



DELIVERING SAVINGS VALUE IN THE TEMP LABOR CATEGORY

EXECUTIVE SUMMARY

The use of temporary labor to supplement employee staffing during peak customer demand cycles is a common practice and an integral part of workforce planning strategies. Nitor has successfully implemented strategic sourcing initiatives within the temp labor sector across several industries, both domestically and globally. Clients often lacked centralized strategic management of the category, causing high spend fragmentation, local supplier selection and variation in pricing structures, which reduced leverage and their ability to normalize rates. Nitor deployed a strategic sourcing project, using six-sigma methodology, which provided significant improvements.

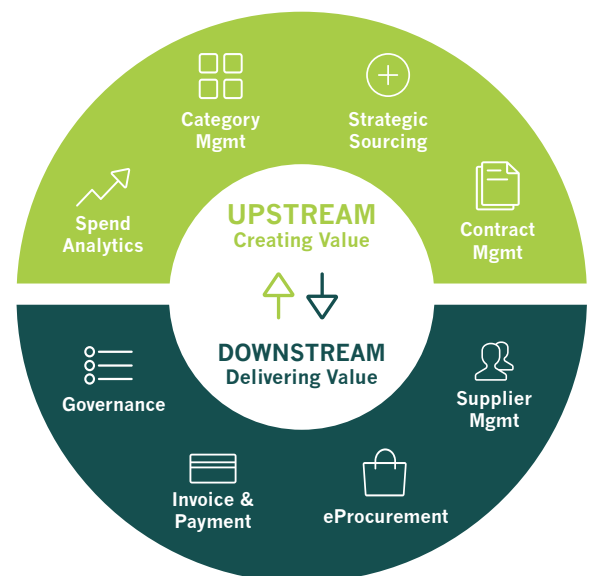
KEY OUTCOMES INCLUDED:

- Delivered 7-15% savings value across multiple client projects.
- Reduced markups and normalized hourly rates.
- Consolidated numerous local suppliers, reduced spend fragmentation and standardized job descriptions.
- Changed historic practices to become a true on-demand approach with appropriate planning and forecasting.

“The success of this project was a result of combining internal business knowledge with a structured procurement process that challenged historic practices.”

Fortune 500 Manufacturing Company

Delivering Value Across the Source-to-Pay Lifecycle



CHALLENGES

The current state temp labor procurement landscape presented numerous issues at the time of engagement:

- Fragmented local and regional spend across multiple suppliers provided limited volume leverage.
- Limited standardization of job descriptions inhibited ability to compare rates.
- Inconsistent reporting impaired operational effectiveness, with OSHA compliance implications.
- Significant variation in pay rate to bill rate markups across suppliers.
- Lack of internal weekly and monthly forecasting drove inefficiencies and potential overstaffing.
- Lack of consistent supplier management caused performance and risk issues.

HOW NITOR'S SERVICES HELPED

Through collaborative efforts, Nitor enabled clients to develop strategic temp labor sourcing initiatives to maximize value:

- Established a clearly defined project scope and stakeholder engagement plan.
- Gathered extensive data to build a detailed baseline with visibility into pay rates, bill rates and breakdown all markups (statutory, benefits, overhead, profit) for straight time and overtime.
- Standardized job descriptions to ensure consistency across suppliers.
- Developed clear business requirements across key areas and aligned globally.
- Assessed best fit strategy based on requirements, market dynamics, and stakeholder input.

- Executed national/global RFP of all associated costs with selected new and incumbent suppliers.
- Analyzed pricing proposals, supplier capabilities and geographic footprint to enable scoring and award decision-making.
- Standardized contracts with clearly defined terms, rates and key performance indicators.
- Established implementation plans to operationalize new agreements and mitigate business risks.

SUMMARY OF RESULTS

Key outcomes of the Strategic Sourcing initiatives include:

- Delivered **7-15% savings value** across multiple client projects.
- **Standardized job descriptions** and **harmonized bill rates** across roles.
- **Consolidated the number of approved suppliers** based on price, footprint and risk optimization.
- Improved **forecasting by location** to reduce overstaffing costs, enhance **supplier planning** and optimize load-leveling.
- Improved reporting transparency and **OSHA reporting compliance**.
- Improved **supplier management processes**, KPIs, reporting and communication.

Contact Nitor today for your roadmap to Procurement excellence.

CONTACT

1.866.663.3111
nitorpartners.com
info@nitorpartners.com

