

LEADING RESEARCH INSTITUTION – CENTRALIZING CONTINGENT WORKFORCE MANAGEMENT

BEGINNING STATE

A leading research institution with multiple campuses faced challenges due to its decentralized contingent labor hiring process, spending \$25 million annually on temporary workers across various roles. The lack of centralized oversight led to inconsistent processes, compliance risks, and uncontrolled spending. Departments operated independently, resulting in rogue hiring, varying rates, and supplier inefficiencies.

The institution sought an MSP partner to centralize oversight while allowing campus autonomy. With prior MSP experience, the internal champion wanted a partner with expertise in higher education, remote roles, and grant-funded positions. The institution selected nextSource to design a customized contingent workforce program, with VNDLY as the Vendor Management System (VMS) for automation, real-time reporting, and campus-wide visibility.

BUSINESS CHALLENGES

- **Lack of Visibility:** Lack of centralized view made tracking contingent labor costs and inefficiencies impossible.
- **Inconsistent Practices:** Onboarding and classification varied widely, increasing compliance risks and misclassification exposure
- **Rogue Spending:** Departments' separate negotiations caused inconsistent pricing and supplier overlap.
- **Manual Processes:** Procurement was slow and resource-intensive
- **Supplier Underperformance:** Inconsistent quality and delivery hindered program success.
- **Limited Supplier Diversity Tracking:** Incomplete data made it difficult to measure or advance institutional supplier diversity goals

Leadership saw a turning point: continue decentralized practices with rising risks, or adopt a centralized model that cut costs, reduced risk, improved visibility, and preserved campus autonomy.

SOLUTION

The engagement began with a Readiness Assessment that confirmed risks and revealed issues like unmanaged remote workers, duplicate suppliers, inconsistent practices, high markups, and compliance gaps. nextSource then implemented a centralized, flexible MSP model with campus-specific playbooks aligned to the overall strategy.

From the outset, the program was built around clear strategic objectives:

- **Drive cost savings** through supplier consolidation, standardized rate structures, and competitive benchmarking
- **Reduce time-to-fill** by optimizing supplier performance and streamlining requisition and onboarding processes
- **Ensure manager satisfaction** by preserving campus-level flexibility, improving service quality, and providing real-time visibility into contingent labor usage

With VNDLY's automation and reporting capabilities, the program established centralized oversight, improved transparency, and ensured accountability. This framework balanced the need for governance with the flexibility required by a multi-campus system, while delivering results against its core objectives.

CRITICAL DRIVERS BEHIND OUR SUCCESS METRICS

Return on Strategic Opportunity

- **Differentiator:** nextSource's Progressive Program Model™ ensures scalability, governance, and continuous value. Annual Agility Assessments keep the program aligned with evolving priorities, while the implementation team undergoes a top-down review before the first term ends.
- **Result:** Within the first year, the program identified \$2.1M in cost savings by consolidating suppliers and standardizing rates.

Objectivity and Vendor Neutrality

- **Differentiator:** nextSource is a 100% vendor-neutral MSP, with no affiliation or competition with staffing suppliers. This ensures supplier selection and tiering are based solely on performance and client objectives.
- **Result:** Supplier fill rates improved by 28%, and time-to-fill was reduced by 35% with an optimized supplier mix.

Tailored, Evolving Solutions

- **Differentiator:** Programs adapt to evolving needs, rejecting one-size-fits-all models. For example, nextSource replaced manual AP management with a custom independent contractor compliance process.
- **Result:** This change reduced manual payment processing time by 40% and eliminated \$250K in potential misclassification penalties.

Expertise in Higher Education

- **Differentiator:** With over 27 years of experience supporting faculty, adjuncts, and staff in higher education, nextSource brings specialized expertise in balancing compliance, autonomy, and academic culture.
- **Result:** By refining onboarding workflows and adjusting supplier selection, the institution improved candidate quality and restored consistent performance across all campuses.

Greater Access to Talent

- **Differentiator:** nextSource goes beyond adding suppliers by evaluating talent channels, building curated talent communities, and monitoring candidate satisfaction.
- **Result:** Candidate quality ratings improved from 78% to 96% in the first year while reducing reliance on high-cost staffing agencies.

Cost Savings and ROI

- **Differentiator:** Programs are built on baseline evaluations, cost management controls, reduction targets, and full transparency with zero hidden costs.
- **Result:** The program delivered a documented 12% cost savings (\$3.4M annually) through rate card alignment and consolidated invoicing.

Supplier Diversity Advancement

- **Differentiator:** As a WBENC-certified woman-owned business, nextSource actively develops diverse supplier participation and expands opportunities for underrepresented vendors.
- **Result:** Supplier diversity spend increased from 22% to 41% in less than two years, exceeding institutional goals.

CONCLUSION

By partnering with nextSource and implementing VNDLY, the institution transformed a fragmented, reactive contingent labor model into a proactive, compliant, and scalable program. This shift delivered immediate cost savings, improved hiring efficiency, and enhanced compliance across 16 campuses—while preserving local flexibility. Rather than continue with decentralized, inefficient practices, the institution centralized oversight, advanced supplier diversity, and achieved measurable ROI for long-term workforce success.