

Why

THE

Future OF Work

DEPENDS ON

End-to-End,

Contingent Workforce

Management

Efficiency

Ardent | **Partners**

Whitepaper

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Introduction

The Future of Work, which Ardent Partners defines as work optimization via the transformation of business operations, talent usage, seamless and comprehensive workforce management solutions, and flexible enterprise thinking, dictates that businesses respond dynamically to real-time enterprise pressures and competitive challenges in order to thrive. As the non-employee workforce continues to grow in size and prominence, it is critical that core contingent workforce management (CWM) programs streamline talent acquisition strategies and back-end processes (such as onboarding, scheduling, and payment), as well as offer holistic and on-demand recruitment of all talent types. As the Future of Work continues to take hold, agility will be its long-term foundation.

The Link Between Agility and the Future of Work

Agility has become paramount as businesses seek the best possible means to thrive in the new world of work. In fact, the vast majority of today's businesses (81%) focus on achieving enterprise agility, which translates into a need for real-time, on-demand, and dynamic responses to both historic and new global challenges. And, as agility becomes the gateway to success in these fast-changing times, two key enablers have emerged: work optimization and an agile workforce.

The Future of Work has become a *movement*. It reflects the dynamic transformation of the contemporary business, sparking a true focus on work optimization from workforce composition, technological innovation, and operational strategy perspectives. An "agile workforce" represents how businesses leverage their engagement of non-employee talent, integrate and align those workers with projects and initiatives that require top-tier skillsets, and ultimately build superior results. Both the Future of Work and the agile workforce hinge on the continued evolution of contingent workforce management.

Why Back-Office CWM Operations Matter: A Study in Work Optimization and Efficiency

In essence, the agile workforce represents the natural evolution of the growing non-employee workforce. The increasing usage and expansion of contingent labor has resulted businesses needing more time, resources, scalability, and automation across all facets of contingent workforce management. With **41.5% of the average workforce comprised of non-employee workers** (including temporary staff, freelancers, independent contractors, "gig" workers, and professional services), the realm of CWM is more important now than ever before.



And, as businesses begin to focus more of their energy on agility and work optimization, CWM has become a core catalyst and foundational element of the Future of Work. The bottom-line growth of the non-employee workforce means that businesses must prioritize how contingent talent is engaged, sourced, and managed.

In an age when the workforce is becoming truly “blended,” CWM efficiency translates into the ability for businesses to improve effectiveness in how they execute work. Contingent workforce management programs today directly impact businesses’ overall talent acquisition/management capabilities:

“Work optimization” translates into efficiency across all aspects of work, including how all types of talent support ongoing projects and initiatives. CWM today is integral to the Future of Work, especially considering the availability of technology and automation to enhance CWM efforts.

Onboarding and offboarding measures ensure that workers are tightly-aligned with business culture, and have the proper access to systems, work sites, and tools to get up-to-speed quickly and execute well;

Real-time project visibility and reporting help CWM program executives understand if non-employee workers (and professional services) are hitting milestones and key delivery dates, as well as staying on-budget and on-time;

Compliance management, including certifications, is critical for organizations leveraging field services, IT professionals, etc. The underbelly of contingent workforce management is built on compliance and risk mitigation efforts, especially as this workforce continues to grow in size and prominence in the months and years ahead.

Financial operations, such as payment/settlement, are crucial in paying contractors and non-employee workers in a timely manner. Sixty-five percent (65%) of businesses cite “on-time payment of contingent workers” as a major strategy in improving the overall experience for this talent, which can go a long way in reengagement efforts for future projects;

Work optimization translates into
efficiency across all aspects of work.





The Evolution of Contingent Workforce Technology, Part I: Digital Staffing's New End-to-End Efficiency

Ardent Partners research has been tracking the utilization of on-demand talent marketplaces for the past several years and found that the general usage of digital staffing platforms has more than tripled over the past three years. In 2019, digital staffing platforms represent a very different type of on-demand technology than even a few years ago. While “talent clouds” have long offered simple “search and select” functionality, today’s digital staffing solutions provide end-to-end efficiency in recruitment, engagement, and on-demand sourcing, as well as in scheduling, project management, compliance/risk mitigation, and streamlining back-office processes.

Today’s digital staffing solutions are true workforce management platforms.

The digital staffing solutions of 2019 offer robust functionality to power the Future of Work. As businesses continue to embrace the non-employee workforce and

pursue organizational agility, the use of on-demand talent platforms will continue to rise and ultimately expand into new and exciting areas of workforce management. And, as more top-tier, independent workers drive critical projects and assignments, these digital staffing platforms will become the foundation of developing a robust “pipeline” of specialized, highly-skilled talent that can be tapped in near-real-time and effectively managed through true workforce management functionality.

The progression of digital staffing technology beyond mere “search and select” functionality means that these solutions are more akin to “pure” contingent workforce platforms, such as Vendor Management Systems (VMS). More importantly, digital staffing platforms enable users to find, engage, source, schedule, and project manage top-tier talent, as well as execute back-end operations (such as payment and reconciliation), and offer robust data reporting and analytics for better workforce planning.

And, there is also another progressive element at play that signals an exciting era for digital staffing: *total workforce management*.

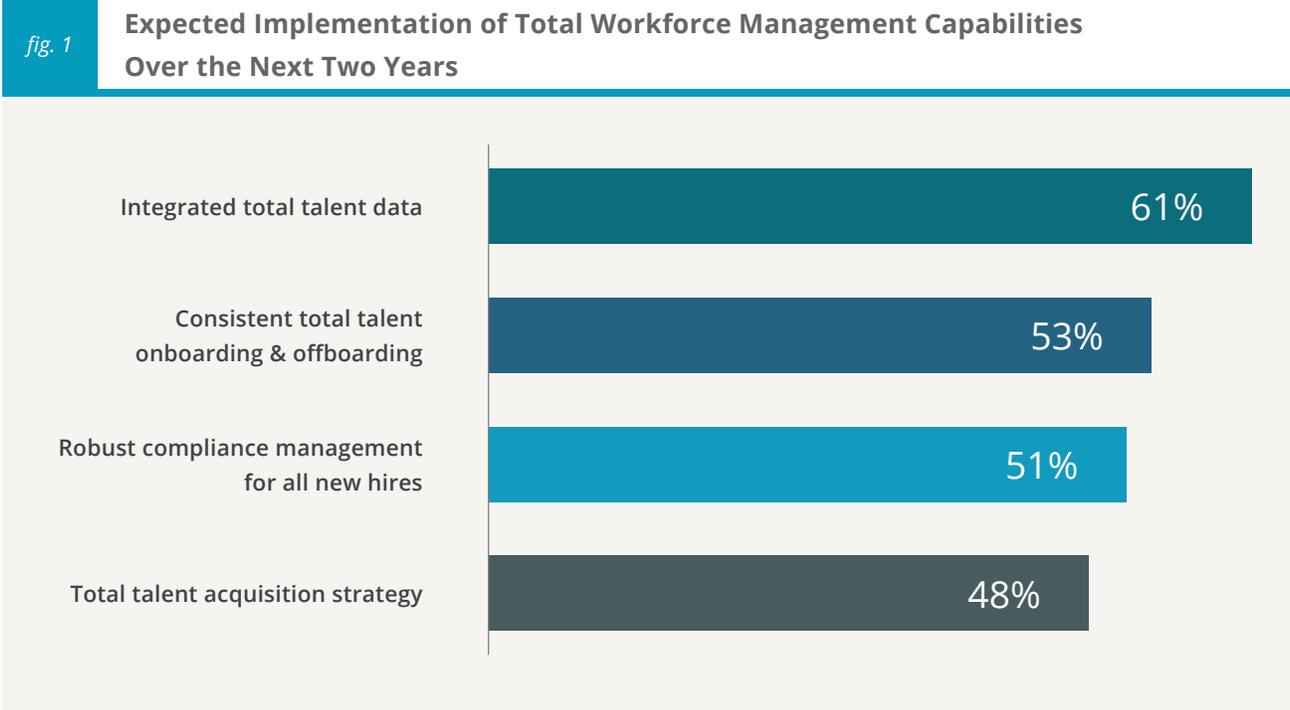
The Evolution of Contingent Workforce Technology, Part II: Total Workforce Management Efficiency

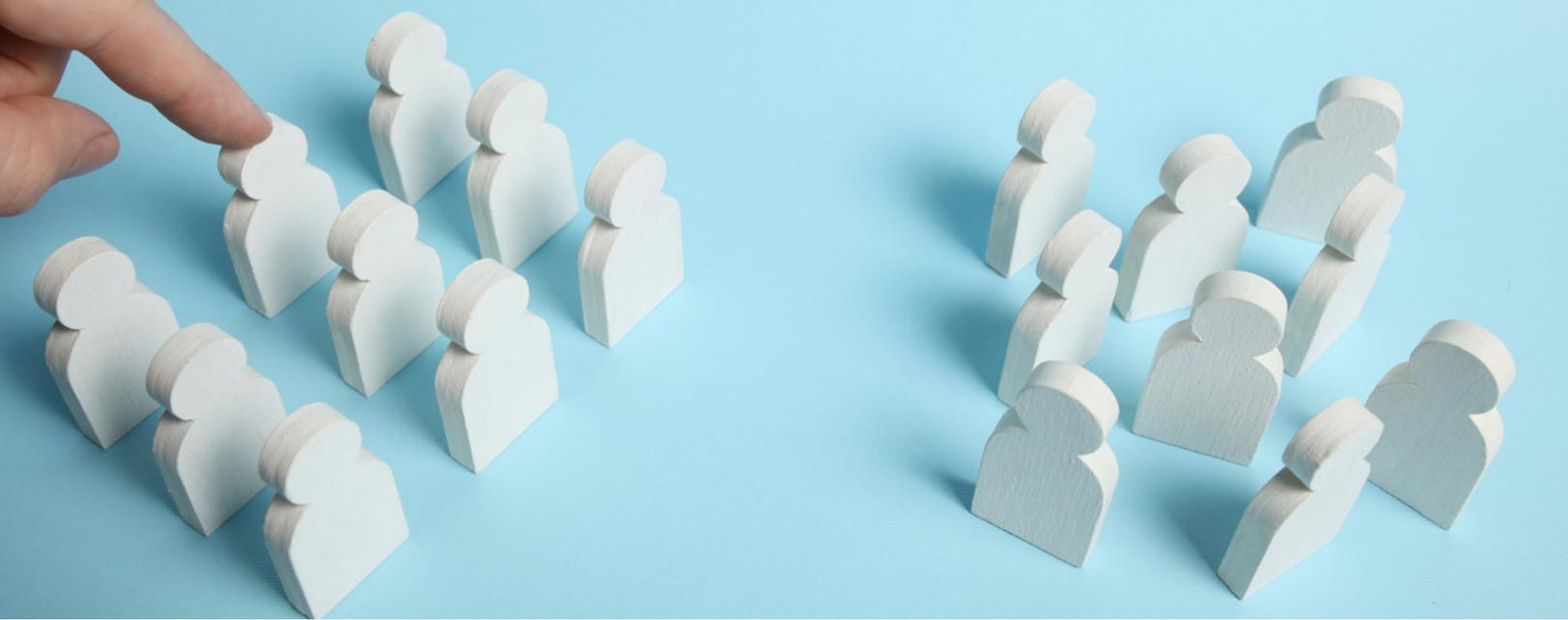
With 41.5% of the world’s total workforce considered non-employee in 2019, the blended enterprise workforce is a reality. The time is now for businesses to adopt a total workforce management strategy. Ardent Partners defines total workforce management as *a standardized and centralized program for engaging, acquiring, sourcing, and managing all types of talent via linked procurement and human capital processes, integrated contingent workforce management and human capital management (HCM) systems, and utilization of total talent intelligence*. Total workforce management is the most innovative of human capital-led approaches in that it promotes the active, centralized, and standardized management of all enterprise talent no matter where it is situated. By funneling all workers and resources under one program, the enterprise gains complete visibility into which talent or resources are the best fit for a given project at any given time.

As the use of non-employee talent continues to grow, and, as businesses pursue an agile workforce, total workforce management becomes an obvious strategy. As shown in Figure 1, enterprises will implement significant total workforce management capabilities over the next two years.

DEFINED:
total workforce management

A standardized and centralized program for engaging, acquiring, sourcing, and managing all types of talent via linked procurement and human capital processes, integrated contingent workforce management and human human capital management (HCM) systems, and utilization of total talent intelligence.





The concept of total workforce management is polarizing; many business leaders believe that the two major stakeholders responsible for such a program (procurement and HR) sit at extreme ends of the talent spectrum: procurement has historically brought its supplier and spend management to the forefront, while HR/HCM has promoted talent-led strategies and approaches. For example, many opponents of total workforce management cite succession planning and

learning and development as two distinct HCM areas that could never be managed by procurement.

However, it is critical to note that the continued growth of the non-employee workforce, combined with a newfound desire to be agile, has created an environment in which total workforce management can be incredibly beneficial for the organizations that want to harness its broad-sweeping competencies, such as:

- **Integrated total talent data** (expected to be leveraged by 61% of organizations within the next two years), which can help hiring managers and other business leaders make more-informed, and, more importantly, real-time decisions regarding which type of talent to use for new projects and initiatives. Having a “total talent view” enables enterprises to better-align project requirements with the specific expertise and skillsets of both FTEs and non-employee workers.
- **Consistent total talent onboarding/offboarding** (53% within two years) to ensure that all workers, no matter the source, are fully indoctrinated into enterprise culture, have the necessary tools to be productive, and, most importantly, are trained effectively to be up-to-speed more quickly.
- **Robust compliance management**, which, in an age when the utilization of non-employee labor is at its highest, can ensure that business leaders are “measuring” relationships against regulatory, federal, and organizational guidelines and policies concerning independent workers. The “how” to get work done may be critical to today’s businesses, but compliance will never fall by the wayside, especially as the contingent workforce continues to grow in both size and prominence.

Within the next two years, 48% of businesses expect to implement a “total talent acquisition” strategy, a key indication of how technology will fit into the Future of Work. A total talent acquisition strategy, which entails an enterprise-wide talent engagement configuration that enables an organization to funnel all hiring actively through both centralized and agile means, is a foundational element of any total workforce management program.

One of the most interesting elements in the evolution of contingent workforce management technology is that both traditional CWM platforms (like VMS) and more mature digital staffing solutions are enabling total talent acquisition capabilities for their users. The ability to curate and develop talent pools, and leverage a centralized “hiring dashboard” that accounts for all types of workers, is a crucial development in “how work gets done.” Since quality and depth of talent is the number-one factor of how work is completed, it is critical that today’s businesses tap into CWM innovations and advance the talent-led elements of their programs.

Conclusion: End-to-end Efficiency and the Future of Work

Over the past several years, the major link between the Future of Work movement and contingent workforce management has involved the continued growth and progression of non-employee talent and its place in “how work gets done.” However, Ardent Partners research shows that there is incredible value in boosting operational efficiencies via end-to-end facilitation of talent engagement, sourcing, onboarding, offboarding and reconciliation. For businesses to thrive in this current (and future) state of talent and work, they must consider traditional CWM automation and the emerging value of digital staffing technology.

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About Ardent Partners

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Ardent Partners is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded in 2010 by Andrew Bartolini. Ardent Partners actively covers the supply management marketplace and produces research to help business decision makers understand (1) industry best practices and how to improve performance & (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements. Contact research@ardentpartners.com if you have any questions about this report or our research in general.



About the Author:

CHRISTOPHER J. DWYER, VICE PRESIDENT OF RESEARCH, ARDENT PARTNERS

For nearly 14 years, Christopher J. Dwyer has been one of the world's foremost spend management experts and leading authorities on contingent workforce management. He is a premier thought leader in the contingent workforce industry, authoring hundreds of research studies and evangelizing the evolution of the non-employee workforce and its associated technologies and solutions. Dwyer is the voice behind *Contingent Workforce Weekly*, the industry's first (and only) weekly podcast dedicated to this space, and is looked to as an expert on the Future of Work, Gig Economy, and the innovation behind the "new world of work."

Dwyer has been a prominent analyst voice for well over a decade, previously leading the Aberdeen Group's Global Supply Management practice and contributing innovative research and insights regarding the global supply management industry. Dwyer joined Ardent Partners in 2013 as a Research Director and currently leads the firm's coverage on "complex spend management," which includes non-employee talent, business travel and expense management, meetings and events management, and other

key indirect spend categories. Dwyer and his work have been quoted/featured in *USA Today*, *The Christian Science Monitor*, *Forbes*, *CNBC*, and other major business publications.

Dwyer has been twice recognized as a "Pro to Know" by *Supply and Demand Chain Executive Magazine* (in 2014 and 2019) and has been honored four times (2013, 2014, 2015, and 2016) by *HRO Today* as an "Analyst and Advisor Superstar." And, in 2018, he was named as a "Top 100 Future of Recruitment Influencer" by *Analytica*. Dwyer contributes thought leadership and insights to not only help procurement, human resources, and human capital management executives better find, engage, source, and manage talent, but also thrive in the new world of work. In his tenure as an industry analyst, Dwyer has also developed research projects and studies on e-payables, spend analysis, e-procurement, strategic sourcing, contract lifecycle management, and financial operations. He welcomes your comments at cdwyer@ardentpartners.com, on LinkedIn (www.linkedin.com/in/christopherjdwyer), or Twitter ([@CJD_Ardent](https://twitter.com/CJD_Ardent)).

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