

Contingent Workforce Program Management: Global Considerations for the Life Sciences Industry



Contingent Workforce Program Management: Global Considerations for the Life Sciences Industry

The changes in the nature and extent of the consumption of contingent staffing have been dramatic and compelling. As organizations continue to rely heavily on a contingent workforce to competitively deliver their goods and services, they are increasingly adopting global Managed Services Providers (MSPs) to seize and maintain control over the procurement and management of their contingent workforce.

By definition, an MSP delivers control to the consuming organization by engaging an independent party solely responsible and motivated to:

- Provide centralized program management and communications
- Maintain and enforce corporate governance
- Serve as a repository for content that may directly or indirectly affect the use of temporary staffing
- Formulate and standardize best practices
- Capitalize on opportunities and avert negative trends
- Provide enhanced visibility and actionable information with predictive value
- Deliver change management in a manner that achieves the organization's desired goals

When contemplating the adoption of a global MSP, an organization must exercise the appropriate level of skepticism to ensure that their vendor doesn't recommend a solution that is too expedient or simple to accommodate organizational needs. It is easy to confuse an MSP's knowledge and experience with their "buzzword" fluency. But how can you ensure that the prospective MSP is presenting a solution with your organization's best immediate and long-term interests in mind?

The simplest way you can enjoy the highest level of certainty is to study their record and ask their customers. In the context of global "solutioning," no two programs should look alike. In fact, the global marketplace is so dynamic and complex, that there should be specific variances at the country level within a single program to accommodate legislative restrictions and an organization's priorities in a given market.

TAPFIN's 13 years of Managed Services Program experience in 46 countries has identified and validated 42 best practices germane to the global marketplace. These best practices address each critical factor involved in driving efficiency and compliance through the management of programs, fulfillment, performance, consultancy and demand. While these best practices have the distinction of delivering optimal results, they merely serve as the underpinnings of tactics, processes and strategies that are customized to your organization's needs, as every enterprise is unique.

During the discovery and implementation phase of your program, TAPFIN's solutions design team will attend to and architect each component of the program including, but not limited to: system administration, client communication, requisition approvals and distribution, orientation programs, worker compliance, selection management, invoicing, supplier rationalization and spend management.

There are few solutions — at least, none that have garnered the attention of a sophisticated marketplace — that have revolutionized the way contingent labor is procured and managed with the vigor and ubiquity of today's MSPs.

While TAPFIN's best practices in the deployment of global MSPs were developed and tested to ensure compliance with local regulations and efficiency in relation to the market dynamics of countries around the globe, the best solution for your organization will also reflect the industry in which you operate, and the corporate strategy and priorities that you embrace. Each industry has a unique set of considerations that can impact how an MSP program should be designed and implemented.

The Challenges of Life Sciences

The market for pharmaceuticals, nutraceuticals, medical devices, and other healthcare products and services has increased exponentially in the last decade — driving the expansion of business operations that serve these markets. With additional business lines and geographic coverage, the total size of the workforce and the use of contingent workers to satisfy production schedules has been a critical factor in industry growth.

Across the Life Sciences market, outsourced services and process support is available through 3rd party providers such as clinical research organizations, manufacturers, and administrative service providers. So how can human capital management and MSP services support what appears to be an industry poised for unfettered success? Before we can answer this question, we need to look at some of the most salient challenges facing the pharmaceutical industry, *especially in the face of globalization*.

- **High Standards for Skilled Labor** – Across the industry, there is a high volume of need for skilled labor in math, science, business, and manufacturing categories in addition to low-skilled labor needs. Because of many existing regulations, these skill requirements can exceed local market availability, driving increasing need for migrant worker strategies and borderless talent processes.

- **Intellectual Property and Non-Disclosures** – Extensive product development cycles, 3rd party relationships, and shared knowledge across a large base of workers creates vast exposure of IP risk and stringent guidelines. Ongoing workforce audits are an essential component of mitigating these risks.
- **Healthcare Reform Disproportionate Burden** – Ongoing efforts to increase the efficacy of healthcare regulation around the globe continues to impact daily operations and requirements of organizations. Maintaining compliance in each operating market has become increasingly difficult. There is a need for an additional layer of oversight to protect an organization from having the wrong processes, reporting, and guidelines in place across their international footprint.
- **Supply Chain Management** – Globalization has placed new burdens on old supply chain practices. The sheer size of a global marketplace, differences in how drugs are dispensed and consumed, and how diseases manifest themselves and spread may force the industry to abandon its current practices in order to serve a more diverse and rapidly-changing market.
- **Regulation** – The European Medicines Agency (EMA), the US Food and Drug Administration (FDA) and the Japan Ministry of Health, Labour and Welfare (MHLW), are the three primary regulatory bodies that oversee standards and regulation of the Life Sciences industry, but individual country legislation and market requirements further complicate efforts to drive operational and product strategy at the global level. Guidelines for the hiring process, candidate screening, and personnel management can vary and affect the local practices of global business operations – necessitating rigorous oversight and transparency of global workforce management.
- **Public and Investor Trust and Reputation** – Consumer skepticism about the balance of industry priorities between profit and cure are common in many markets across the globe — making it critical that organizations minimize risk of public exposure to additional negative perception. The sheer size of the workforce employed by leaders in the Life Sciences industry makes these workers a point of vulnerability for these businesses. Ensuring that the right measures are taken to qualify, onboard/offboard, and manage these workers is the first step in protecting a company's reputation.

After reviewing the reported challenges, the last factor the industry should have to concern itself with is how it manages its human capital, especially the human capital that comprises its contingent or contractor workforce. By its very nature an organization's contingent workforce is very difficult to wrap one's arms around. This has become increasingly apparent since this resource is no longer relegated to support staff functions compensated on an hourly basis. If current trends continue (and they are expected to do so) the ratio of FTEs to contingent or contractors workers will shift substantially in the midst of a shrinking population of full-time professionals.

This trend toward relying more on contractors has made the MSP solution an organization's best strategy when it comes to the delivery and management of a contingent workforce. Within the context of human capital management, what tools does the pharmaceutical industry have to not only contend with these challenges, but transform them into sources of competitive differentiation and sustainable profitability?

Let's see why the MSP is the best strategy.

The changes in the nature and extent of the consumption of contingent staffing have been dramatic and compel action. As organizations continue to rely heavily on a contingent workforce to competitively deliver their goods and services, they are increasingly adopting global MSPs to seize and maintain control over the procurement and management of their contingent workforce. An MSP is singularly equipped to serve as an organization's compass, armor and spear. Disparate and manifold systems, processes, legislative and regulatory landscapes and attitudes represent the most fertile grounds for an MSP.

Keep in mind that terms like “centralization”, “standardization” and “best practices” in the context of a global solution do not mean single, all-encompassing, processes and practices for all parties and regions to share. The right MSP will produce a custom solution that will embrace and account for the “differences” that enable each business unit and region to procure temporary labor in a manner that helps them surpass their organizational goals.

While TAPFIN's best practices in the deployment of global MSPs were developed and tested to ensure compliance with local regulations and efficiency in relation to the market dynamics of countries around the globe, the best solution for your organization will also reflect the industry in which you operate, and the corporate strategy and priorities that you embrace. Each industry has a unique set of considerations that can impact how an MSP program should be designed and implemented.

Your MSP needs to have the domain expertise to deliver this solution and a specialized set of skills is required to synchronize and balance an organization's needs with appropriate level and timing of effort. The right MSP solution will account for your specific geographies, and the challenges outlined above. Depending on your operations, a solution may need to encompass a different set of processes or focus on a particular aspect of rationalization.

Recommended Best Practice for Pharmaceutical Industry includes:

Program Management

- **Communicate to Avoid Disruption** – Make the MSP fully aware of your processes, hiring factors, union/labor relations — basically, anything that represents a risk to adoption and change management.
- **Design to Scale** – It's not uncommon for additional spend to appear after program launch, once benefits are demonstrated. Avoid a piloted or step implementation (e.g. adopting one location or source of spend at a time is a costly and inefficient adoption strategy).
- **Build on Compliance** – Assign ownership of regulatory, corporate, and safety compliance across the workforce management program to ensure that the appropriate audits and enforcements are rigorous and localized.

- **Own Your Supply Base** – Maintain your competitive hiring position by having the MSP engage with suppliers early in the implementation cycle and focus on process efficiency and training.
- **Measure & Report** – Track performance metrics and communicate policy changes/ program enhancements. Examine the effectiveness of the program six to twelve months after its launch and refine if necessary.

Fulfillment Management

- **Assign Approvals** – The basic and most effective approval chain comprises one requisition requestor, one requisition approver and one time approver. Other stakeholders should only have read-only rights via VMS, dashboard, or automated email.
- **Maintain Rigorous Control** – Despite the MSP's oversight, this is your global workforce. Engage regularly, in addition to reviewing monthly or quarterly reports on program performance and market trends.
- **Rank Performance** – Rationalizing and benchmarking the performance of suppliers based on quality and fulfillment is critical to ensure that you have effective candidate flow across your hiring cycle.
- **Align by Region and Function** – Industry regulations and hiring needs vary by role and region, necessitating alignment of your MSP program to both site operations and business line.
- **Anticipate and Adapt** – Not having an effective workforce is a single point of failure to any production line — therefore it is critical that your MSP can evolve and adapt as quickly as your organization in anticipation of shifting market trends.

Consultancy & Demand Management

Take Advantage of Your MSP:

- Collaborate. Share internal knowledge that will enable the MSP to give strategic guidance.
- Ask for, and leverage, their Subject Matter Expertise.
- Formalize and standardize processes — then audit for improved efficiency.
- Expect and ensure compliance with corporate, industry, and government regulations.
- Strengthen relationships with staffing vendors. An MSP should offer control and enhanced communication, not vice versa.
- Manage demand. Once processes have been standardized, a program's participants have been acculturated, and unit costs have been driven downward, it's a good time to examine demand management. Frequently, after several months of program management, the MSP can proffer way to curtail demand without compromising the quality of the product or exposing the organization to additional risk.

About TAPFIN

TAPFIN, ManpowerGroup™ Solutions' MSP, is unmatched in delivering innovative solutions that optimize the management of contingent workforces. Our quality program management, efficient process, breadth of services and global reach have made us the largest and most respected vendor-neutral and hybrid MSP in the world. And the only one to have achieved and maintained an ISO 9001:2008 certification.

© 2012 ManpowerGroup. All Rights Reserved.