

Identifying Rogue SOW Spend and Mitigating Risk for Financial Client

Background

A CLEAR OPPORTUNITY – IDENTIFYING ROGUE SPEND ACROSS CONTINGENT PROGRAMS

Procurement professionals estimate their rogue spend to be as much as 23% of their negotiated spending, with estimates of nearly 60% of all contingent/contract labor being unaccounted for in financial planning, forecasting and budgeting within the average company.

In financial institutions this unclassified and unidentified spend on talent becomes even more of a risk as these institutions need to be more risk-averse than the typical organization – almost 100% of banking and insurance institutions indicate they will increase the investments in compliance over the next 2 years.

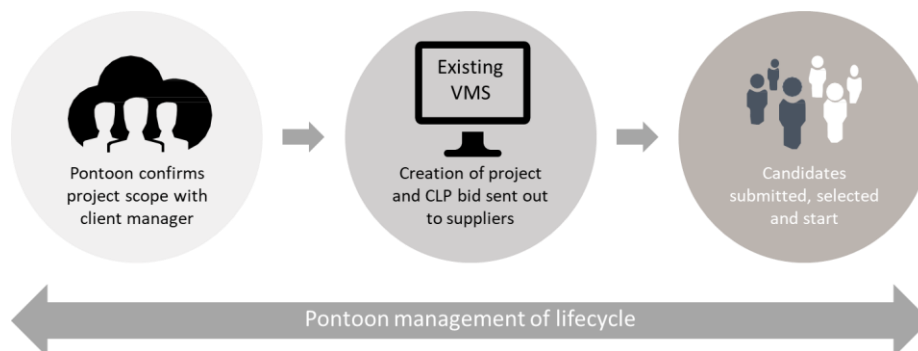
Pontoon has been managing the global MSP (\$1.2 billion in managed spend) for our client – a global financial institution – for several years and identified this area as an opportunity to bring additional cost control, visibility and compliance to our client.

Our Approach

A CUSTOMIZED CONTINGENT LABOR PROJECT

Pontoon was able to analyze the current rogue SOW spend across the institution and quickly realized the varying degrees of governance with over 1200 suppliers engaged in this work.

Building from the expertise and success of the global MSP program already in place Pontoon adapted the existing VMS technology, Fieldglass, to account for the time and materials (T&M) contractors that were previously going through other talent channels. This also allowed the client the opportunity to hold the relationship with their preferred supplier while giving them the benefits of the MSP processes, visibility and technology.



Some key benefits of this Pontoon solution to the client hiring manager include:

- Overall transaction visibility – spend, suppliers, bids, agreements
- Compliance with background screening and other regulation checks within financial institution
- Dedicated Pontoon resource to host and promote the process and technology
- Standardized templates for worker tracking and invoicing
- Promote a bidding environment for the work to be done
- Budget and spend controls as part of the updated technology in place

Client Results

RECLASSIFICATION OF ROGUE SPEND ON CONTINGENT LABOR

Along with the above mentioned solution benefits the program Pontoon has put in place has reclassified over \$400 million in spend, ultimately driving 12% savings annually. Overall satisfaction of the program is at 88% globally.

With the increased visibility and risk mitigation across this talent population the client has been able to truly capture their contingent labor spend and factor into not only their talent strategy but the overall budget and business strategy for their organization moving forward.

“It’s essential we not only evolve our program, but also evolve the value proposition for our client. By diversifying our product offerings, our client has gained better quality candidates, faster, with less risk.”

-Lee Baldwin, Head of Financial Services for Pontoon