



# SITUATION

## ***Canada's 6th largest bank trims costs, streamlines process and reduces tenure risks thanks to HCMWorks***

Canada's 6th largest commercial bank, providing comprehensive financial services to consumers, small and medium-sized enterprises and large corporations, was looking to partner with a Managed Services Provider (MSP) to help optimize its workforce procurement.

Faced with a complex and cumbersome manual two-month long procure-to-pay process, the bank needed to rationalize its supplier base, gain visibility on spend, and significantly reduce its costs. The financial institution selected HCMWorks based on its superior methodology, proven practices, solid track record, and profound understanding of the issues and challenges.

## IMPACT HIGHLIGHTS

(after one year into the program)

- Procure-to-pay process shortened by 81.6% (by 49 days)
- 10% savings on spend under management
- 17% reduction in contractor tenure
- Rogue spending slashed by over 20%



# ORGANIZATIONAL CHALLENGE PRIOR TO DEPLOYMENT

Prior to engaging with HCMWorks, the bank's procurement process was plagued with challenges on many fronts. HCMWorks kicked off the process by conducting a current state analysis of the financial institution's Contingent Labour policies and procurement processes. This analysis brought to light the following key issues:

## INEFFICIENT MANUAL PROCESS

- The existing procure-to-pay process was lengthy and cumbersome, taking over two months from request creation to candidate selection.
- Visibility and reporting was minimal and required manual data entry.

## NO SPEND MANAGEMENT

- Like many organizations, the bank was unable to effectively manage its contingent workforce spend:
  - No visibility on rate card compliance and invoice accuracy;
  - No sourcing benefits;
  - Contract compliance management was informal or absent.

## NO RISK MITIGATION

- The bank was needlessly exposed to multiple risks associated with contingent workers and independent contractors with no mitigation in place:
  - No visibility into tenure and co-employment risks;
  - No control over pre-hire requirements.

## NO VENDOR COMPLIANCE

- Because workforce procurement was disparate throughout the organization, vendor compliance was difficult to enforce:
  - Rampant use of non-approved vendors and direct vendor relationships;
  - Extensive use of independent contractors;
  - No vendor performance management.

## PROGRAM OBJECTIVES

Driving out efficiencies on several fronts, the Managed Services Program put in place by HCMWorks focused on the following goals:

- Gain full visibility into workforce spend, transactional patterns and compliance history;
- Rationalize and consolidate the supply base, focusing on best-in-breed vendors;
- Implement, enforce and manage a comprehensive rate card based on fair market value;
- Automate the procure-to-pay process through the deployment of a Vendor Management System (VMS);
- Reduce contractor tenure and misclassification risks;
- Produce substantial cost reductions for spend under management.

# IMPLEMENTATION STEPS (8-week implementation project)

A multi-phased implementation process covering the identification of business requirements, VMS platform selection and integration, as well as critical areas linked to company-wide deployment and adoption by all stakeholders including communication and training. Key steps included the following:

## **Business Requirements**

- a. Confirm spend and vendors in scope and procurement/invoicing processes. Analyze current state (requisitions, invoicing process, approval flows, change orders, on/off-boarding);
- b. Define future state and reporting needs;
- c. Assist in drafting Business Requirements Document (BRD).

## **VMS Tool Data/Parameter Requirements**

- a. Confirm list of users, user roles, work locations, and approval processes;
- b. Identify accounting data and tax information needed;
- c. Confirm VMS tool data integration points.

## **VMS Tool RFP and Selection**

- a. Draft RFP and list of recipients;
- b. Evaluate RFP responses (develop ranking matrix, create demo scripts and attend tool demos);
- c. Analyze and recommend a VMS tool provider;
- d. Negotiate and sign contract with VMS tool provider.

## **Vendor Engagement**

- a. Assist in the development of vendor contract amendments and materials for enrolment into new Program;
- b. Manage vendors' acceptance of contract amendments.

## **Policies**

- a. Review and amend existing policies;
- b. Obtain sign-off on recommended changes to existing contractor policies.

## **VMS Tool Data/Parameter Configuration**

- a. Assist with VMS tool configuration and sign-off on applicable documentation;
- b. Review and approve finalized design and Functional Requirement Documents.

## **Testing**

- a. Prepare and distribute Test Plan (confirm testing participants);
- b. Complete system test cases and execute system testing;
- c. Complete and execute UAT cases, sign-off on testing.

## **Communication**

- a. Develop communication plan;
- b. Prepare and release internal and external user communication materials;
- c. Prepare a Q&A document and intranet communications;
- d. Translate applicable documentation;
- e. Obtain approvals.

## **Training**

- a. Develop internal and vendor training plans;
- b. Create Internal and External User Reference Guides;
- c. Train internal and external users on use of VMS tool.

## **ON-GOING IMPROVEMENT, CHANGE MANAGEMENT, ADOPTION, AND COMPLIANCE**

HCMWorks partnered with the financial institution's stakeholders to ensure that Program requirements were up to date and that any changes required were managed immediately. Our team resolved any issues/disputes relating to work completed, requirements being met or resourcing.

As part of Program Management, HCMWorks also coordinated and managed ongoing change management, education, and training activities with end users and suppliers to drive spend into application and ensure compliance to Program policies and procedures.



# IMPACT ON EFFICIENCIES, COSTS, AND COMPLIANCE

One year into the implementation of the program, we saw a very strong impact on the workforce procurement process with significant gains in several key areas:

- Implementing Vendor Management Software (VMS) and employing an MSP led to an automated **11-day procure-to-pay process** – driving out 49 days of wasted time;
- The HCMWorks team has delivered **10% in savings of spend under management** resulting in millions of dollars of recurring savings year after year;
- Increased compliance to tenure policies and a 17% reduction in contractor tenure, helping to mitigate co-employment and misclassification risks;
- Decreased use of non-approved vendors by 23%;
- Decreased hourly bill rate by an average of \$10/hour despite the increase in the use of specialized resources.




“ Through work provided by HCMWorks, the bank has been able to increase compliance to tenure policies, decrease in the use of non-approved vendors and decreased the hourly bill rate by an average of \$10/hour

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## ABOUT HCMWORKS

We are a contingent workforce service provider helping organizations gain better access to talent through the use of independent contractors, consultants, temporary workers, freelancers and other non-payrolled employees.

We provide the expertise, technology, and processes to help you reduce your workforce costs, mitigate misclassification and co-employment risks, and increase the efficiency and timeliness of your contingent recruitment process.

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