

FROM HIDDEN COSTS TO MEASURABLE SAVINGS: REINVENTING CONTINGENT WORKFORCE MANAGEMENT

BEGINNING STATE

A major North American financial services organization, with a strong presence in the Northeast, was struggling to control the cost and speed of its contingent workforce. Leadership had invested in a vendor management system (VMS) through Workday but never activated its core functionality or trained managers and suppliers to use it. Without a connected process, contingent workforce spend was fragmented, compliance risk was high, and executives had almost no visibility into costs or performance.

The company set three clear goals:

- Reduce costs and avoid unnecessary spend
- Accelerate time to fill critical roles
- Gain full transparency into contingent labor activity and risk

BUSINESS CHALLENGES

Without a coordinated approach, contingent workforce management had become expensive and inefficient.

- **Decentralized Hiring Without Oversight:** Regional operations centers sourced and managed talent independently. Rate negotiations were inconsistent, suppliers operated without governance, and there was no single source of truth for spend or compliance.
- **Cost Volatility and Supplier Leverage:** Suppliers often dictated markups at premium rates. No standardized pricing model or rate controls existed.
- **Slow, Inconsistent Hiring:** Time to fill critical roles depended on supplier availability and informal processes rather than a structured recruiting model.
- **Compliance Blind Spots:** Background checks, insurance verification, and work authorization were applied inconsistently, exposing the company to legal and operational risk.
- **Dormant Technology Investment:** The Workday VMS the company purchased had never been configured or adopted. Managers avoided the platform

SOLUTION

To regain control, the company partnered with **nextSource** to launch a simplicity-first contingent workforce program focused on cost savings, faster hiring, and compliance while making the experience easier for managers and suppliers.

Revitalizing the Dormant VMS

- Fully configured and activated the Workday VMS to unlock unused functionality.
- Streamlined workflows so managers could request talent, approve time, and manage suppliers with minimal friction.
- Provided hands-on training and change management to drive adoption across hiring managers and suppliers.

Aligning and Governing Suppliers

- Consolidated a fragmented supplier base into a competitive, structured network.
- Introduced markup caps and standardized rate cards to eliminate uncontrolled pricing.
- Delivered supplier scorecards using real-time data from the VMS and nextSource analytics to enforce accountability.

Driving Technology Adoption

- Designed manager-friendly workflows that minimized the number of system touchpoints.
- Enhanced mobile functionality for timecards and approvals to fit fast-paced environments.
- Established monthly cost savings and cost avoidance reporting through the nextSource analytics platform, giving leadership actionable insights into spend and performance.

Accelerating Time to Fill

- Launched Direct Sourcing strategies to supplement supplier recruiting for high-volume and specialized roles.
- Introduced real-time dashboards to track requisition status and remove bottlenecks.
- Enforced supplier SLAs to improve speed and submission quality.

People-First Program Support: nextSource deployed an experienced, on-the-ground program team to lead adoption and build trust. This team partnered directly with hiring managers to simplify day-to-day processes, guided them through new workflows, and worked closely with suppliers to maintain strong relationships while enforcing standards. By keeping people at the center, nextSource ensured long-term adoption and success.

RESULTS

Within the first 12 months, the program delivered measurable and sustained impact:

- **Costs Reduced by 12%:** Through standardized rate management, markup caps, and supplier competition, overall contingent labor costs dropped significantly.
- **Time to Fill Improved by 25%:** Standardized processes, supplier SLAs, and nextSource's Direct Sourcing strategies cut cycle times for critical roles.
- **100% Spend Visibility:** Leadership gained a clear, reliable view of all contingent labor activity. Using data from the newly optimized VMS and the nextSource analytics platform, the company now receives reliable monthly cost savings and cost avoidance reporting to measure progress and hold suppliers accountable.
- **Compliance Strengthened:** Consistent documentation, worker eligibility verification, and supplier audits dramatically reduced legal and operational risk.
- **Supplier Accountability Increased:** Scorecards and real-time performance dashboards fostered healthy competition and aligned vendors with corporate goals.

CONCLUSION

What began as a fragmented, costly, and slow-to-respond contingent workforce model became a disciplined, data-driven, and cost-controlled program. By simplifying workflows, fully leveraging the previously idle Workday VMS, enforcing cost governance, and introducing actionable analytics, nextSource transformed complexity into clarity. In the first year alone, the company reduced spend by 12%, accelerated time to fill by 25%, and gained complete visibility into contingent workforce activity. With a scalable foundation now in place, leadership can confidently expand the program, control costs, and respond to changing workforce needs without sacrificing speed or compliance.

The program is following a progressive maturity model designed to build a total non-employee workforce program:

- **Phase 1:** Stabilize contingent workforce management with visibility, governance, and cost control.
- **Phase 2:** Implement resource tracking, recently added to provide real-time insight into all non-employee talent across the enterprise.
- **Phase 3:** Expand to SOW (Statement of Work) management, the next planned initiative to bring project-based and deliverable-based labor under the same governance framework.

This maturity roadmap will enable the organization to manage every category of non-employee talent in one integrated, compliant, and cost-optimized program.