

Behind XSI's successful partnership: A Manufacturing Case Study

Helping Organizations build stronger Workforce Solutions

KEY METRICS

XSI helped the client retain talent and overcome staffing challenges during the pandemic by supporting tracking and matching workers against COVID restrictions and CDC guidelines, while assisting with the rapid rebound of contingent worker headcount from under 300 in April 2020 to over 1,300 by the end of the year. In 2021, with the toughest labor market in history, XSI supported the MSP managing the client's contingent program to work its suppliers and client HR to meet their staffing demands through a comprehensive review of market pay rates and simplifying the candidate onboarding process. These changes were instrumental in helping the client plants meet their production goals while reducing a reliance on overtime.

20-30% increase in CANDIDATE POOL;
Over 30% Reduction in Fall off during
Onboarding

OBJECTIVES

Streamline and automate client's staffing process to the extent possible and support centralizing the operations of each plant. Meeting critical demand in resources, especially during the pandemic and historically tight labor market.

Increase contingent workforce satisfaction and retention through full scale Managed Service Provider program. Create a standard workflow and processes across all plants.

Implementing a new process for candidate fall off (No-Call No-Show) and reduced turnaround time to fill open positions. Satisfy mandated diversity spend through a Tier 1 supplier.

AT A GLANCE

XRM Solutions Inc. (XSI), with its XRM System has been the preferred VMS partner for a leading Tier-1 global automotive supplier since 2017. XRM System is being used for sourcing, on-boarding, time capture, invoicing, payments, off-boarding and management of numerous suppliers across dozens of locations throughout the United States and Canada. The focus of the program is to apply consistent best practices at all locations, increase fulfillment and retention along with consolidated invoicing, reporting, and ensuring supplier compliance to KPIs/SLAs.

CHALLENGES

Our manufacturing client was facing multiple challenges due to its decentralized staffing process across 29 manufacturing and assembly plants. A standardized and streamlined process did not exist for sourcing labor resulting in inconsistencies and mark-up compliance issues. Due to limited supplier oversight possible, mark-ups were not monitored, leading to inflated overtime and double time bill rates. Client's contingent workforce fulfillment rates were below the required levels to support their production requirements. Client was unable to track and report on its year-over-year diversity spend as per the industry and government mandates.

XSI's Innovative Solutions

XSI implemented its VMS solution in collaboration with the client chosen MSP to address client's challenges. Through its implementation team and customizable cloud-based VMS, XRM System (XRM), XSI created a centralized procure-to-payment contingent workforce program for all client manufacturing locations. XSI worked collaboratively with the MSP and client stakeholders to create a unique program that drove increased fulfillment rates as well as cost savings.



COLLABORATIVE APPROACH

XSI, MSP and the client agreed that a phased implementation would help prepare the company for a full-scale VSM/MSP program. This approach has helped streamline client's staffing operations resulting in increased productivity across 29 plants. XSI and the MSP followed a three-step approach as described below:

- MSP and XSI's implementation teams met with client's plant leadership and talent acquisition stakeholders at each location to understand their unique needs and customized XRM System to meet individual plant requirements while following industry best practices.
- XSI configured the system to support varying needs of the individual plants
- XSI together with MSP provided user training for users and suppliers for each of the plants as part of change management plan that was agreed upon by the three parties.
- XSI and MSP working with the client gathered and uploaded 'as-is' data into the configured system and tested the accuracy of the data in the system prior to the launch.

OPTIMIZING THE HIRING PROCESS

By working with client's staffing suppliers and master vendors, XSI identified obstacles plaguing the fulfillment rates at a number of plants. By restructuring the pre-employment background check requirements and expanding the services of existing high-performing staffing suppliers it resulted in an increase in client's staffing fulfillment rate. Examples for this process optimization are:

- Reviewing educational requirements for each position and eliminating a GED/Diploma requirement for entry level positions.
- For states with recreational marijuana laws eliminating the THC drug panel.
- Working with the suppliers to identify shift and overtime preferences for the candidate pool.
- Increasing the frequency of orientations to reduce the time candidates had to wait to start.
- Implementing a mix of these changes at each site resulted in an increase of 20%-30% during this historically tight labor market.



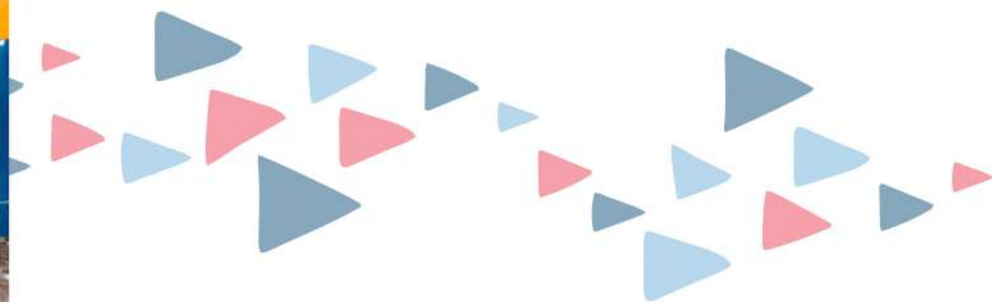
STRATEGIC SUPPLIER MANAGEMENT

Through collaborative cooperation, XSI worked with MSP and client to identify the required metrics to use in measuring supplier performance and develop the standard supplier scorecard that XRM System would produce. Using these scorecards individual the MSP worked with client plant stakeholders to identify top performing staffing suppliers, including those plants with an existing Master Vendor relationship, to provide solutions that efficiently manage the existing supplier base. For plants experiencing recurring fulfillment challenges as indicated by XRM data, the MSP either expanded the service of existing client suppliers from other plants or vetted and on boarded new suppliers that had proven success with its other MSP programs. This resulted in having all client's staffing suppliers being managed through the program via XRM, providing visibility into the end-to-end contingent workforce process, including:

- Requisition distribution
- Timekeeping
- Consolidated invoicing
- Vendor payments
- Supplier management and performance score carding

REDUCE THE TURN AROUND TIME FOR ONBOARDING

With the use of XRM System, the MSP was able to identify and remove obstacles resulting in a more efficient onboarding process. This dramatically reduced the time to start candidates from weeks to hours in many cases and reduced falloffs during the consolidated onboarding process by over 30%.



Key Outcomes

CENTRALIZED AND STREAMLINED PROCESSES

XRM System optimized processes and increased efficiency through:

- XRM time clock system integrated directly into XRM resulting in reduced invoice errors, overtime and tardiness.
- One consolidated invoice for all contract labor.
- Creation of robust reporting and analytics on both enterprise and plant level resulting in enhanced contingent workforce visibility and the ability for client to make rapid business decisions.
- Introducing staffing supplier scorecards that assisted underperforming.
- Suppliers to high-performing suppliers.

IMPROVED FULLFILLMENT RATES

XRM System accelerated the resource fulfillment and covered the candidate gap by:

- Improving speed through automation of sourcing process for Master Vendors and the MSP.
- Identifying high-performing suppliers through system produced scorecards which the MSP and client engaged with for most labor requirement.
- Reducing candidate engagement and onboarding time as well as accurate time capture resulting in reduced turnover.

PROGRAM COST SAVINGS

With the implementation at all 29 client plants, XSI has been able to deliver year-over-year savings of 3%-4% of total spend. XSI helped the client achieve its cost saving goals through adopting the following processes:

- Creating a staffing supplier mark-up rationalization process to standardize all mark-ups.
- Decreased overtime and double time mark-ups with the suppliers based on industry standards.
- Identified locations that were paying contract workers double time rates but were not required by law and adjusted the rates accordingly.
- Soft cost savings through automated requisition distribution, consolidated invoicing, MSA compliance monitoring, staffing supplier onboarding/offboarding, and issuing supplier payments.

