

Insights from  
Harvard Business Review  
Analytic Services report

# Competing in the age of talent disruption

Building an agile talent supply  
chain with an external workforce

THE BEST RUN 

## Introduction

# It's time for a more agile approach to workforce planning

With unprecedented disruption in the labor market threatening companies' ability to run production lines, stock supply chains, and serve customers, the need for new workforce strategies has never been greater. Talent and labor shortages are creating intense competition for workers, not only with lower-paid or entry-level jobs, but also more highly skilled technology and knowledge-economy roles.

**92%**

of organizations need to adopt new workplace strategies to remain competitive<sup>1</sup>

To overcome these challenges, leading organizations are adopting strategies including:

- Supporting remote work
- Using contingent and services labor
- Hiring more permanent employees
- Deploying technologies such as AI and robotic process automation
- Implementing smart scheduling

In this paper, we focus mainly on strategy two, using contingent and services labor, but also explore how the external workforce fits into an overall workforce strategy. We share four insights from a [Harvard Business Review Analytic Services report](#)<sup>1</sup> based on a survey of hundreds of global executives about their approaches to securing labor and procuring services amid fierce competition for workers and talent. We hope it provides you with some ideas to consider as you think about building a more agile talent supply chain to better prepare for disruption.

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With change, there's opportunity

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**“The pandemic has allowed for a once-in-a-generation – or even a once-in-100-years – opportunity to question some of our long-held assumptions about how we work.”**

**Hatim Rahman**

Assistant Professor of Management and Organizations at the Kellogg School of Management, Northwestern University

## Creating value with SAP

Speak with one of our experienced employees to help you build a case for change or find some quick wins to help you with your journey

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# With change, there's opportunity

The pandemic has changed how we think about where we work.

Remote work opens up seemingly endless possibilities to get work done as the right skills can be sourced virtually anywhere. Yet, to work in this more flexible way, organizations will need to move away from more traditional models of micromanaging people and instead manage based on outcomes, according to Philip Ideson, managing director, Art of Procurement.

This is a big shift for many organizations.

**The workforce that is used to working in this paradigm, however, is the external workforce.**

Faced with the need to either upskill existing workers or find new people

with the right abilities, companies are increasingly tapping into external talent to get work done, making the external workforce increasingly pivotal to business success. Indeed, according to an Economist Impact survey of C-suite executives, 50% plan to increase their use of external workers.<sup>2</sup>

Perhaps some of this is driven by the pandemic, as it illustrated how critical it is for organizations to be agile and resilient. According to Dr. Soroosh Saghiri, Senior Lecturer at the Center for Strategic Procurement and Supply Chain Management, Cranfield University, **"... labor flexibility will only grow in importance as companies seek to cope with increasingly frequent disruptive events."**

# 96%

of executives say their organizations have made or are making alterations to workplaces because of recent business disruption

# 50%

of C-suite executives say they will increase their use of external workers<sup>3</sup>



## Los Alamos National Laboratory

**Los Alamos (LANL), part of the United States Department of Energy, turned to SAP Fieldglass to help support 250% expected growth in contingent labor in the next two years.**

With the deployment of SAP Fieldglass solutions, LANL has established an integrated, standardized technology foundation that enables it to scale external workforce management quickly while also meeting the needs of a highly regulated environment.

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# Delivering an Experience-Focused Total Workforce Solution

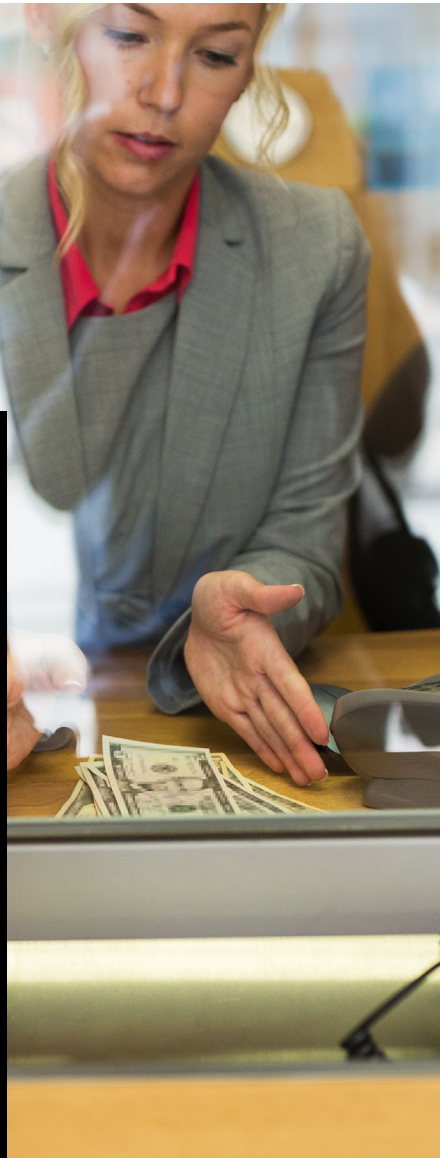
Due to changing regulations, the banking sector has faced an increasing demand for workers with specialized skill sets to meet IT and cybersecurity requirements. This has led many finance organizations like Standard Chartered to tap into the external workforce.

It was clear that implementing a **total workforce management** strategy was crucial for the bank to remain competitive and compliant. And as they embarked on their journey to HR transformation, it

was clear that having a full view of their permanent employees and their contingent workforce across the organization would be key to their success.

Hence, Standard Chartered adopted a total workforce management strategy by integrating **SAP SuccessFactors Employee Central** with **SAP Fieldglass** solutions in the cloud to help deliver a truly holistic capability across its permanent and contingent workforce.

**An Economist Impact study (2022), sponsored by SAP, found that 50% of organizations plan to increase their use of external workers, which can include independent contractors, consultants, freelancers, temps, and other outsourced labor.**



Learn how Standard Chartered, a leading international bank, planned and managed their labor needs with a total workforce management strategy with SAP SuccessFactors and SAP Fieldglass. By having a single view of both their contingent and employee base, Standard Chartered enabled better planning opportunities and data driven decision making from a total workforce view.

[Read the article](#)

“With SAP SuccessFactors and SAP Fieldglass solutions, we now have a truly holistic view of our permanent and external workers. This has not only improved the employee experience and given us richer insights into our entire workforce but has also helped set the foundation for strategic corporate planning, integrated talent management, and management of regulatory requirements.”

**Melinda McKinley**

global head, HR Strategy and Digital Transformation  
Standard Chartered



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## Closer collaboration between HR and Procurement is critical

Companies can better position themselves to handle current labor disruption and skill shortages by thinking more holistically about workforce planning – and putting that into action.

As businesses increasingly tap into the external workforce – contingent workers and services providers – they need to foster closer collaboration between HR and Procurement, which often operate in silos. Each of these functions bring different perspectives

and expertise to the table. For example, HR has expertise in talent management, and Procurement has expertise in cost and risk management. By working together, they can ensure that the right skills are sourced and managed in a cost-effective way and reduce risk for the organization.

**When HR, Procurement, and the business work together, companies can maximize value from a total workforce management approach.**

**“If companies continue in the direction of services procurement, the HR team will need to lean more heavily on the expertise of the procurement team.”**

**Dr. Soroosh Saghiri,**  
Senior Lecturer at the Center for Strategic Procurement and Supply Chain Management, Cranfield University



### Red Hat transformed its mission-critical contingent workforce management program with SAP Fieldglass.

As the world's leading provider of open-source solutions, Red Hat relies on a diverse contingent workforce to help drive constant innovation. By deploying SAP Fieldglass solutions, Red Hat greatly improved the visibility and value benefit of its contingent workforce, helping the company access top talent, accelerate hiring and onboarding, and reduce costs.

[Read more](#)



## Digital solutions help drive value

Digital solutions help companies manage their employee workforce, providing visibility to employees and managing the lifecycle of employment. **It's vital to manage your external workforce with the same level of rigor as your employee workforce.**

Vendor management system (VMS) technologies can deliver the end-to-end data, visibility, and control companies need to meet desired goals with their contingent workers and services providers. These

solutions play a critical role in helping companies:

- Facilitate real-time visibility, transparency, and compliance (health and life safety; environmental, social and governance; training, etc.)
- Obtain better metrics and a holistic view of external labor across the business
- Automate time tracking and invoicing to improve workers' experience and reduce errors
- Precisely manage complex labor rates to comply with local regulations
- Accurately track contingent workers' tenure to avoid co-employment issues
- Strengthen digital and physical security through automated worker onboarding, monitoring, and offboarding
- Facilitate engaging with preferred suppliers, adhering to contracted rates and reduce maverick spend

**“The ongoing safety and security of our entire workforce – permanent and contract – became a key driver for our use of technology.”**

**David Pittner**

Chief Contingent Labor Program Manager, Kohler Co.

See our VMS technology in action

[Watch a demo](#)



**SAP Fieldglass is enabling Capgemini to automate and standardize sourcing, engaging, managing and paying its contingent workers.**

Learn how the results have been transformative for this global leader in consulting, digital transformation, technology and engineering services.

[Read more](#)

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# Talent disruption may be here for a while. Are you prepared?

It's critical that you consider all of the talent that works for your organization as you do workforce planning – employees and non-employee labor. All are critical to driving business outcomes.

## We're here to help you.

These SAP cloud technology solutions can help you gain visibility and insight into your external workforce, speed and streamline hiring, and help you manage these important resources:

- **SAP® Fieldglass® Contingent Workforce Management:** Quickly and efficiently find, engage, and manage nonpayroll workers to deliver the right talent at the right time across different parts of your business while gaining visibility into value and staying compliant with labor regulations.
- **SAP Fieldglass Services Procurement:** Rapidly add and effectively manage external workers while gaining visibility and control over the people-related aspects of the services you buy to optimize value, control costs, support efficient processes, and minimize risk.
- **SAP Fieldglass Worker Profile Management:** Manage and track your external workforce with standardized worker records in one place.
- **SAP Fieldglass Assignment Management:** Centrally deploy, manage, and pay external resources across facilities and diverse projects – with a single solution.

## Find out more

### Create value with SAP

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Speak with one of our experienced employees to learn how to better source and manage your external workforce. We can help you reduce risk and drive more value:

[Click here to get started](#)

### Dig deeper into the research

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Learn more about the research from Harvard Business Review Analytic Services:

[Read the report](#)

<sup>1</sup> Harvard Business Review Analytic Services, *Talent Disruption: Strategic Workforce Planning in the Age of Labor Shortages*, June 2022. Data and quotes are from this report unless otherwise noted.

<sup>2,3</sup> Economist Impact, *Looking out: the rise of the external workforce and its impact on internal functions*, June 2022