



CASE STUDY

PHARMA COMPANY GETS A STRONG DOSE OF PROCUREMENT EXCELLENCE

MSP

Global Healthcare
Drug Manufacturing
Founded in 1891

BACKGROUND

This research-driven drug manufacturer is dedicated to putting patients first. With operations across North America and Europe, the company discovers, develops, and markets medicines and vaccines.

WORKFORCE CHALLENGES

While globalisation has opened the doors for companies to expand their businesses across borders into new markets, these growth opportunities come with certain challenges. This multinational drug manufacturer was struggling to maintain standardisation and compliance in its various contingent workforce programmes throughout Europe. The company had two managed service providers (MSPs) governing their four largest markets—one serving the UK (Agile•1) and the other serving Ireland, Belgium and the Netherlands.

The two MSPs managed their respective programmes with distinctly different operating models. Agile•1 utilised a vendor-neutral approach whereby the MSP serves as a manager of the supply chain, giving equal opportunities to participating vendors, but does not push requisitions to itself, to a parent company, or to any subsidiary. Alternatively, the other MSP was a subsidiary of a well-established European staffing company. This MSP used a master vendor approach, which in practice, funneled the majority (up to 80 percent) of requisitions to its parent company, thus stifling competition among vendors and compromising quality.

To further complicate the situation, the MSPs were utilising two separate vendor management systems (VMSs). Agile•1 was using its own proprietary tool, Acceleration™, with modules for statement of work (SOW), recruitment process outsourcing (RPO), applicant tracking (ATS), and independent contractor compliance (ICC). The other MSP was using a third-party technology.

Company executives knew that in order to achieve their plans for continued expansion throughout Europe, they would need to consolidate these divergent programmes into one. They also wanted to improve service levels, reduce costs, and move toward a total workforce solution that would incorporate SOW, RPO and services procurement.

SOLVED

The client made a strategic decision to combine the two programmes and retain Agile•1 as the sole vendor-neutral MSP. The factors that influenced this decision included Agile•1's:

- Previous success with the client in North America and the UK
- Proven SAP integration experience in the US and UK
- Expertise on SOW, RPO and procurement-based services
- Neutral Vendor programme model

The Agile•1 team worked closely with client leadership during the transition and within six months, successfully transferred the third-party VMS in Ireland and the Netherlands. Now, the programme runs through Acceleration™ which is integrated with Tungsten, the company's ERP system. This allowed the client to further optimise all related financial processes including the introduction of having one PO per worker versus one PO for all workers.

Agile•1 maintained its model which ensures that all decisions are made for the best interest of the client, without any conflicts of interest. Although a preferred supplier may be utilised to meet labour demand, the supplier must operate within the contract terms of the Agile•1 MSP Governance Framework.

The Agile•1 team made additional improvements to the programme including the introduction of scorecards to standardise rates and service levels. The team initiated supplier optimisation and sourcing strategies to ensure that only top-performing suppliers remained in the programme.

RESULTS

The Agile•1 programme is now deployed in the UK, Ireland, Netherlands, Germany, and Switzerland and consists of approximately 1,750 temporary workers across all countries. The labour mix includes both light industrial (40 percent) and professional staffing (60 percent). Manual processes have been reduced, service levels have improved, and hiring managers are now enjoying a higher level of support and attention.

Most importantly, Agile•1 has significantly impacted the total cost of ownership (TOC) of the programme through the following measures:

Indirect costs

- Reducing indirect costs/inefficiencies
- Improving time to hire
- Increasing technology integration and financial insights
- Implementing cost avoidance strategies

Direct costs

- Reducing average bill rates
- Improving/standardising payment terms and conditions
- Exercising rebates and discounts

Strategic plans are in place to further expand the programme into Austria, France and Belgium. Agile•1 is currently in implementation to expand further into the UK to support the client's Animal Health and Husbandry lines of business.

