

BENCHMARKING YOUR NON-EMPLOYEE WORKFORCE PROGRAM

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OVERVIEW

- » **Industry Fast Facts**
- » **The Why Factor**
 - The benchmarking difference
- » **Keep it Simple**
 - Step by step
- » **The AHHH! Factor**
 - Data you should be considering
- » **Go Forth and Gather**
 - Accessible data sources
- » **Some Assembly Required**
 - Compiling your data
- » **Show Me the Data**
 - IQNavigator
 - Government
 - Additional

NON-EMPLOYEE TRENDS

» Yesterday & Today:

6%

US Workforce in
1989

25%

US Workforce in
2013

» Tomorrow:

50%

US Workforce in
2020

7x

Temp Labor
Growth
Compared to
Total

Non-Employee Labor Categories

- Agency temps
- Freelancers
- Statement of Work
- Outsourced Services

Growth Factors

- Business need for flexibility
- Worker preference
- Expanded SOW
- Temp Labor at historical high



» **Benchmarking provides the means not only to identify opportunity but also to recognize, support and encourage change**

Identify KPI/Program Opportunities

- Best worker/best rate
- Tenure and worker compliance
- Right-sized, engaged vendor marketplace
- On-time quality hiring
- Alignment with industry standards

Drive Change Management

- Enable change through actionable business intelligence and KPI metrics
 - › Program wide benefits
 - › Objective data vs. big stick
 - › Return on change investment

Shift Behavior

- Capture behavioral trend analysis
- Identify trends and applicable changes
- Implement proposed changes
 - › If change = “X” then result = “Y”
 - › Forecast and predict results



» **Developing a benchmarking program can feel like a daunting task. Break it down into manageable steps.**

1

The AHHH! Factor

- Determine Data

2

Go Forth and Gather

- Find Data

3

Some Assembly Required

- Compile Data

4

Show Me The Data

- Analyze Data

1

The AHHH! Factor

- Determine Data

» Key Performance Indicators (KPIs) / Key Metrics Categories

- **Financial Metrics**

- › Rate compliance, cost savings

- **Risk Metrics**

- › Mitigation and compliance

- **Vendor Metrics**

- › Objective performance

- **Process Metrics**

- › Visibility and Procure-to-Pay cycle time measurements

- **Fulfillment Metrics**

- › Requisition to supplier distribution

- **Recruitment Metrics**

- › Requisition distribution through on-boarded

Go Forth and Gather

- Find Data

Internal Data Sources

- » **Vendor Management System**
 - System-of-Record for all non-employee management
 - Industry leading reporting platforms
- » **Client desktop applications**
 - Internal databases
 - Excel spreadsheets
 - Ad-hoc reporting tools
- » **Satisfaction Surveys**
 - Supplier
 - Hiring Manager

External Data Sources

- » **Market Intelligence**
 - Industry Analysts
 - American Staffing Association
 - DOL: Bureau of Labor Statistics (BLS)
 - Contingent Workforce provider blogs
- » **VMS Provider Market Intelligence**
 - IQNdex & RateIQ
- » **Satisfaction Surveys**
 - Supplier
 - Industry

Normalize

Compare

Contrast

» **Financial - rate card metrics**

- % requisitions over / under rate card
- Job titling rate variances, level of expertise
- Location vs. location / supplier vs. supplier

» **Risk - tenure, worker classification**

- % over tenure limits
- % of vendor workers (W2, IC, Subcontractor)

3

Some Assembly Required

- **Compile Data**

» **Vendor - performance metrics (ratio)**

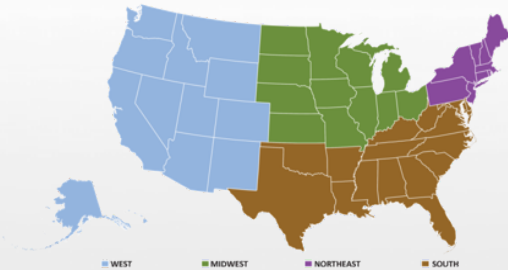
- % of requisitions with submittals / submittals to interviews / interviews to offer / offer to hire
- Compare individual vendor scorecard vs. consortium averages

» **Trends - procure-to-pay cycle time**

- Identify “bottlenecks” (supplier & client side)
- Timeline to approve requisition, submit, review submittals, conduct interviews, negotiate offer, make offer, on-board

Show Me The Data

- Analyze Data



- IQNdex** - price index designed by IQNavigator
 - Tracks temporary worker bill rate trends and underlying drivers of price changes
 - Detailed by geography and job sector, including trends and drivers

- RateIQ** –online, on-demand search tool
 - Current bill rates for contingent labor titles and skills nationwide
 - Based on actual market-clearing transactions

Software Developer Java	
Junior	56.00 USD
Intermediate	81.50 USD
Senior	90.00 USD
Expert	95.00 USD

A map of the San Diego area with a red circle highlighting the city of San Diego. The map shows major roads and surrounding areas like Enonitas, Poway, La Jolla, Chula Vista, and El Cajon.

IQNtelligence	
6	Programmer Analyst- currently on Assignment
1	<u>Programmer Analysts</u> will roll off in the next two weeks
67.51 USD	is the average bill rate for Programmer Analyst over the last six months

- IQNtelligence** – real time access to client rate data
 - Bill rate and real time data on active assignments
 - Real time data to negotiate extensions / new requisitions

The logo for IQNsiders 2014, featuring the word "IQNsiders" in a bold, sans-serif font with "2014" in a smaller font above the "siders" part. The background of the slide is a blue diagonal band on the left and a multi-colored striped pattern on the right.

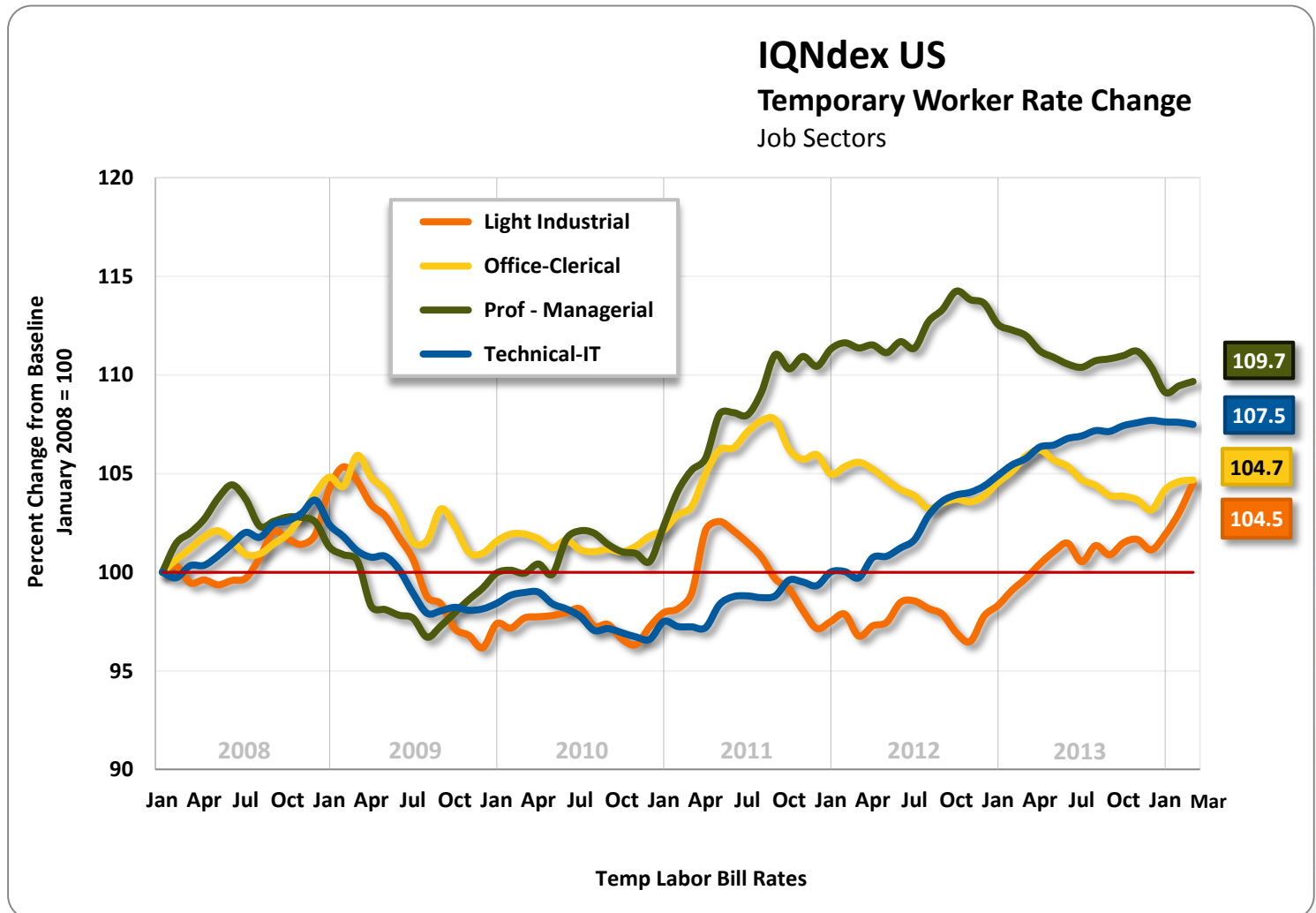
IQNsiders²⁰¹⁴

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IQNDEX / RATEIQ / IQNTELLIGENCE

BILL RATE TRENDS

<http://iqnavigator.com/how-you-measure-it/benchmarking/>



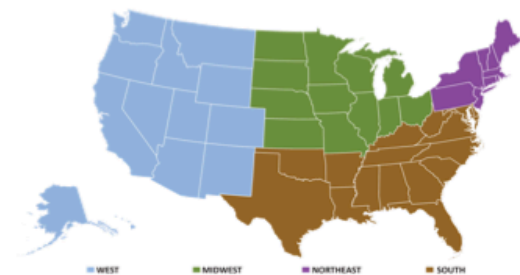
RATE SUMMARIES AND ANALYSIS

Rate Cards and Custom Rate Analysis

John Doe Company

		John Doe Bill Rate	Midwest	South	West	Northeast	
Job Title	IQN Standard Job Title	Job Level	Rate Card Max	IQN Benchmark Max Rate			
Accountant	Accountant	Junior	\$ 20	\$ 29	\$ 32	\$ 29	\$ 33
		Intermediate	\$ 30	\$ 41	\$ 37	\$ 41	\$ 45
		Senior	\$ 40	\$ 47	\$ 52	\$ 51	\$ 56
Accounting Clerk	Accounting Clerk	Junior	\$ 15	\$ 19	\$ 16	\$ 20	\$ 20
		Intermediate	\$ 20	\$ 21	\$ 20	\$ 22	\$ 22
		Senior	\$ 30	\$ 23	\$ 23	\$ 25	\$ 26
Administrative Assistant	Administrative Assistant	Junior	\$ 15	\$ 18	\$ 18	\$ 21	\$ 20
		Intermediate	\$ 18	\$ 21	\$ 21	\$ 24	\$ 23
		Senior	\$ 22	\$ 23	\$ 23	\$ 26	\$ 27
Annuities Representative	Customer Service Rep	Junior	\$ 20	\$ 17	\$ 15	\$ 17	\$ 17
		Intermediate	\$ 25	\$ 19	\$ 18	\$ 19	\$ 19
		Senior	\$ 35	\$ 20	\$ 20	\$ 20	\$ 21
Benefits Specialist	Benefits Specialist	Junior	\$ 40	\$ 31	\$ 31	\$ 26	\$ 26
		Intermediate	\$ 42	\$ 38	\$ 34	\$ 30	\$ 29
		Senior	\$ 47	\$ 43	\$ 38	\$ 34	\$ 35
Business Analyst - IT	Business Analyst (IT)	Junior	\$ 75	\$ 68	\$ 56	\$ 69	\$ 74
		Intermediate	\$ 90	\$ 74	\$ 72	\$ 78	\$ 82
		Senior	\$ 105	\$ 77	\$ 86	\$ 85	\$ 88
Business Analyst (Non-IT)	Business Analyst (Non-IT)	Junior	\$ 20	\$ 41	\$ 29	\$ 39	\$ 43
		Intermediate	\$ 25	\$ 59	\$ 48	\$ 65	\$ 58
		Senior	\$ 30	\$ 66	\$ 65	\$ 82	\$ 75

Level	Experience (years)
Junior	0 - 2
Intermediate	2 - 5
Senior	5 - 10
Expert	10 +



RATEIQ: US MARKET RATES

Rateiq.com

RateIQ

IQNavigator

Buy Services Better™

Home supergary (Log Out) | [Feedback](#) | [Help](#)

Job Information

Job Title: Match all words

social media strategist

Job Description: [Import From File](#)

paste or enter job description

Job Location:

california

SEARCH **RESET**

Bill Rates (USD)

Junior	58.50
Intermediate	76.00
Senior	100.00
Expert	129.00

Job Category Matches

- All
- Business Professional
- Engineering/Operations
- Information Technology

Job Title Matches

- All
- Business Analyst (IT)
- Engineer
- Marketing Analyst
- Marketing Assistant

[Show more...](#)

- US
- REGION
 - West
- STATE
 - CA
- METRO AREA
 - Los Angeles-Riverside-Orange County, CA
 - Sacramento-Yolo, CA
 - San Francisco-Oakland-San Jose, CA

Google

Map data ©2014 Google, INEGI | [Terms of Use](#)

HOW CAN RATEIQ BENEFIT YOU?

RateIQ can benefit the client in several ways:

- » **Answer program questions immediately with on-demand access:**
 - What is the current market rate for the available position?
 - Do I really need an Expert? Or is Intermediate just fine?
 - What is the rate for the same position in another location?

- » **Assess program performance**
 - Compare actual rates paid to current market
 - Test whether payment level is aligned with compensation philosophy, e.g.- “we expect to pay above average rates to attract and retain above average talent.”
 - Determine whether below market rates might be the source of recruiting delays or turnover problems

- » **Identify cost savings opportunities**
 - Are we paying above market rates by:
 - › Location
 - › Division
 - › Hiring manager

- » **Planning**
 - Budgeting and forecasting
 - Benchmarking
 - Where to site initiatives depending on contingent labor

The screenshot displays the RateIQ software interface with the following sections:

- Job Information:**
 - Job Title: Match all Words
 - mobile application developer
 - Job Description: [Import From File](#)
 - paste or enter job description
 - Job Location: Texas
 - SEARCH RESET
- Bill Rates (USD):**

Junior	68.00
Intermediate	80.00
Senior	89.50
Expert	100.00
- Job Category Matches:**
 - All
 - Information Technology
- Job Title Matches:**
 - All
 - Software Developer
 - Software Tester / QA
 - Specialized Technical Consultant
- Filtering and Map:**
 - US
 - REGION: South
 - STATE: TX
 - METRO AREA:
 - Austin-San Marcos, TX
 - Dallas-Fort Worth, TX
 - Houston-Galveston-Brazoria, TX

NEW SOW PRODUCT FOR 2014

A strategic tool for management of professional services spend

- » Product design sessions kicking off in May/June
- » Client Advisory Group forming now!

THE SOW BENCHMARK RATE CARD

Professional Services Benchmark Rate Card		Internal Benchmark Rates		Vendor A		Vendor B		Vendor C	
Services / Practice Areas	Roles / Levels	Standard Rates	Volume Rates*	Standard Rates	Volume Rates*	Standard Rates	Volume Rates*	Standard Rates	Volume Rates**
Sarbanes-Oxley Assistance, business process and IT	Partner/MD	\$ 325	\$ 325	\$ 360	\$ 360	\$ 350	\$ 350	\$ 350	\$ 350
	Senior Manager/Director	\$ 290	\$ 290	\$ 320	\$ 320	\$ 310	\$ 310	\$ 310	\$ 310
	Manager	\$ 220	\$ 200	\$ 225	\$ 200	\$ 240	\$ 225	\$ 225	\$ 200
	Supervising Senior Associate / Supervisor	\$ 160	\$ 140	\$ 160	\$ 140	\$ 185	\$ 175	\$ 185	\$ 170
	Senior Associate	\$ 160	\$ 140	\$ 160	\$ 140	\$ 170	\$ 150	\$ 160	\$ 140
Associate	\$ 120	\$ 115	\$ 135	\$ 120	\$ 130	\$ 125	\$ 135	\$ 120	
Internal Audit Assistance, business process and IT	Partner/MD	\$ 340	\$ 325	\$ 360	\$ 360	\$ 350	\$ 350	\$ 340	\$ 325
	Senior Manager/Director	\$ 295	\$ 280	\$ 320	\$ 320	\$ 310	\$ 310	\$ 295	\$ 280
	Manager	\$ 220	\$ 200	\$ 225	\$ 200	\$ 240	\$ 225	\$ 220	\$ 200
	Supervising Senior Associate / Audit Supervisor	\$ 160	\$ 140	\$ 160	\$ 140	\$ 185	\$ 175	\$ 180	\$ 170
	Senior Associate	\$ 160	\$ 140	\$ 160	\$ 140	\$ 170	\$ 150	\$ 160	\$ 140
Associate	\$ 130	\$ 120	\$ 135	\$ 120	\$ 130	\$ 125	\$ 130	\$ 120	
Accounting Advisory Assistance	Partner/MD	\$ 390	\$ 370	\$ 550	\$ 550	\$ 550	\$ 550	\$ 390	\$ 370
	Senior Manager/Director	\$ 340	\$ 325	\$ 525	\$ 525	\$ 525	\$ 525	\$ 340	\$ 325
	Manager	\$ 300	\$ 300	\$ 325	\$ 325	\$ 300	\$ 300	\$ 300	\$ 300
	Supervising Senior Associate / Supervisor	\$ 200	\$ 200	\$ 200	\$ 200	\$ 250	\$ 250	\$ 230	\$ 220
	Senior Associate	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Associate	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	
Compliance and Risk Management Services	Partner/MD	\$ 350	\$ 350	\$ 385	\$ 385	\$ 385	\$ 385	\$ 385	\$ 385
	Senior Manager/Director	\$ 315	\$ 315	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
	Manager	\$ 285	\$ 270	\$ 315	\$ 285	\$ 300	\$ 290	\$ 300	\$ 290
	Supervising Senior Associate / Supervisor	\$ 215	\$ 205	\$ 235	\$ 215	\$ 250	\$ 240	\$ 235	\$ 215
	Senior Associate	\$ 215	\$ 205	\$ 235	\$ 215	\$ 235	\$ 225	\$ 235	\$ 215
Associate	\$ 175	\$ 165	\$ 190	\$ 170	\$ 175	\$ 170	\$ 175	\$ 170	
Financial Risk Management Services (1)	Partner/MD	\$ 350	\$ 360			\$ 385	\$ 385	\$ 385	\$ 385
	Senior Manager/Director	\$ 315	\$ 315			\$ 350	\$ 350	\$ 350	\$ 350
	Manager	\$ 285	\$ 270			\$ 300	\$ 290	\$ 300	\$ 285
	Supervising Senior Associate / Supervisor	\$ 215	\$ 205			\$ 250	\$ 240	\$ 265	\$ 245
Senior Associate	\$ 215	\$ 205			\$ 235	\$ 225	\$ 235	\$ 215	
Associate	\$ 175	\$ 165			\$ 175	\$ 170	\$ 175	\$ 170	

Identify benchmark rates by role and practice area

Identify which vendors are setting benchmark rates and those exceeding benchmarks

Research the services each vendor does and does not provide

For more information contact
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 (864)915-7902
mmatherly@iqnavigator.com

IQNTELLIGENCE

Immediate access to current and recent candidates

The screenshot displays the IQNavigator web application interface. At the top, the logo 'IQNavigator' is on the left, and user navigation links 'Demo Manager (Logout)', 'IQN Parent Org (Change)', 'Close Session', 'Setup', 'Help', and 'Feedback' are on the right. Below the logo is a navigation bar with tabs: 'Home', 'Create', 'Manage', 'Action Items (31)', and 'Report'. The main content area is titled 'Create Requisition' with a 'Back' link. On the right side of this area are 'Save Draft' and 'Submit' buttons. The 'Find a Job Title' section contains a dropdown menu for 'Job Title/Rate Card Title' set to 'Software Developer', a dropdown for 'Rate Card Identifier' set to '2013 Rates', and a 'Description' field with a 'More' link. A 'Bill Rate' of '81.25-106.25' is shown at the bottom. An 'IQIntelligence' popup window is overlaid on the form, displaying three items:

- 1 Software Developer- currently on Assignment
- 1 Software Developers will roll off in the next two weeks
- 73.69 USD is the average bill rate for Software Developer over the last six months

PUBLIC DATA SOURCES - TRENDING

Government PPI data source

» BLS Temporary Labor PPI

- <http://data.bls.gov/pdq/querytool.jsp?survey=pc>

Producer Price Index Industry Data **HELP**

1 Select an Industry

- 541810 Advertising agencies
- 5613-- Employment services
- 56133- Employee leasing services
- 561330 Professional employer organizations
- 56138- Staffing services (except PEOs)
- 561380 Staffing services (except PEOs)**
- 56151- Travel agencies
- 561510 Travel agencies
- 561612 Security guards and patrol services
- 56172- Janitorial services
- 561720 Janitorial services
- 5621-- Waste collection
- 56211- Waste collection
- 562111 Solid waste collection
- 61142- Computer training
- 611420 Computer training

2 Select one or more Products

- 0 Staffing services (except PEOs)**
- 01 Temporary help services
- 0101 Temporary help services, office and clerical
- 0102 Temporary help services, light and heavy industrial
- 0103 Temporary help services, technical and professional
- 0104 Temporary help services, medical
- 0105 Temporary help services, other
- 02 Employment placement services
- 0201 Employment placement services, excluding Internet recruiting
- 0203 Internet recruiting services
- 03 Executive search services
- 0P Primary services
- 0SM Other receipts

MARKET INDICATORS

Government attrition data source

» BLS Job Openings and Labor Turnover Survey (JOLTS)

- <http://www.bls.gov/jlt/data.htm>

Job Openings and Labor Turnover Survey
HELP

1 Select one or more Industries

- Total nonfarm
- Total private
- Mining and logging
- Construction
- Manufacturing
 - Durable goods manufacturing
 - Nondurable goods manufacturing
- Trade, transportation, and utilities
- Wholesale trade

2 Select one or more Regions

- Total US
- Northeast (Only available for Total Nonfarm)
- South (Only available for Total Nonfarm)
- Midwest (Only available for Total Nonfarm)
- West (Only available for Total Nonfarm)

3 Select one or more Data Elements

- Job openings
- Hires
- Total separations
 - Quits
 - Layoffs and discharges
 - Other separations

4 Select Rate and/or Level

Rate

Level - In Thousands

5 Select Seasonal Adjustment

Seasonally adjusted

Not seasonally adjusted

OTHER FAVORITES

Additional data sources

» **O*NET (Department of Labor)**

- www.onetonline.org

» **FRED (Federal Reserve Economic Data)**

<http://research.stlouisfed.org/fred2/>

» **Information Week IT Salary Survey**

- <http://reports.informationweek.com>

» **MSPs**

- Yoh Index - <http://www.yoh.com/yohindex>
- Manpower Employment Outlook Survey - http://press.manpower.com/press/2014/meos_us_q2_2014/

» **Conference Board**

- Labor Markets - <https://hcexchange.conference-board.org/?topicid=20&subtopicid=150>

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IQNsiders²⁰¹⁴

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Q&A

APPENDIX: SOURCES

- » *Contingent Labor Management, Strategies and Solutions for a Flexible Workforce*, Laurano, Madeline, Aberdeen Group, August 2013
<http://v1.aberdeen.com/launch/report/benchmark/8579-RA-contingent-workforce-management.asp?lan=US>
- » *Majority of Workforce Will Be Independent by 2020*, MBO Partners, Dec. 20, 2011,
<http://www.mbopartners.com/press-room/press-releases/majority-workforce-will-be-independent-2020-0>
- » US Dept. of Labor Bureau of Labor Statistics, Current Employment Statistics Data, April 1, 2014,
<http://www.bls.gov/ces/>
- » US Dept. of Labor Bureau of Labor Statistics, May 2013 National Occupational Employment and Wage Estimates United States,
http://www.bls.gov/oes/current/oes_nat.htm

The logo for IQNsiders 2014, featuring the word "IQNsiders" in a bold, sans-serif font with "2014" in a smaller font above the "siders". The "IQ" is in orange and "Nsiders" is in dark grey. The background of the slide is a light grey with diagonal stripes in various colors (blue, yellow, green, orange, pink) and a large blue diagonal shape in the top left corner. There are also colorful arrow-like shapes in the top left and bottom right corners.

IQNsiders²⁰¹⁴

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REMOVED

WHAT IS RATEIQ?

On-demand, searchable database providing up-to-date contingent labor bill rates matched to skill sets

» Enables:

- **Instant Access to Market Rates** - know immediately what to pay for contingent labor
- **Rates based on actual contingent labor** transactions NOT surveys or job board postings
- **Drill down** by location (region, state or city), job title and skill level
- **Informed buying decisions** – real-time business intelligence



» Benefits:

- **Available to all IQNavigator Customers**
- **Avoid over-paying** for contingent labor
- **Eliminate "over-hiring"**- align skills with needs, only pay for what you need
- **Consideration** of hiring / shifting contingent labor to lower-rate locations
- **Build** budgets and forecasts using current market data

THE RATEIQ ADVANTAGE

Source of Rates

- Normalized IQNavigator client data (over 99+ participants)
- Rolling 18 months data set
 - › Approximately 1,000,000 records
- Updated monthly
- Same assignment collection as IQNdex
 - › Assignment data mapped to IQNavigator standard skill set taxonomy

Quality

- Assignments reviewed for completeness and tagged with standard category and job title
- Data integrity standards – minimum of:
 - › 30 assignments
 - › 3 buyers
 - › no buyer > 40% of total assignments

Searching

- Filter results using IQNavigator standard job categories and titles
- Geographic searching:
 - › Nationwide default
 - › City, state, region, or zip

Client Confidentiality

- Only aggregate rates representing multiple clients
- Client and supplier names are not searchable

Software Developer Java

Junior	56.00 USD
Intermediate	81.50 USD
Senior	90.00 USD
Expert	95.00 USD



SEARCHING WITH RATEIQ

Users can search, filter and drill down to skill sets, experience levels and targeted locations

» Search

- Job title, job description or both

» Location

- Nationwide, by state, by city, or by zip code

» Relevancy

- Strength of match between job title and/or job description searched

» Refine

- Initial search can be narrowed to return specific job categories, job titles or locations

» Standards

- Search must find sufficient relevant assignments to return rates

» Rates

- Rounded to the nearest \$.50

The screenshot displays a search interface with the following elements:

- Job Title:** A text input field with the placeholder "enter job titles or keywords" and a checkbox labeled "Match all words".
- Job Description:** A large text area with the placeholder "paste or enter job description" and a link labeled "Import From File".
- Job Location:** A text input field with the placeholder "enter a city or state or zip code(optional)".
- Buttons:** A blue "Search" button and a grey "Reset" button.

» RateIQ - Custom Rate Analysis

- In-depth and targeted rate analysis is also provided by the MSP. Leveraging the breadth and timeliness of IQNavigator’s data warehouse of bill rate information, a report can be tailored to the job titles and locations of most immediate interest.



Steps Include:

- Specifying the skill sets of interest and matching those to benchmark rates in the data warehouse
- Narrowing the locations for comparison
- Identifying any unique requirements that may impact rates
- Reviewing the findings