KEY DRIVERS OF MANAGED SERVICE PROVIDER SOLUTIONS

with Taryn Owen, President, PeopleScout

What are the Key Drivers of MSPs?

GROWTH IN THE NON-EMPLOYEE WORKFORCE

A study by Intuit predicts that 43% of American workers will be contingent by 2020.

GLOBALIZATION

Companies require the flexibility to access talent from different geographies.

ECONOMIC FORCES

Organizations continue to need the flexibility to scale up or down given the volatile nature of the economy.

DEMOGRAPHIC SHIFTS

Some Generation X and Y employees prefer temporary work assignments to achieve greater work/life balance.

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Managed Service Providers (MSP) were traditionally engaged as outsourced business process providers tasked with bringing technology and best practices to the management of multiple contingent labor staffing suppliers and consolidating agency spend to drive cost savings. Over time, as companies began to make contingent labor a larger part of their workforce, staffing supplier relationships became more involved, and talent acquisition practices matured. Thus, there was a natural progression for MSPs to become more of a strategic partner. Learn some of the key drivers behind the growth of MSP programs in this Q&A with Taryn Owen, President of PeopleScout.

Q What is driving the growth of MSP programs?

A Growth in the contingent workforce makes working with an MSP a necessity. Contingent labor is becoming more and more integrated into a company's value stream, and contingent workers are taking on strategic roles, like IT, engineering and creative. Statement of Work programs are also becoming increasingly popular as outcome-based contracts become the norm. As this segment of the labor market grows, companies expose themselves to greater levels of risk due to the potential for compliance and worker misclassification issues.

In the long term, industry analysts expect that the VMS technologies used in conjunction with MSP programs will deliver greater total – full-time and contingent – workforce visibility, provide improved coverage of local requirements and produce more sophisticated analytics to support supply chain management and sourcing.

Q What are the benefits of MSP Programs?

A MSP programs can drive significant advantages. Solutions are customized to provide clients with the best talent, seamless implementation, robust governance and compliance, and comprehensive program management – with a goal of creating operational excellence and yielding sustainable value. MSPs also generate cost savings through streamlining markup and rate inconsistencies, optimizing the supplier base and controlling administrative costs. MSP programs are designed and implemented to be scalable based on volume, location or skills.

Q How is PeopleScout responding to these trends?

A In January, we completed the successful migration of MSP services to PeopleScout from our sister company Staff Management | SMX. We have integrated our RPO and MSP operations, which has created synergies across our people, processes and technology and allowed us to offer Total Workforce Solutions. Total Workforce Solutions blend RPO and MSP capabilities into one integrated program, adding value and reducing risk by gaining valuable insights into your entire workforce, from contingent to full-time employees.

We retained 100% of our leadership team and staff, and our RPO and MSP teams have been cross-trained to leverage best practices, knowledge and shared learnings across our entire organization. Our clients now have access to greater global and vertical expertise, fully integrated implementation teams and better insights and advice across their total workforce.

We are excited about the competitive advantage that Total Workforce Solutions offer our clients. As we look toward the future, we will partner with our clients to harness data from across their workforce to help improve planning capabilities and talent acquisition strategy.