



zerochaos

Customer:
**A Privately-Held
Pharmaceutical Company**

Corporate Profile:

Headquartered in Connecticut
Over 60 years in business
800+ employees

THE ZEROCHAOS THEORY:

MSP creates both short- and long-term improvements

The ZeroChaos Theory Results:

By creating a vendor-neutral environment, standardizing contingent labor practices, and leveraging our industry-leading technology, the ZeroChaos Managed Service Program provided this customer with:

- Enterprise-wide management of contingent labor across all skills.
- Web-based and fully-automated VMS
- Compliance with assignment ends, tenure limits, background checks and training requirements

Background:

Prior to contracting with ZeroChaos, this pharmaceutical customer found themselves spending more time and money on contingent labor, and less time developing new products for the market. Their contingent labor needs ranged from clinical, scientific, and quality assurance staff to support their research and development efforts, to information technology to administrative personnel.

The Challenge:

The customer, realizing the highly-strategic nature of their contingent labor program, set a number of objectives overall, including:

- ▶ **Accurately and timely track headcount, spend and tenure**
- ▶ **Promote & track diversity spend by supplier**
- ▶ **Improve quality and reduce cost by using contingent labor**
- ▶ **Realize savings through payrolling services**
- ▶ **Provide an online financial reporting mechanism**

ZeroChaos Solution:

It became apparent that in order to be effective and gain credibility with the hiring managers and executives, the new system had to mirror the customer's established hiring practices while making improvements in the overall process. With this consideration in mind, ZeroChaos implemented an enterprise-wide Managed Services Provider program powered by our web-based vendor management system, ZC Web.

The Results:

In the first three years of the program, the results were significant – significant enough for our customer to maintain the relationship through two more 3-year contract periods through today. Results include.

- ▶ **Expanded supplier participation, reducing rates**
- ▶ **Greater reporting capabilities, including custom reports**
- ▶ **Over \$1M in annual cost savings**
- ▶ **Reduced new hire turnover to less than 1%**

“77% of hiring managers surveyed rated the MSP 7 or greater on a scale of 1 to 10.”

The Full Success Story:

In spite of high levels of need for very skilled workers across many skill types, there wasn't an efficient process in place for procuring contingent labor. There were many manual steps, including requisition approvals. Individual managers, frustrated with the lack of organization and manual processes, frequently went outside the program to procure labor and bypassed the purchase order process, using suppliers with whom they had relationships, rather than in a competitive, vendor-neutral environment. Suppliers' invoices were frequently late and inaccurate, causing additional administrative work and cost. The executive team had no visibility into the program, as reporting was sparse and inaccurate.

How Success Was Achieved:

ZeroChaos proposed a phased implementation of the enterprise-level MSP and VMS, and consolidation of suppliers to 25. The ZeroChaos onsite team has also provided a very hands-on service, where hiring managers are required to do little more than request contingent labor. In addition to this extremely high-value hands-on service, a number of stakeholders were provided with reporting services to gain visibility into the program. These include:

- ▶ Provide timely and accurate reports to Finance, HR, Legal and Environmental Health and Safety on a monthly, quarterly and 'as needed' basis.
- ▶ HR is provided with a head count report which includes contract worker, supplier, and customer project manager
- ▶ Environmental Health and Safety is provided with reports listing resource, supplier, and hours per location
- ▶ Reports are provided to Finance and Procurement which include a monthly spend report by business unit, department, resource and dollars. Savings reports are provided on a quarterly basis

Rich Results:

In the first three years of the program, the results were significant – significant enough for our customer to maintain the relationship through two more 3-year contract periods through today. Results include:

- ▶ 100% compliance with pre-employment background checks and training
- ▶ Reduced late/missing invoices from 25% to 0%.
- ▶ Payments to program suppliers 100% within terms.
- ▶ Expanded vendor participation in normally singled-sourced requisitions, reducing rates.
- ▶ Greater reporting capabilities, including custom reports for EHS and Accruals.
- ▶ 100% Supplier compliance with program SLA's and contractual requirements.
- ▶ Reduced requisition time-to-fill by more than 50%
- ▶ New hire candidate turnover < 1%
- ▶ 77% of Hiring Managers surveyed rated the MSP office 7 or higher on a scale of 1-10
- ▶ Program exceed \$1 million in annual cost savings

Rich Results:

As we enter our third three-year contract with this customer, the initial objectives of this program have been met or exceeded, and many new initiatives are anticipated, including provision of ZeroChaos background screening, creation of a supplier consortium, and streamlining additional tactical processes through the use of ZeroChaos technologies.