

Case Study

Audit and Managed Service
Delivery

The Customer

A European e-business
and Telecommunications
Company



A leading supplier of Telecommunications Services designing, delivering and supporting e-business and Telecommunications solutions. Since its foundation in 1993, this company has grown rapidly, both organically and by acquisition, with a significant factor in its success being the ability to compete for key technical skills, whether Permanent or Contract, in a timely and cost-effective manner.

The Business Issues

The customer became aware that its efficiency was being impaired by lack of control in the area of technical skills cost management. As a result they sought a partner who would be able to audit their processes and propose a quality improvement programme.

substantial improvements to quality/ service and cost efficiency, after auditing the customer departments most closely associated with the recruitment of key technical skills:-

- Procurement
- Finance
- Human Resources
- Operations

The Process

Glotel Managed Services (GMS) were invited to produce a plan to achieve



Key Audit Findings

Procurement

The overall service from 59 suppliers consistently fell below accepted industry standards with an average CV to placement ratio of 7:1

- Control of costs and contractor numbers was poor. compounded by use of multiple Suppliers and a lack of formal monitoring mechanisms.
- Little direct control of supplier margins, either for Permanent or Contract staff.
- Purchase orders were signed retrospectively and frequently omitted the usual protection against Tax Compliance and Security.
- Multiple Supplier Contracts

- The Reporting process was not formal and management information (MIS) not standard service levels were perceived to be poor, but the procurement team had little empirical data with which to challenge suppliers.

Finance

- The initial findings demonstrated a lack of financial control in the areas of authorisation, cost code allocation, purchase order values and timesheet completion / handling procedures.
- Over 200 invoices per month arrived from 59 recruitment Suppliers.
- Verification of invoices was not standard
- Problems were recognised but could not easily be rectified with no standard MIS.

In the first year of the service, cost savings of £1.5 million were delivered

Glotel's Managed Service Solution (GMS)

The client sees this Managed Service as successful for a number of key reasons:

- Reduced costs of recruitment.
- Improved Efficiency in the internal recruitment process.
- Consistent standards achieved through the management of the PSL

- Well organised processes and accurate statistical information provides the platform for proactive and accurate planning.
- This Client and GMS work in partnership.

The GMS Effect

GMS provides regular Management Information (MIS) to demonstrate the effectiveness of the service. In the first year of the service, cost savings of £1.5 million were realised, against a Contractor base of 123 heads. This figure represented a cost saving of 11.5%. In addition:

- In the first year the number of CVs handled by Client hiring Managers dropped from > 4800 to 650, whilst interviews dropped from > 684 to 200.
- Interview to placement ratio moved from

> 7:1 to 2:1.

- The number of Invoices received by the client dropped from > 200 to just 1 - a huge bonus for the finance department.

Client Testimonial

"Since implementation GMS has managed costs, pay rates and margins, improved recruitment processes and dramatically reduced recruitment administration time.

Some Line Managers were resistant to the introduction of new procedures but have subsequently been impressed by the professionalism of the GMS team and its willingness and ability to overcome the inevitable teething problems.

Now Managers have a simple web-based solution, improved MIS and an overall increase in the quality of the service and accountability of the suppliers. We are delighted with the proactive approach from GMS"

Procurement Manager