

HRO TODAY

Hardly a Piece of Cake

How Sara Lee outsourced its way to a stronger, thriftier contingent labor force.

BY CAROLINE STOREY-SABETTI



For many years Sara Lee, a global provider of brand-name food and household products, managed their contingent workforce via a master supplier model. Sara Lee's master supplier was contracted to staff all of its contingent needs for approximately 200 domestic facilities. Light industrial positions represented the bulk of their contingent labor usage, with information technology, professional, and administrative positions making up the rest.

Over time, dissatisfaction with contingent worker quality and unfilled requisitions had caused end users to source their contingent workers outside of the program and rely on overtime hours. In 2006, Sara Lee estimated that in excess of 30 percent of their total contingent usage was outside the program. To address end-user dissatisfaction as well as the risk and lack of visibility created by rogue spend, Sara Lee procurement assigned a team to assess the master supplier program. The team was responsible for conducting a thorough current state analysis and for making recommendations on how to better manage the contingent workforce going forward.

The team was lead by Patty LaValle-Jones, a senior category manager for HR services. LaValle-Jones and team worked closely with a steering committee consisting of stakeholders from human resources, operations, and procurement to validate their findings and to identify future program specifications. "Getting cross-functional involvement ensured that key stakeholders validated our findings and supported our recommendations," said LaValle-Jones. "Cross-functional involvement also ensured that the new program was engineered to meet the needs of all stakeholders." The committee concluded that the one-size-fits-all master supplier approach was not the best fit. A new contingent workforce model was needed to drive improved service levels, end-user satisfaction, access to data, and greater controls.

ONE PART PROCESS, TWO PARTS SERVICE

LaValle-Jones and team determined that a master service provider (MSP) model, inclusive of a vendor management system (VMS) and best-in-category supplier network, would accommodate Sara Lee's diverse staffing requirements. "We conducted extensive market research and networked with other companies in order to understand our options," said LaValle-Jones. "As a result, we identified that an MSP program would create greater accountability for service levels and would provide a technology platform for visibility and controls enterprise-wide." Key goals included: driving end-user adoption, enhancing controls, creating data visibility, improving fill rates, reducing overtime usage, and ensuring consistent worker screening.

In 2007, Sara Lee selected Staff Management as their managed service provider, and implementation began. "We selected Staff Management because of their partnered approach, proven ability to deliver successful enterprise-wide solutions, and deep understanding of our dynamic staffing environment," said LaValle-Jones. The first step in implementation was to assemble a team including Staff Management to launch a supplier RFP

in order to achieve competitive rates. Once supplier selection and contracting were complete, standardized processes for the contingent workforce and supplier network were established across all domestic locations via the MSP program. Suppliers were provided program and policy training, and audits were established to ensure compliance.

Ensuring high levels of customer service was also critical to achieving Sara Lee's goal of improved program adoption. "Focusing efforts on cultural alignment and customer service is critical to the success of any program," says Joan Davison, chief operating officer of Staff Management. "In the case of Sara Lee, spending time with the LaValle-Jones team as well as within Sara Lee field operations allowed us to adjust our service delivery model to gain a higher level of adoption." LaValle-Jones added, "At the end of the day, you can establish incredibly well-engineered processes but if the end users don't realize the program's value, you're dead in the water."

Staff Management's MSP program has allowed Sara Lee to improve service levels and end-user satisfaction. And it has done all this while controlling costs. Fill rates improved by 24 percent, overtime usage was reduced by 40 percent, and Sara Lee achieved a 55 percent improvement in program compliance. "Increases in end-user satisfaction and access to accurate data have led to improved compliance, which has dramatically decreased our risks and allowed us to better leverage our volume," said LaValle-Jones.

GLOBAL PROGRAM RISING

Within a year of MSP program implementation in the United States, Sara Lee was ready to expand the program to support European operations to create a global contingent workforce platform. Sara Lee worked closely with Staff Management's international team led by Chris Abbeduto, global vice president of vendor managed services for Staff Management, throughout the implementation process. As they did in the U.S., LaValle-Jones and team worked carefully to build consensus for change in Europe, getting key program stakeholders involved early and building frequent communication into the project plan.

A two-phased implementation approach was established to roll-out the Staff Management MSP program with VMS technology in Europe. Phase 1 included The Netherlands, U.K., and Belgium and was completed successfully in 2009. The success of Phase 1 created a proven methodology for further international program expansion and established enterprise-wide service level agreements, which provide a common framework for global comparison. Phase 2 expansion into additional European countries is slated for 2010.

In addition to expanding the MSP program's global footprint, Sara Lee continues to expand program responsibilities to drive additional value. Recently added responsibilities include: services spend management, 1099 validation and administration, support for new business lines, and greater responsibility for supplier sourcing and contract negotiation. **HRO**