can sell the idea to their internal teams?

Change Needs a Champion

An MSP program can add significant value and control for your business, yet its success depends on program adoption. The Change Management strategy must contend with resistance from both suppliers and your internal teams who may prefer to do things the way they always have. Having an in-country champion in each region is essential to promoting the advantages of the program in advance of deployment, preparing stakeholders for the new process, and driving adoption after implementation.

Phased Implementation

Because there are many factors that can impact the efficiency of your deployment, a phased roll-out is an effective way to identify and avoid obstacles in the process. Treat each country or region as a separate implementation, and deploy the program in high-impact countries first in order to develop case studies to highlight successes with the new process. These successes will help you streamline your implementation process and demonstrate to other regions the value of the new program.

How You Manage Matters

The continual focus on improving quality, efficiency, visibility, and savings within contingent labor programs has heightened interest in global MSP programs. Collaborating closely with an experienced MSP provider will help you identify your company's needs and goals, accurately assess the costs and benefits, and design a plan with the flexibility to ensure your global MSP delivers long-term results for your business.

Experience and expertise can turn the challenges of managing a worldwide contingent workforce into opportunities. To learn how Volt can bring confidence and control to your contingent labor program, email us at info@voltconsultinggroup.com.

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A Flexible Approach to Global Success

Because regulatory, economic, and cultural environments vary from nation to nation, one-size-fits-all models lack the flexibility to provide value in every location, and can even drain rather than enhance a contingent workforce program. Volt uses a hybrid solution that incorporates different delivery models based on program volume to ensure a strong cost-value benefit across the entire global program.

Comprehensive Model

This MSP model is deployed in countries with mature staffing markets and where the regulatory environment allows implementation. Volt manages recruitment strategy and process, candidate sourcing and screening, compliance with legal requirements and client business processes, rate negotiation, employee timesheets, and supplier performance. This model can support direct supplier relationships with the MSP, including invoice consolidation and supplier bill pay or, in nations where third-party businesses are not permitted in the contingent workforce supply chain, allows suppliers to have a direct financial relationship with the client. All transactions are routed through VMS technology and managed by the MSP, enabling Volt to provide complete visibility of program performance and in-depth business analytics.

Alternative Model

In regions with a smaller contingent workforce or where MSP programs are not sanctioned, this low-volume model uses a customized VMS to facilitate, track, and report on all supplier activity. Volt establishes processes and trains client teams but is not embedded in day-to-day business activity. This model delivers all the visibility available through the selected VMS while minimizing administration costs.