

SUCCESS STORY



VENDOR MANAGEMENT SERVICES (VMS): GLOBAL FINANCIAL SERVICES FIRM

Subsequent to successfully completing a large merger, our client sought ways to drive financial synergies by controlling the combined IT contract labor processes and reducing costs. A strategic reliance on a contingent staffing model had resulted in an administrative burden associated with managing 30 primary vendors, 400 secondary vendors and more than 1,300 domestic consultants.

In order to regain focus on core business issues, the company evaluated the potential increase in productivity and cost reduction that might be gained by shifting the administration of contingent staffing to a specialist in this industry. After a cost and feasibility assessment in favor of this shift, the management team searched for a business partner and industry leader in vendor management that would enable the company to:

- > Provide better control over procedures and communications, streamlining business processes
- > Achieve direct cost savings
- > Minimize disruptions within the organization and vendor/consultant group, allowing management to focus on top-level business priorities
- > Manage secondary vendors and eliminate the secondary consultant population over the course of 24–36 months
- > Reduce overall usage and reliance on supplemental IT staff
- > Utilize newly installed e-procurement software, enhancing efficiency
- > Consolidate and verify data from three databases as a result of the mergers, increasing productivity and ability to access important information

TAPFIN SOLUTION

TAPFIN was chosen for its unique combination of people, processes and technology to implement its Vendor Management solution that would manage contingent resources enterprise-wide at more than 50 U.S. locations. Our client's mandate was to manage the entire non-preferred IT vendor and consultant network, as well as to support an aggressive strategy to reduce overall usage and reliance on supplemental IT staff. TAPFIN quickly and professionally enrolled 100% of the vendor community to support clerical, professional, IT and light industrial positions.

After conducting a detailed evaluation of the client's current vendor engagement processes, TAPFIN developed and implemented a customized program to manage the effort. Through analysis and planned contract terminations, TAPFIN consolidated more than 800 IT consultants provided by more than 400 secondary vendors. A 20-member implementation team worked on- and off-site to complete the project within a 60-day period, helping the company to begin achieving the desired cost savings as soon as possible.

FAST FACTS

CLIENT BENEFITS

- > More than \$2 million in savings
- > Reduction in overall usage of supplemental IT staff through VMS system managing non-preferred IT vendor and consultant network
- > Greater process efficiency by enrolling 100% of vendor community and significantly consolidating consultant community
- > Formalized orientation and pre-screening procedures for contingent staff, as well as automated off-boarding process, to ensure appropriate access to client facilities and systems
- > Increased contract compliance through standardized master services agreements with all IT contingent staff service providers
- > Greater visibility into contingent staff spending with standardized periodic reporting
- > Co-employment risks minimized by closely monitored data

PROGRAM SCOPE

- > Annualized Managed Spend: \$92,100,000
- > Contractor Count
Before: 1,300 After: 800
- > Vendor Count
Before: 430 After: 270



TAPFIN continues to support this client with an on-site team of four, with first-hand knowledge of the client's processes and requirements. A team of TAPFIN field resources is also dedicated to the client's field locations.

BENEFITS

With TAPFIN's VMS program, the client achieved significant overall cost savings for the organization. In the first year of the program, TAPFIN was able to save the client approximately 10% from the previous year. In addition, TAPFIN worked with the client to review and revise their vendor list, to ensure compliance and more effectively provide coverage nationwide. TAPFIN also worked with the client to standardize and implement detailed on- and off-boarding procedures for all new consultants.

CLIENT BENEFITS

- Immediate savings in excess of \$2 million with opportunities for additional savings over the life of the contract
- Establishment and implementation of standardized processes effective across multiple business units, maintaining 100% program adoption throughout the organization
- Immediate results through experienced deployment/on-site teams
- Minimal disruptions with an involuntary consultant turnover rate of 0.8%
- Business process outsourcing of IT contingent staff management
- Consolidation of more than 400 vendors, increasing process efficiencies and administrative savings
- Absorption of de-listed vendors into program
- Implementation of one program nationwide
- Standardized orientation and pre-screening procedures for contingent staff
- Significant direct cost savings through unique TAPFIN rebate program
- Consolidated and scrubbed vendor and consultant data from three databases
- Automated off-boarding process, ensuring access to client facilities and systems was terminated
- Standardized master services agreement with all IT contingent staff service providers, increasing contract compliance
- Elimination of previously "invisible" double markups on certain contingent staff
- Standardized periodic reporting, providing greater visibility into contingent staff spending
- Minimized co-employment risks

VENDOR BENEFITS

- Online timekeeping and approval process
- Streamlined administrative process (reducing account support costs)
- Ability to support other TAPFIN accounts in a similar capacity (TAPFIN Supplier Network)

ABOUT TAPFIN

- > First to offer an integrated solution for acquisition, management and optimization of human capital and contracted services
- > Customized services to meet the unique needs of clients in industries ranging from technology and financial services, to life sciences and telecommunications
- > One of the largest, most financially stable providers of resource management services in the industry
- > A history of process and technology innovation since the inception of resource management process outsourcing
- > The only provider to have achieved ISO 9001:2008 quality management system certification
- > Publicly-traded parent company (NASDAQ: CITP)
- > Billions in managed spend under contract
- > Over 65 programs active today
- > 16 Fortune 500 programs
- > Over 4,100 supplier contracts negotiated

