

MANAGING THE NEW CONTINGENT WORKFORCE

Improving Key Performance Indicators In A Gig Economy

The American workforce is changing.

Unemployment in the United States now rests at 4.7% (January 2017). A PEW Research Study reports that employment is rising faster in occupations requiring more job preparation, which means the demand for educated, experienced workers is fierce. The Gig Economy – a labor market characterized by the prevalence of short-term contracts and freelance work – is the result.

Since its emergence, the Gig Economy has raised questions and concerns among organizations that struggle to keep up with the changing workforce.

- As the Gig Economy proliferates, how can organizations benefit?
- What steps must businesses take to work effectively with freelancers and contractors?
- What tools must be deployed to help companies effectively manage this new workforce?
- How can success be measured?

In this white paper, you will learn the steps organizations must take to maximize using a contingent workforce. In addition, the following pages offer tips on how to integrate and manage contingent labor using the right tools – and measure progress along the way.



Setting the Stage

Organizations continually discover new ways to leverage the Gig Economy. Since the contingent workforce allows companies to hire skilled workers on demand, on a per-job basis, companies commonly use contingent workers to scale quickly to accommodate staffing demands or expansion into new geographies. (Field Nation and Blumberg Advisory Group Study, 2016).

With contingent workers now making up one-third of the U.S. labor force, this segment of the labor pool has created a positive reputation for itself. Contract workers are highly conscientious, skilled, and knowledgeable workers who are also savvy small business owners. They won't have their time abused and they expect good communication, direction and prompt payment for services rendered.

On the other hand, business leaders understand that in order to function in the Gig Economy they must engage with skilled contractors to get more quality work done in a timely fashion. As companies put contractors to work, they minimize trade-offs and maximize the benefits.

Improving Key Performance Indicators with the Contingent Workforce

There are numerous ways to enhance KPIs through the deployment of contract workers such as cost savings, scalability and managing your workforce.

01 Reduce Labor Costs

Organizations can reduce labor costs when choosing contract workers with a particular specialized skill set. In the Gig Economy, a business can access the skills and expertise needed and only pay for the time needed for that individual to complete an assignment.

02 Scalability

When a business must scale to accommodate seasonal demand or to expand in a new region, contingent workers are a perfect solution. When seasonal workload shifts occur, businesses are better positioned to meet demand without investing large amounts of money or time recruiting full-time workers. With the right tools in place, an organization can quickly fill temporary roles with qualified people.

03 Manage Your Workforce

Managing people—W-2 employees or contingent workers—is no easy task. Oversight combined with direct and frequent communication with employees takes time and effort. With the right tools in place, managers can streamline communications to effectively manage contractors.

Using a Field Service Marketplace to Manage Contingent Workers

When Field Nation, the leading field service marketplace, surveyed more than 200 organizations in 2016, the chief concern was the potential for customer service issues.

Organizations invest in training those who work most closely with customers. These workers need to be reliable, knowledgeable and able to get things done. Organizations that adopt the right tools and platforms to train, manage and communicate with contingent workers are way ahead of their competitors. That's where a complete Field Service Marketplace comes into play.

There are many web-based platforms designed to manage contingent workers. Freelance Management Systems, Vendor Management



REAL BENEFITS OF USING THE CONTINGENT WORKFORCE

Fujitsu North America launched a strategic initiative to lower the high cost of field service delivery and better manage the peaks and valleys of field service demand in the retail industry.

Through a Variable Workforce Model, comprised of contingent labor, Fujitsu balanced its peaks and valleys and lowered labor costs. The company used Field Nation's platform to connect with contingent workers when it needed extra support.

Fujitsu found it could sidestep costs associated with recruiting and interviewing freelance technicians and is no longer tasked with certain expenses, like background checks for new candidates. Ray Caul, Vice President of Retail Managed Services, said Fujitsu reduced costs by 33% per technician. The company also lowered travel costs and increased utilization levels.

As a result, Fujitsu saves approximately \$35,000 per technician.

Systems – call them what you will, but the best platforms enable a business to be intentional about qualifying, onboarding and managing expectations with their contract workers.



A Field Service Marketplace provides consistent levels of service, enabling companies to meet demand for increased coverage and extended geographical reach when needed. The best platforms assist with identifying the right contractor and simplify the process of fee negotiation, contracts, tax forms, work completion, payments, and communication.

Making the right Field Service Marketplace decision means thinking carefully about the specific tools your organization requires to manage both the people you engage with and the projects they need to complete on your behalf.

Field Service Marketplace (FSM) Impact on KPIs

In Field Nation's survey of organizations using a Field Service Marketplace, respondents rated their companies on 17 Key Performance Indicators. Survey participants were asked if the platform they deployed resulted in better field service performance. Their responses were a resounding, "YES." For example:

Approximately one-third of respondents reported a 15% or higher improvement for the following KPI measures:

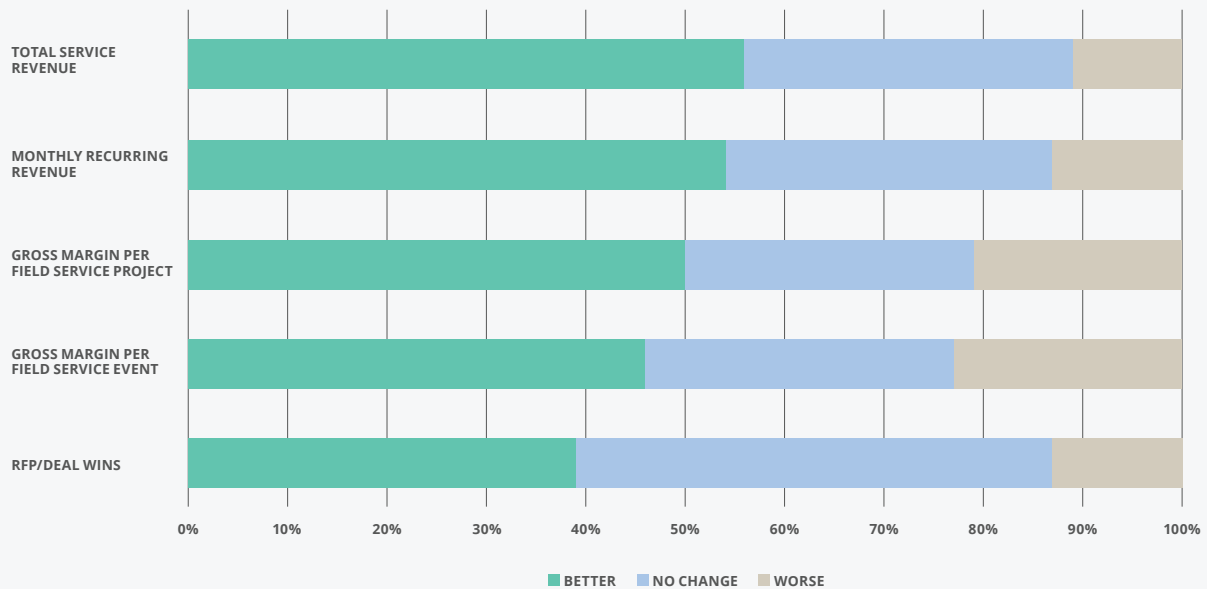
- Geographic Service Area
- Gross Margin per Project
- Total Service Revenue
- Field Service Engineer (FSE) Productivity
- FSE Utilization Rate
- Monthly Recurring Revenue
- Service Level Agreement (SLA) Compliance

What's more, across all KPIs, respondents indicated **measurable positive impacts** to their business after switching to a Field Service Marketplace platform. Benefits include:

- Faster on site response times for emergency service calls
- Faster travel time for emergency service calls
- Faster onboarding of FSEs
- Faster recruiting and hiring of FSEs

FIELD SERVICE REVENUE KPI IMPROVEMENTS

Delivered by Switching to a Field Service Marketplace



The Field Service Marketplace for Today's Contingent Workforce

A well-managed contingent workforce will make a business more efficient. Any company that fully leverages its variable workforce, and manages contractors using an effective Field Service Marketplace platform, will see improvement in work relationships, quality of work completed and significantly lower labor costs.

Ultimately, the contractors who do the work and do it well also stand to benefit in the form of increased

business and expanded work relationships. The best contingent workers will market their efforts and success to further grow their business.

In conclusion, the use of today's contingent workforce results in reduced labor costs, flexibility, agility, and a hard-working class of contingent workers who perform at the highest of levels.

CORPORATE OFFICE

901 S Marquette Ave
Suite 2300
Minneapolis, MN 55402

Tel: 877-573-4353 Ext 2
Fax: 877-833-4353
info@fieldnation.com