



The Future of Temporary Staffing: an MSP Buyers Guide for 2021

How to find the right solution for your organisation

The workforce of the future must be agile

Faced with an increasingly precarious economy, businesses are looking to flexible workers as a means of fulfilling their staffing needs. And with over a third of UK workers actively looking for alternatives to traditional full-time employment¹, this demand is more than ready to be met in 2021.

Utilising flexible work can help leaders achieve greater financial efficiency, respond to market changes more dynamically and develop a whole new level of business agility. But this new, flexible workforce is almost by definition decentralised, and allowing it to scale whilst ensuring the proper candidate vetting and regulatory compliance is undertaken can be a costly, time-consuming challenge.

The State of UK Temporary Staffing

70%

of executives plan to hire more temporary workers in the next two years²

5.2%

of employees in the UK work on temporary contracts³



In December 2020, billings from temporary recruitment rose at the sharpest rate since October 2018⁴

Managed Service Providers (MSPs) offer a purpose-built solution. By taking ownership of the full lifecycle of the flexible workforce via a single, centralised process, they provide businesses with full visibility and autonomy over their temporary staffing, removing the bottlenecks and hidden costs traditional methods are prone to create.

Despite the growing popularity of MSPs however, not every solution is created equally. This guide is designed to help you understand how providers differ, what you need to know about a prospective partner, and ultimately find the right MSP solution for your business.



¹Workforce Confidence Index, LinkedIn, 2020

²What 800 executives envision for the postpandemic workforce, McKinsey, 2020

³Office of National Statistics, 2020

⁴Recruitment and Employment Confederation report, 2020

How Do MSPs Work?

A temporary staffing MSP is a comprehensive programme which facilitates and manages the sourcing, vetting, placement and fulfilment of an organisation's temporary staffing needs.

While they typically work in conjunction with an organisation's internal contingent workforce programme, the MSP is responsible for the end-to-end process, providing its own account managers who oversee the day-to-day operation as well fulfilling important HR and legal functions.

Specific models vary, and MSPs will operate differently – some are tech-focused with a centralised platform or 'app', while others function through more 'traditional' means.

But high-quality MSPs can be expected to provide a bespoke service to fit your business's needs.

The idea, ultimately, is to allow you fast and easy access to highly-qualified and reliable talent in order to enable agility and efficiency within your organisation.

MSPs and PSLs – What's the difference?



A Preferred Supplier List (PSL)

is a list of approved staffing suppliers who have committed to an agreed rate and level of service. Generally, organisations that use PSLs will rely on multiple suppliers to fulfil their staffing needs.



The most important distinction between an MSP and PSLs is ownership:

an MSP is fully responsible for your staffing fill rate across the board. This avoids the fragmentation and dilution of accountability PSLs often create; with an MSP, compliance is centralised and service is consistent, making them safer, more reliable and more efficient in the long-term.



MSPs also offer far greater economies of scale than PSLs,

which is particularly relevant to large businesses looking to increase their use of temporary staffing in the coming years.

What Benefits Do MSPs Offer?



Enhanced visibility of staffing across multiple sites

MSPs provide an easily-accessible overview of your organisation's temporary staffing in real-time, removing delays in feedback and information silos common in traditional temporary staffing approaches.

For executives, this means increased control over staffing spend and saving on HR compliance; at an operational level, it facilitates a more dynamic response to changing needs, avoiding both over-and-understaffing.



Data-driven staffing decisions

By generating actionable real time data, MSPs enable organisations to make proactive decisions, based on clear information rather than intuition. This removes human-error from the process and moves organisations closer to becoming truly data-driven.

Over time, this data also grows in value, enabling better staffing demand and ultimately allowing leaders to take a long-term view of their strategic staffing needs.



Improved hire time

MSPs simplify the process of hiring, by removing unnecessary admin and providing a roster of fully qualified candidates who are ready to work. This means each role can be filled far more quickly.

For managers, this reduces stress and makes life easier. But it also allows for a more agile response to changes in the demand for workers, avoiding losses due to unfulfilled staffing requirements.



Increased financial efficiency

According to Deloitte, enterprise-level businesses estimate up to 30% of their procurement spend goes on temporary staffing⁵. By reducing unregulated spending and the steep licencing fees staffing agencies often demand, MSPs enable a huge increase in financial efficiency.

Not only does this unlock savings and profit, it creates room in staffing budgets for operations to expand the temporary workforce, ultimately avoiding bottlenecks and supply limitations.



Better candidate experience

MSPs offer a far better deal for candidates than traditional staffing methods, providing them with more control over where they work and greater financial transparency. This results in a better, happier and more productive temporary workforce.

Ultimately, this leads to a greater Employer Value Proposition (EVP), creating a real competitive advantage across all aspects of an organisation's hiring.



A truly blended workforce

The 'blended' workforce – wherein permanent and temporary staff are treated as a single, flexible unit – has been an increasingly common objective for leaders in recent years. By taking care of important HR functions, MSPs allow you to realise this goal.

This ultimately leads to less friction within the workforce, improving the productivity of temporary workers and enabling organisations to source skilled workers at shorter notice.

32%

of organisations are replacing full-time employees with temporary workers as a cost-saving measure.⁶

11%

of organisations produce workforce data in real time - and even fewer make meaningful use of it.⁷

27.5%

It currently takes an average of 27.5 days to fill a job vacancy in the UK⁸

⁵Planning for change, the future of the contingent workforce, Deloitte, 2020

⁶Future of Work Trends Post COVID-19, Gartner, 2020

⁷Planning for change, the future of the contingent workforce, Deloitte, 2020

⁸Statistical Reference Guide for Recruiters, Glassdoor, 2020

Will an MSP Help My Business?

Five Questions to Consider



1 What impact is a low fulfilment rate having on your business?

Low fulfilment rates have a number of potential knock-on effects, and it's important that organisations have clarity about the extent to which staffing challenges harm their business.

Not having enough staff on-site increases the burden on workers, lowering job satisfaction and likely leading to increased turnover. Equally, understaffing slows order

fulfilment and limits the number of customers or clients a business can serve whilst maintaining a high standard of service.

COVID-19 has brought this problem into stark relief, with many large businesses having to actively reduce consumer demand in order to avoid their limited workforce being overwhelmed.

2 How efficient is your current staffing spend?

Many businesses don't like to admit the amount of waste they accumulate through traditional staffing agencies, which leads some to either normalise such spending (so that it doesn't appear to be a loss) or hide it (so that they don't have to face up to the waste.)

The cost of staffing doesn't end at agency fees: the time it takes to post and fill a shift should be considered, as should various other factors like the cost of no-shows and the loss of revenue from understaffing.

3 How effectively can you currently manage fluctuations in your staffing needs?

A great number of businesses benefit from minimising their permanent workforce but currently struggle to fill roles at short notice or source specific skill-sets at a low cost; for such organisations, an MSP will bridge numerous gaps.

In particular, large businesses often suffer from the complexity of multiple-site operations, and the rigidity of the traditional temporary staffing agency model only makes dynamic shift fulfilment more difficult.

4 What risks does your current temporary staffing method create?

Many organisations see temporary staffing as inherently risky: without a long-term commitment to the employer, there is an expectation that workers may be less motivated and more inclined to absenteeism.

This is compounded by the various HR and legal compliances necessary to use temporary staffing, all of

which creates the potential for oversight and error. If your current temporary staffing method is seen as creating risks – whether in terms of productivity, cost or compliance – it is unlikely you'll make full use of the opportunities flexible workers present.

5 How do you see your staffing needs evolving in the future?

The nature of work is evolving rapidly, and organisations that proactively adapt to this change are far more likely to thrive. 2020 was a year of short-term solutions, but in 2021 businesses have an obligation to forge ahead with long-term strategic vision.

Leaders should be considering not just their current needs but how they see their needs changing in years to come: if you were starting from scratch today, what would be the more efficient model of employment you could instantiate? And will an MSP help bring you closer to realising it?



Four Steps to Prepare Your Internal Team

1

Consult different stakeholders on wider business strategies and initiatives

An MSP can cause disruption in a variety of ways if introduced in the wrong way or at the wrong moment. Individuals from across the organisation should be consulted before making any purchase decision, to ensure the MSP of choice fits the business strategies currently in place and no unexpected conflicts or confusions are created.

3

Undertake an audit to evaluate needs and potential risks

Due-diligence is vital when making any large purchase that will impact operations. Ensure that your organisation's needs have been clearly laid out and the potential risks of an MSP have been evaluated before introducing it to your operations.

2

Begin building the ROI for change

Use internal consultation sessions to build a return on investment for the changes. ROI should go beyond bottom line savings and focus on how the MSP would help your organisation achieve its top line objectives. Clarity on this early in the buying process will better inform your selection criteria and also speed up the decision and approval process with senior stakeholders.

4

Prepare training and L&D

Getting the most out of an MSP generally requires some training. While MSPs provide full onboarding and training, it's important to account for the need to spend time learning and integrating any new process into the day-to-day operation of your organisation.

A guide to choosing your MSP

Nine questions to consider

1

What processes are in place to ensure high-quality service and regulatory compliance?

The onboarding process an MSP uses to vet candidates should be rigorous and clear; while some MSPs provide transparent information on their candidates and undertake compliance, this cannot be assumed.

For organisations with specific compliance issues – required training or experience – this is especially important, and providers that don't provide such information upfront should be avoided.

2

How does the service scale?

As demand for flexible workers grows, more MSPs flood the market; this means many have yet to acquire an adequate workforce to ensure your needs are always met.

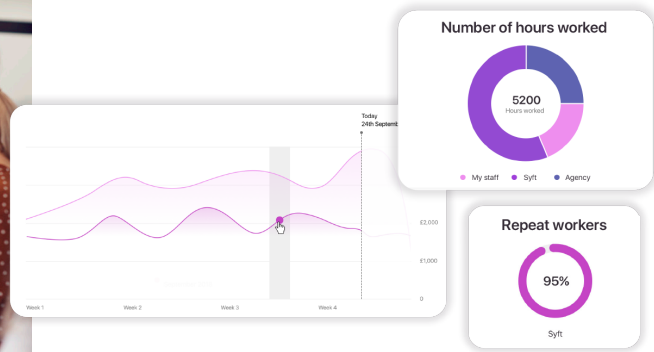
Scaling requires two basic features: a large, fully-vetted roster of candidates; and the technological capacity to respond to requests at short notice and outside of traditional work hours.

3

What data is collected, and how is it reported?

Information is power, and a high-quality MSP should not only provide talent but detailed information that helps you make better decisions faster.

For optimal efficiency, look for a provider that will not only collect data but actively analyse and present it to you in an actionable form. They should have clear data strategies in place, and a stated intent to use the data they collect to drive continuous service improvements and innovations. In this way, the data your MSP collects should grow in value over time.



4

Is the solution aligned with your organisation's strategic goals?

The benefits of having a centralised provider are moot if the provider is not aligned with your larger strategic aims, objectives and beliefs.

An MSP should understand what your organisation is trying to achieve - what you value both in terms of candidates and processes - and reflect it. Ask them to explain their service management methodology - the best MSPs should be able to demonstrate exactly how they plan to achieve the necessary level of alignment.

5

How fast is the turnaround?

A high-quality MSP should be able to tell you how quickly to expect staff to be available and how long it will take to get them on-site.

Having this benchmark will allow you to make a more informed decision about the expected savings you will gain, as well as strategising about how to implement your temporary workforce.

6

How is the service structured?

Many MSPs don't provide as cohesive a service as you may assume. And while this isn't necessarily a deal breaker, being unclear about what your MSP provides can lead to dangerous oversights.

It's vital that you understand who owns the relationship and what responsibilities are covered by your MSP; not only should a good MSP be fully responsible for your temporary staffing, it should take ownership of its relationship with your organisation, ensuring that communication is transparent and trust remains strong.



7

Why does this MSP stand out from its competitors?

Finally, it's important that you feel you are receiving the absolute best level of service; you should therefore expect an MSP to provide you with evidence of what differentiates it from other providers.

This is where knowing your priorities comes in handy: it will help you assess the merit of any given provider's USPs and claims to superiority.

8

How flexible is the MSPs operating model?

Some MSP models are extremely rigid, and this can lead to missed opportunities and inefficiencies - especially across a complex workforce that requires a specific, nuanced staffing approach in every department and skill level.

You should expect your MSP to offer far more flexibility, and demonstrate a willingness to put your organisation's interests first. A popular approach, for example, is the Hybrid MSP. This model essentially maintains the multiple benefits of a centralised MSP, but allows organisations to make use of other suppliers for specific roles where it suits them strategically.

9

How will the MSP manage your transition?

Introducing a new MSP can be disruptive, and you should expect an MSP to be able to demonstrate a clear set of processes which will mitigate against short term disruptions - such as the loss of existing temporary staff - and any legal questions that might arise.

It is also important that responsibility is taken by the MSP to ensure proper onboarding is provided, ensuring the transition is not just safe and smooth but sets the right tone for the relationship moving forward.



Four factors to avoid in an MSP

1

Excessive licencing fees

No buying decision should be made purely on a financial basis; the best services are worth a little extra. However, many MSPs have licencing fees or hidden costs which undermine the apparent savings they purport to provide - and you should be aware of this.

3

Lack of 24/7 support

Many MSPs offer limited support and are slow to resolve issues, often operating within a rigid timeframe and lacking the desire to provide consumer-grade service.

MSPs should provide the option of 24/7 support for business, ideally with dedicated account managers who will have the necessary knowledge to expedite any necessary actions and deal with matters in detail.

2

Lack of accountability

MSPs should have clear measures in place to deal with no-shows or failures to comply with the partnership agreement.

This will in part be covered in their onboarding and vetting process, but you should be very clear about the accountability structure before pursuing a partnership.

3

Slow data reporting

Many MSPs claim to provide data and analytics, but without real time information much of this data becomes difficult to action.

While technology should always be an optional element of a relationship, be aware that MSPs without strong tech rarely provide the level of data you need to achieve true agility or trust.



About Indeed Flex

Indeed Flex acts as a one stop shop to help businesses achieve their strategic objectives. With 44,000+ skilled workers and our range of temporary staffing solutions, we help businesses to balance cost-saving with improved staff quality, candidate engagement and reduced time to hire.

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Permanent Hiring



Temporary Staffing

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