



Talent supply chain excellence:

New South Wales Department of Education

## KellyOCG® underpins award-winning procurement vision

At the beginning of 2015, the New South Wales (NSW) Department of Education (DoE) embarked on an ambitious plan to accelerate the deployment of a new contingent labor management solution—spearheaded by David Malcolm, NSW director of Category Management, People | Procurement Solutions Directorate. Known informally as “Contractor Central,” this NSW initiative would need an anchor implementation to encourage all departments to come on board. David Malcolm’s determination for the DoE to play that role, the collaborative way his Procurement team worked tirelessly across their internal stakeholder community, and the license given to Kelly Outsourcing and Consulting Group (KellyOCG) to design and deliver a fully customized solution, all contributed to a hugely successful rollout. In fact, the initial phase was so successful that the initiative was awarded “Most Innovative Use of Technology” at the CIPS (Chartered Institute of Procurement & Supply) Australasia Awards 2016, and was a finalist for the “Best Process Improvement” award. Here are the key elements of the program and how this success is being built upon within the second phase.

### Background

The NSW Department of Education is one of Australia’s largest employers, with a permanent workforce of 85,000 people, and a very large contingent working population. Between 2011 and 2015, the cost of deploying this contingent workforce grew exponentially. There had been previous attempts at controlling this expenditure but it often created a balloon effect where, to avoid regulation, expenses were simply transferred to another labor category. A more cost-effective solution was required.

In the wake of a comprehensive audit of all contingent labor practices, the government of New South Wales introduced a managed service provider (MSP) panel to support the engagement and management of contingent labor for all of its departments. A high-level set of reporting requirements (known as the “blueprint”) was devised, and each department was then required to work with their chosen MSP to translate the blueprint into a customized solution for their area.

### Key facts

This deployment set the standard that all other NSW government departments are seeking to replicate:

- The solution was designed and implemented in just 13 weeks
- Cost savings/cost avoidance targets during the first 12 months exceeded 300% above target
- The technology partner was SAP Fieldglass
- Critical for the DoE, KellyOCG proved capable of supporting a vendor neutral MSP model

### Talent supply chain management

The KellyOCG talent supply chain management framework is designed to bring together HR, Procurement, and Operations to look at an organization’s internal and external talent needs, holistically. By leveraging workforce analytics and strategic workforce planning tools, combined with market insights and experience, KellyOCG will consult with you on the best strategies and solutions to source, engage, and manage talent to achieve your business goals.

### The KellyOCG approach will deliver optimal:

- Quality
- Value
- Speed
- Compliance

David Malcolm and his DoE Procurement team led the charge to become the first department to effectively put the new contingent labor solution into practice. They secured the necessary funding and then began to deploy Contractor Central in earnest.

## The transformation program

Operationally, DoE business managers were under-equipped to understand labor markets, variable supplier rates, or legislative fees. They were also spending excessive time engaging workers, approving timesheets, and on payroll-related tasks.

A key requirement for DoE Procurement was to adopt a vendor neutral MSP model. Out of the four MSP suppliers on the panel, KellyOCG was selected, and formally appointed in early 2015. Thirteen weeks later, the Contractor Central solution had been implemented—streamlining contingent workforce management, reducing costs, improving transparency, and enhancing compliance.

## Specific actions

- KellyOCG deployed the cross-functional Operations team to design and implement the Contractor Central solution.
- The MSP program design included a vendor neutral supplier program, and utilized SAP Fieldglass to meet the range of reporting, transparency, and compliance conditions set out within the NSW government contingent labor blueprint.
- The design also eliminated the possibility of hiring managers making use of their own contingent labor sources. They now use an online solution to request, approve, engage, manage, pay, and report on their contingent workers—who are sourced from an approved panel of suppliers.
- Using a centralized team and a suite of best practice management processes, KellyOCG was able to deliver a marked improvement in cycle times due to the streamlining of what used to be a multi-level approval hierarchy. An on-site team (1) quickly identifies any issues that may cause a delay in the hiring process, (2) provides guidance to hiring managers and system users, and (3) monitors supplier performance.
- With all of the DoE's contingent workforce data in one centralized location, including information about trends, spend, and supplier performance, KellyOCG was able to provide data-driven insights to enable better outcomes. Both cost savings and cost avoidance were achieved in the first 10 months of the program.
- In mid-2016, the DoE initiated the second phase, which is to expand KellyOCG MSP functionality to allow for statements of work (SOWs). Once implemented, this expansion of service will deliver further cost savings, as well as help the DoE maximize the ROI on their SOW activity and projects.

*"Most change generates 'noise'—however, despite hundreds of people, including dozens of suppliers, forced to adopt a new solution, there was almost silence except for glowing reports; the best possible outcome. Best of all, Contractor Central now allows business managers to spend more time on what they are here for: supporting schools and education delivery for New South Wales."*

– David Malcolm, Director, Category Management, People I Procurement Solutions Directorate, NSW Department of Education

*"We are tremendously proud of this project. Yes, the timescales were aggressive. Yes, we were challenged to ensure everything came together in time for go-live. But the collaborative nature of our working relationship with the DoE and the central NSW contingent workforce team was the key to success. We are now working hard to support David in expanding our MSP functions in order to encompass statement of work activity."*

– Noel Barrett, Operations Director, KellyOCG ANZ

## ABOUT KELLYOCG

KellyOCG, the Outsourcing and Consulting Group of workforce solutions provider Kelly Services®, is the leading global advisor of talent supply chain strategies that enable companies to achieve their business goals by aligning talent strategy to business strategy. We recognize each client's goals are unique to their business drivers and priorities—whether speed, quality, compliance, or cost. We apply supply chain management principles to help companies leverage talent across all internal and external worker categories: full-time employees, temporary employees, freelancers, independent contractors, and service providers, as well as alternate sources of workers like retirees, alumni, and online talent communities.



In 2016, KellyOCG was named for the fifth consecutive year to the International Association of Outsourcing Professionals®

Global Outsourcing 100® list, an annual ranking of the world's best outsourcing service providers and advisors.

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