
Negotiation of Market Rates for Contingent Workforce in the Energy Sector

Background

UNDERSTANDING OF TALENT IN THE ENERGY SECTOR

Last year the energy sector employed approximately 6.7 million Americans – nearly 5% of the US workforce and an increase of 2.3% since the previous year.

As the sector continues to grow the need for highly skilled talent around the world will be even more important. The ability to understand this talent market and the cost of obtaining and retaining this talent is a critical factor to ensure continued success for the businesses operating in the energy sector.

Our client - a diversified energy company headquartered in the US – was experiencing varying levels of rates when bringing on contingent workers onto their teams.

They partnered with Pontoon to better understand this talent market and identify areas they could capture savings within their MSP program while at the same time attracting and retaining the key talent needed to drive their business into the future.

Our Approach

A 3-PRONGED APPROACH TO CAPTURE SAVINGS

Pontoon quickly got to work and built out a solution to arm the MSP program team and client with the processes and tools to capture market-competitive pricing for the contingent workers that were being hired.

This solution was made up of 3 critical pieces:

- Rolled out a sales training to the MSP program team – empowering them with the tools and data to negotiate with both the supply chain and client hiring managers on what competitive market rates they should target for the roles being hired.
- Pontoon's team evaluated all client job descriptions and worked closely with the client lines of business to enhance and improve the level of detail in these job descriptions
- Pontoon implemented mandatory hiring manager intake calls and collective calls with the supply chain for new positions – this gave suppliers the opportunity to ask questions directly with the hiring manager to better qualify the role as well as the hiring manager to understand the skills they could find in the competitive market space

With this 3-pronged approach Pontoon's team was able to quickly build trust with both the supply chain and the client hiring managers – allowing for negotiated and market competitive rates across the MSP program.

Client Results

OVER \$6 MILLION IN PROGRAM SAVINGS INVESTED INTO TECH ENHANCEMENTS

With the above solution Pontoon's program has realized a YoY negotiated savings percentage of 3.72% which increased from 1.37% prior to our solution being implemented. This ultimately gives the client over \$1.5 million in savings each year.

With the additional \$6 million in savings realized from this program being in place for 4 years the client has been able to invest in enhancing various technologies across their business including a multi-regional ERP system upgrade.