

## Partner Ecosystem Management:

# THE NEXT LEVER TO INCREASE VALUE FROM YOUR CONTINGENT WORKFORCE PARTNERS

The Power of Relationship-Focused Contingent Workforce Management  
Why Your Contingent Workforce is Your Greatest Asset—and How to Protect It  
Leverage Your Strongest Assets—Your Contingent Workforce



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## Abstract

The purpose of this whitepaper is to address the current shift in the contingent workforce market toward strategic, innovation-focused partnerships, and to introduce a new, data-based model that will add more value to these important business relationships. As companies rely more heavily on contingent workers as key partners, they have a vested interest in improving productivity, efficiency, engagement and work-life balance for outsourced team members—just as they invest in these initiatives for in-house teams. This paper will identify key challenges clients and partners are facing in the current work environment, and describe a technology platform that solves challenges and provides benefits for both parties.

## Introduction

In the years since the COVID-19 pandemic, the way we work has changed. Companies have been forced to adapt to new ways of working—and the way employees view work has changed, too. In recent years, the job market has favored job seekers rather than employers, and companies are still struggling to fill openings. In January of 2023, the U.S. unemployment rate was at a low 3.6%,<sup>1</sup> and in a 2022 survey, hiring managers reported the average time required to fill an open position had reached 11 weeks<sup>2</sup>.

Good talent is hard to come by in the U.S., causing many organizations to look to other countries for workers. For organizations that do not already have global offices, contingent workforce vendors are an attractive solution to fill gaps in talent requirements. The global outsourcing market is worth \$92.5 billion, and 66% of businesses in the United States outsource at least one department<sup>3</sup>.

It's not just the size of the market that is growing. Its role in the workforce is changing, too. In the past, contingent workers were brought in to reduce labor costs and complete work that onsite employees did not wish to do, through a strategy often described as “my mess for less.” However, as businesses move toward digitization, companies are relying on their contingent workforce teams to drive efficiency, innovation and the development of new solutions.

A 2023 Key Issues Study from The Everest Group measured the top ten priorities enterprises expect from service providers, and found that while cost optimization was still number one, digital transformation was number two, followed by productivity improvement. Other priorities included customer experience improvement, innovation, talent acquisition and management, and service delivery resilience<sup>4</sup>.

Contingent workers are no longer just vendors who do your dirty work for less. They are now partners driving innovation or bringing business-critical skills that are pivotal to achieving business goals. With the change in the status of contingent workforce partnerships, companies cannot make the mistake of looking at them through the prism of cost only. They will achieve greater benefits if contingent workers are treated as partners. With this approach in mind, companies should invest in making their outsourcing vendors and workers successful—because in their success lies the success of their clients.

This white paper is aimed at showing how a partner-driven, co-management approach can make your contingent workforce program, and your entire company, more successful.

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1. “Employment Situation Summary.” U.S. Bureau of Labor Statistics. March 10, 2023. Web. <https://www.bls.gov/news.release/empsit.nr0.htm>. Accessed March 14, 2023.

1. “U.S. Companies Anticipate Increased Hiring in the First Half of 2023.” Cision PR Newswire. News provided by Robert Half. Jan. 30, 2023. Web. <https://www.prnewswire.com/news-releases/us-companies-anticipate-increased-hiring-in-the-first-half-of-2023-301732900.html>. Accessed March 14, 2023.

3. Boskamp, Elsie. “40+ Vital Outsourcing Statistics [2023]: How Many Jobs Lost To Outsourcing?” Zippia. Feb. 13, 2023. Web. <https://www.zippia.com/advice/outsourcing-statistics/>. Accessed March 14, 2023.

4. The Everest Group, “2023 Key Issues Study.”

## Key Challenges and Concerns

Here are some of the key challenges and concerns faced by contingent workforce vendors and the clients who leverage their talent pools:

### Key Challenges Faced by Your Contingent Workforce Partners:

- Adapting to the new way of working
- Responding to increased attrition
- Addressing a desire for better work-life balance by employees
- Seeking stronger partnerships amid a lack of support and collaboration from the client side

### Key Concerns of Contingent Workforce Clients:

- Lack of visibility into operations
- Concerns about the impact of hybrid work on productivity
- Reliance on manual reports or one-sided reports from vendors
- Lack of predictability into outcomes, affecting cost and deliverables
- Understaffed vendor management teams

## Creating a Better Partner Ecosystem Management Program

So, how do companies address these challenges and make the shift toward true partnership with their contingent workforce vendors? It begins with data and technology. By measuring worker performance, output, software usage, hours worked, and other variables, companies and vendors can determine how effective and efficient contingent workforce teams are in achieving business goals. Data can also tell managers which workers are most engaged, which workers are over worked or underutilized, and which workers are over-scheduled with meetings or hampered by distractions. Using this data, managers can set benchmarks for improvement.

To access this information, companies need a partner ecosystem management program that can be used across all contingent workforce vendors. The ideal solution must address the concerns of both parties and give both parties access to the same data set, which can be trusted and used to make decisions. Many vendors use their own software to report on performance, but this solution is not ideal for clients. As a client, you cannot transfer performance management to the vendor only, because you have a stake in the outcome of the program; therefore you must participate in its design to ensure success. One-sided reporting or unreliable data will not help in setting rules or improving worker engagement. In addition, if you are working with more than one vendor, and vendors are not using the same system, it is difficult to compare results from one vendor to the next.

It is imperative to have a transparent measurement system which gives insights to productivity, output, software usage, and overall utilization of the contingent workforce.

Let's look at how a comprehensive partner ecosystem management program can provide transparent data and analytics to all parties, solving workforce challenges and creating mutually beneficial outcomes.

### A. Addressing Challenges Faced by Your Contingent Workforce Partners:

- First, let's look at the top four challenges vendors are facing today.

## 1. Adapting to New Ways of Working

Most of us have experienced the “old” way of working — employees work from offices, under the direct supervision of a manager. With traditional outsourced arrangements, your only line of sight into operations offshore was through managers who walked the floors to manage the team. With new hybrid work models, the line of sight has been broken. As a result, companies are concerned workers may not be as productive as their time sheets say they are. This may be a reason satisfaction with vendors is falling. On a scale of one to ten, clients rated vendor performance at 4.6 in 2022, compared to 5.7 in 2021 <sup>5</sup>.

While client concerns are valid, most vendors are struggling to run efficient operations that are compliant with their clients’ requests, while addressing employees’ preferences to work remotely at least part of the time. **What if a better line of sight could be established to address client concerns, while allowing vendors to fulfill employees’ requests for hybrid work?**

A better line of sight will give you the following reports:

Vendor Name	Group Size ▼	#Active Users	#Man Days	Overworked	Healthy	Underutilized	
Vendor A	37	17	213	89	86	38	
Vendor B	34	16	278	179	68	31	
Vendor C	20	15	214	87	75	52	
Vendor D	19	13	186	16	58	112	
Vendor E	14	7	106	3	21	82	
Vendor F	14	6	58	1	9	48	

## 2. Responding to Increased Attrition

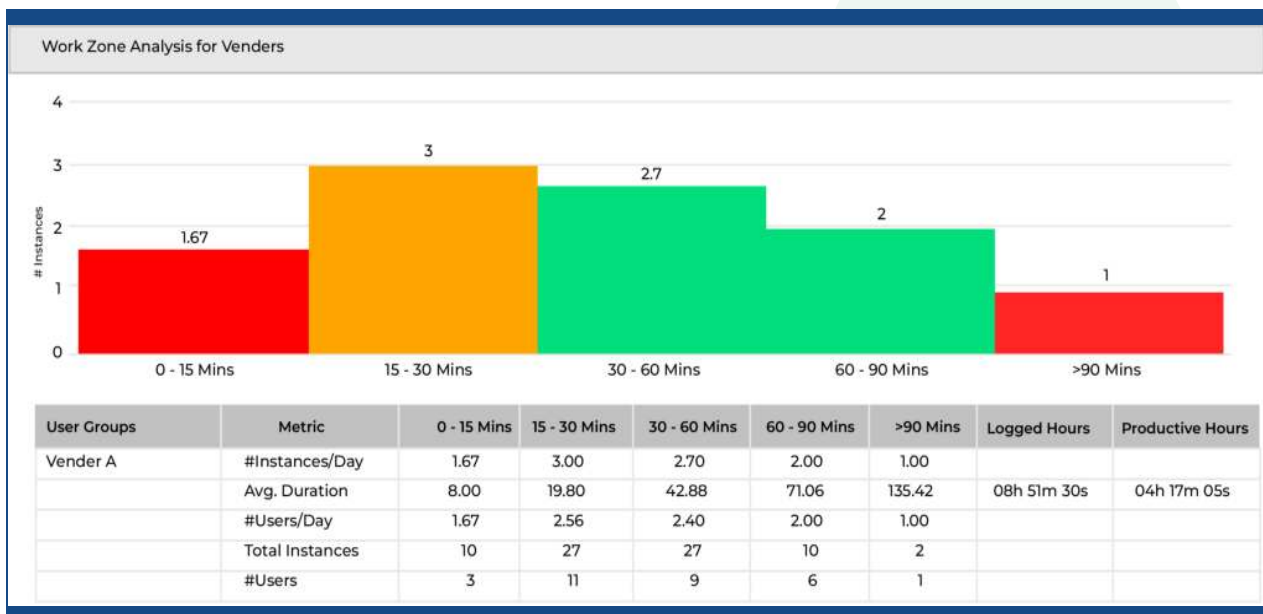
No one wants to see good workers go, but in the wake of the Great Recession, attrition is a key concern for all companies—including those who rely on a contingent workforce. According to the Bureau of Labor Statistics (BLS), 3.9 million people quit their jobs in January 2023 <sup>6</sup>, up from 3.5 million in January of 2019 <sup>7</sup>. When workers quit, companies lose money and productivity, and when the worker who leaves is a top performer, the loss is even greater.

Attrition affects both contingent workforce vendors and the companies who work with them, because the success of one is tied to the other. You need productive workers to operate efficiently, and your vendors need productive workers to retain you as a client. Because of this dynamic, it is in your interest to know who the top talent is within your outsourced teams, and have a strategy in place to retain them. But without direct oversight, how do you identify the best workers, and partner with vendors to incentivize them to stay? An ideal solution would collect and analyze data across the contingent workforce, and present this information to both the client and the vendor.

5. The Everest Group, “2023 Key Issues Study.”

6. “Job Openings and Labor Turnover Summary.” U.S. Bureau of Labor Statistics, 8 March 2023. Accessed 14 March 2023. Web. <https://www.bls.gov/news.release/jolts.nr0.htm>

7. “Job Openings and Labor Turnover–January 2019.” U.S. Bureau of Labor Statistics, 15 March 2019. Accessed 14 March 2023. Web. [https://www.bls.gov/news.release/archives/jolts\\_03152019.pdf](https://www.bls.gov/news.release/archives/jolts_03152019.pdf)



### 3. Cultivating a Better Work-Life Balance

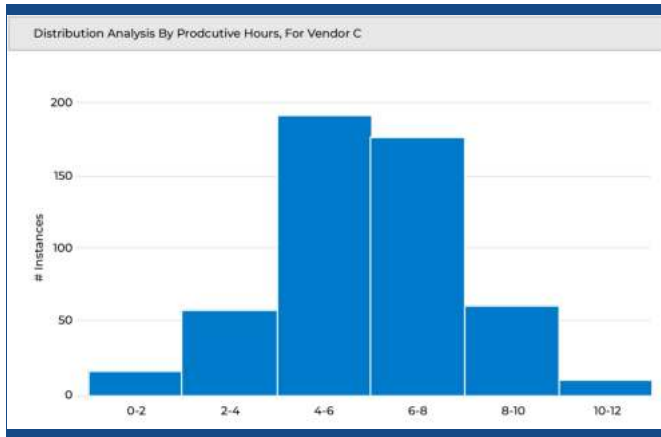
Once you know who the best workers are, how do you keep them? Time and again, reports have shown that today’s workers are seeking a better work-life balance, and are more likely to remain with employers who provide it. In a 2021 Gartner study, 52% of employees said flexible work policies impacted whether or not they would choose to stay at a company, and 16% said they would be willing to quit if required to work onsite<sup>8</sup>. Because of this, many companies are choosing to allow their employees to continue working remotely. We know that in-house teams appreciate this benefit, so it makes sense to take the same consideration with outsourced teams.

Yet while the preferences of workers have been widely publicized, some employers are shifting in the opposite direction, asking employees to return to the office. Amazon, Disney, and Starbucks all recently asked workers to come back onsite<sup>9</sup>. Many employers fear a loss of communication and collaboration with remote and hybrid work, along with worries that employees will be less productive offsite.

Data-driven partner ecosystem management can solve these problems for both companies and workers. By tracking people analytics, it’s possible to get very accurate data on productivity, engagement, communication and collaboration, which can offset managers’ concerns while keeping workers happy.

8. “Gartner Says U.S. Total Annual Employee Turnover Will Likely Jump by Nearly 20% From the Prepandemic Annual Average.” April 28, 2022. Gartner.com. Web. <https://www.gartner.com/en/newsroom/04-28-2022-gartner-says-us-total-annual-employee-turnover-will-likely-jump-by-nearly-twenty-percent-from-the-prepandemic-annual-average>. Accessed March 14, 2023.

9. Tsipursky, Gleb. “The return to the office once seemed inevitable. A new study shows companies are already reversing course.” Fortune. March 9, 2023. Web. <https://fortune.com/2023/03/09/return-to-office-seemed-inevitable-new-study-shows-companies-already-reversing-course-careers-remote-work-bleb-tsipursky/> Accessed March 14, 2023.

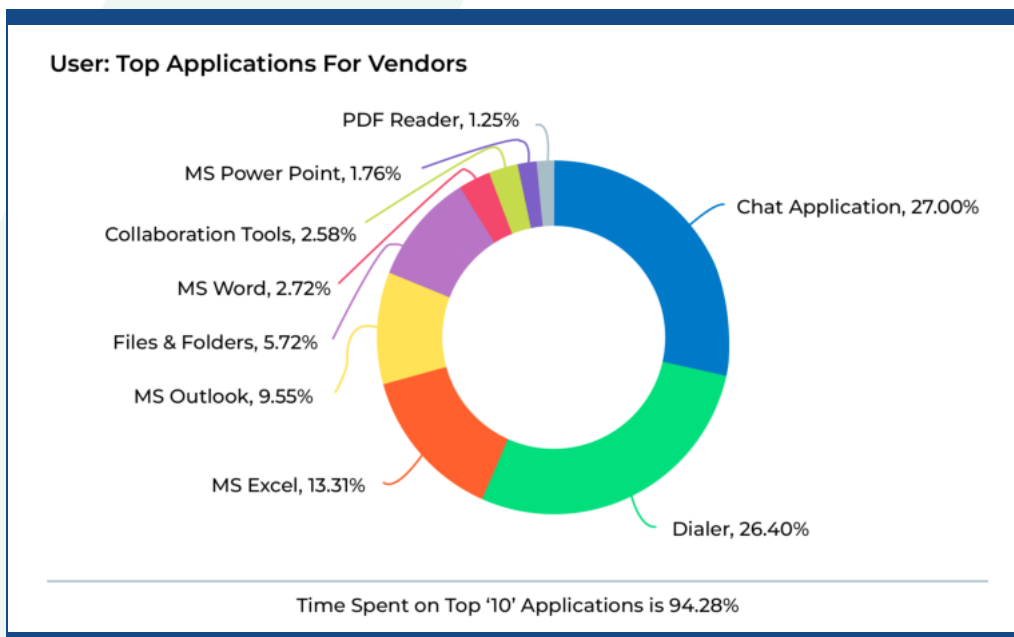


#### 4. Seeking Stronger Partnerships, Collaboration and Knowledge Transfer

One concern vendors have is that their customers are not spending enough time working collaboratively with contingent workforce teams. In order to transfer knowledge effectively, acquaint workers with company culture, and set clear expectations, clients need to treat outsourced workers like true members of the team — and that means spending time with them.

Dedicating time toward onboarding, training and knowledge transfer will help workers become more productive, efficient and successful. A collaborative approach will also help clients attain better results from their contingent workforce team members, making the partnership more advantageous for both parties. To address this challenge, companies must first create a plan to collaborate with vendors, and then track time and analyze results to ensure that managers are spending enough time with outsourced teams.

The success of your deliverables is tied to the challenges your vendor partners are facing. A robust, data-driven tool can help mitigate risks, prevent attrition, and truly bring the sense of one team through effective collaboration and knowledge transfer.

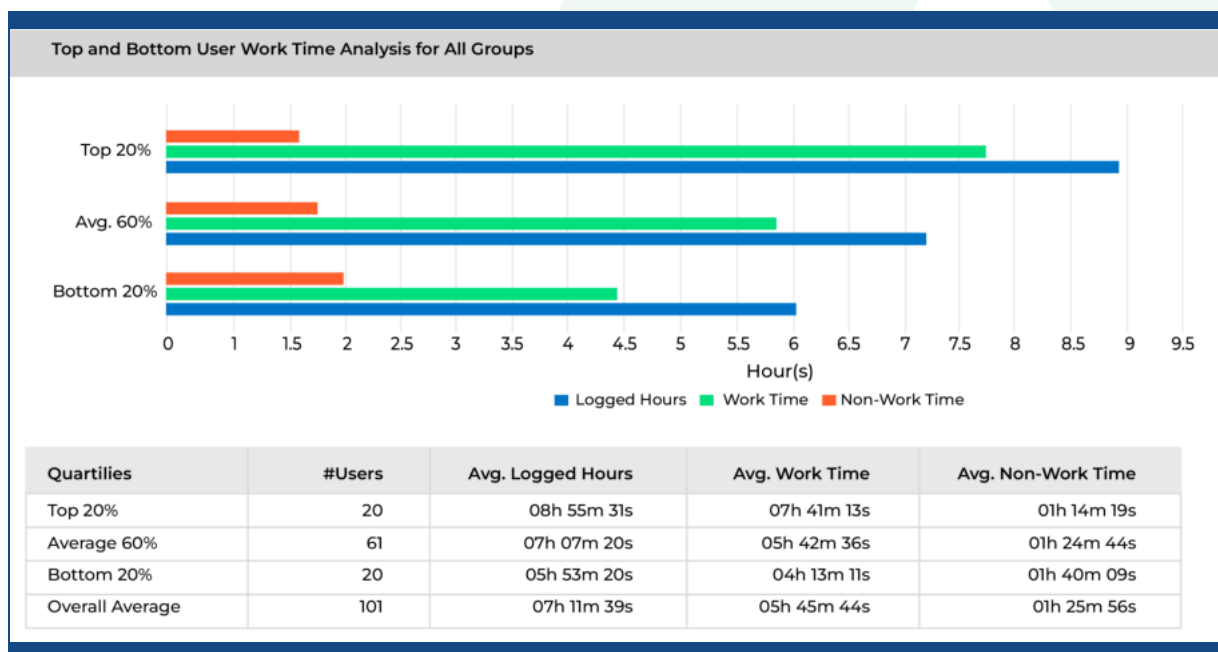


## B. Addressing Challenges Faced by Clients:

- We've explored how a collaborative, data-driven approach can address vendor challenges. Now, let's look at how to address the top challenges of clients who work with outsourced vendors.

### 1. Lack of Visibility Into Operations

Traditional outsourcing arrangements often leave clients in the dark, forcing them to rely on phone calls, e-mails, or site visits to check in on work. Site visits provide direct insights, but are time-consuming and only provide insights during the time a manager is present. Phone calls, video conferences and e-mail check-ins provide more timely information, but they can interfere with productivity. An effective partner ecosystem management solution would provide accurate data on daily operations to clients and vendors, and allow clients to compare data across different contingent workforce teams.

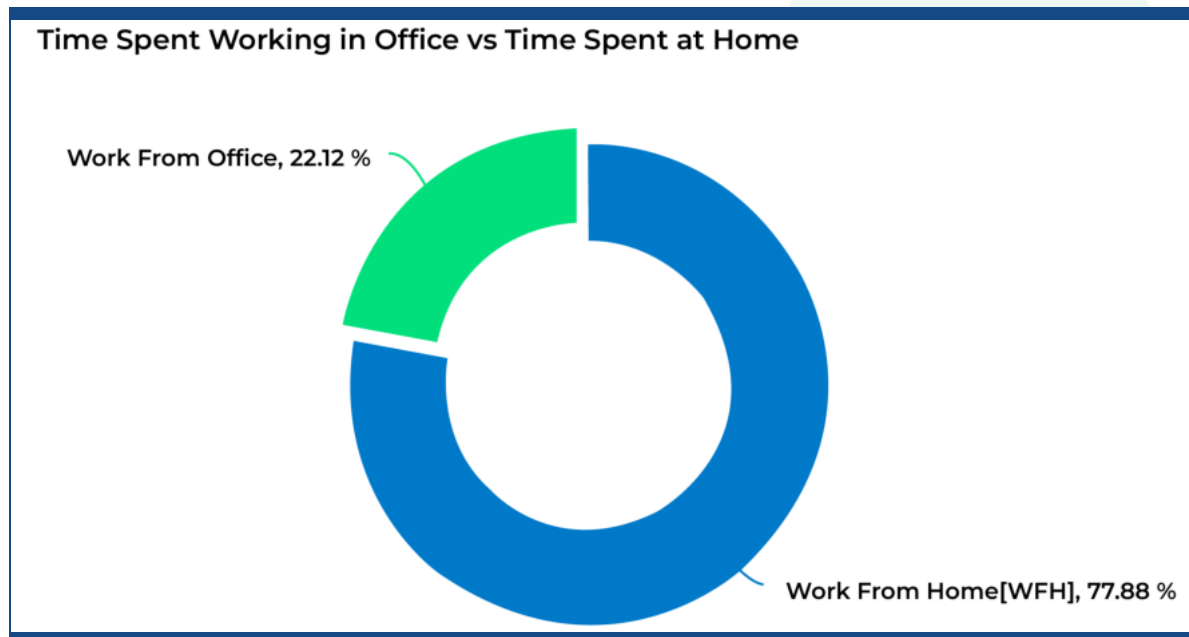


### 2. Concerns About the Impact of Hybrid Work on Productivity

In the midst of a global shift toward more hybrid work, many clients are concerned about worker productivity. With no onsite management, how can clients know that workers are spending enough time on core tasks? When no one is there to see them, will workers report their time accurately? While this is a legitimate concern, there is a solution. Today, most contingent workforce teams do the majority of their work online, using web-based applications. This makes it relatively easy to track productivity and time automatically.

Using Workforce analytics software, contingent workforce managers and clients can measure exactly how much time workers are spending in the various programs and applications they use throughout each day. Then, they can correlate time with output, identifying variations between users, teams, and processes.





### 3. Reliance on Manual Reports or One-Sided Reports from Vendors

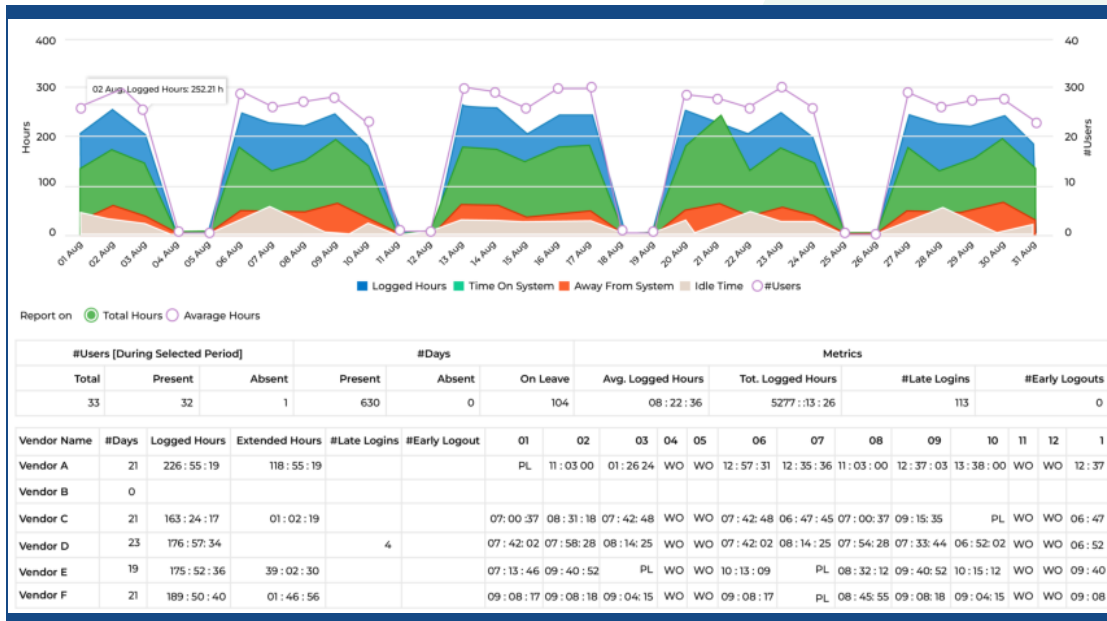
In the past, contingent workforce clients have relied on vendors to provide time sheets and reports on worker productivity. Workers submitted reports manually, leading to skepticism on the part of clients and managers. How could managers be assured workers were recording their time accurately, and how could clients trust that vendors were billing them based on actual hours spent on their projects?

A recent report from the Association of Certified Fraud Examiners (ACFE) indicated that occupational fraud, which includes timesheet falsification, costs the victim organization an average of more than \$1.5 million. Typical fraud cases lasted 14 months before detection, and cost an average of \$8,300 per month <sup>10</sup>.

Clearly, vendor governance teams need a better solution for managing contingent workers. Moving to a data-driven model removes subjectivity in reporting and leads to more accurate data. People analytics software automatically logs work in real time, recording which applications are being used, and tracking output against productive time. There is no question about data accuracy, because data is recorded without any manual input. In addition to making management easier, a data-driven approach also removes the temptation for workers or vendors to enter inaccurate time, which helps to prevent fraud.

Relying on data rather than manual reporting saves money for contingent workforce clients, raises the value of services provided by contingent workforce vendors, and builds trust between both teams. It also enables auto-governance, which reduces costs for understaffed vendor management teams.

10. "Average fraud costs companies more than \$1.5 million." Security. June 30, 2020. Website. <https://www.securitymagazine.com/articles/92728-average-fraud-costs-companies-more-than-15-million>. Accessed March 14, 2023

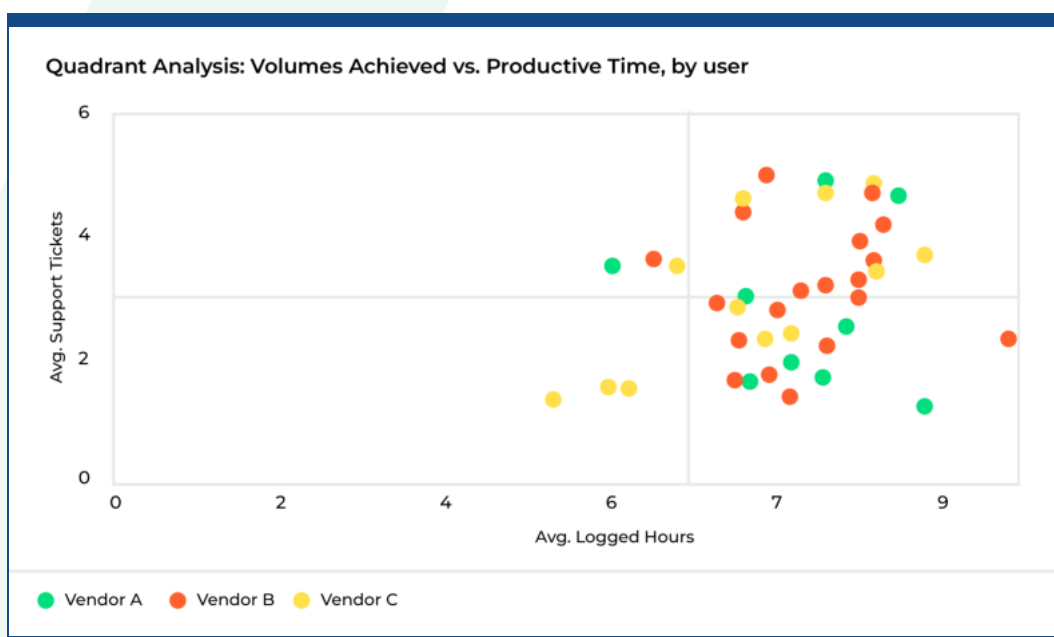


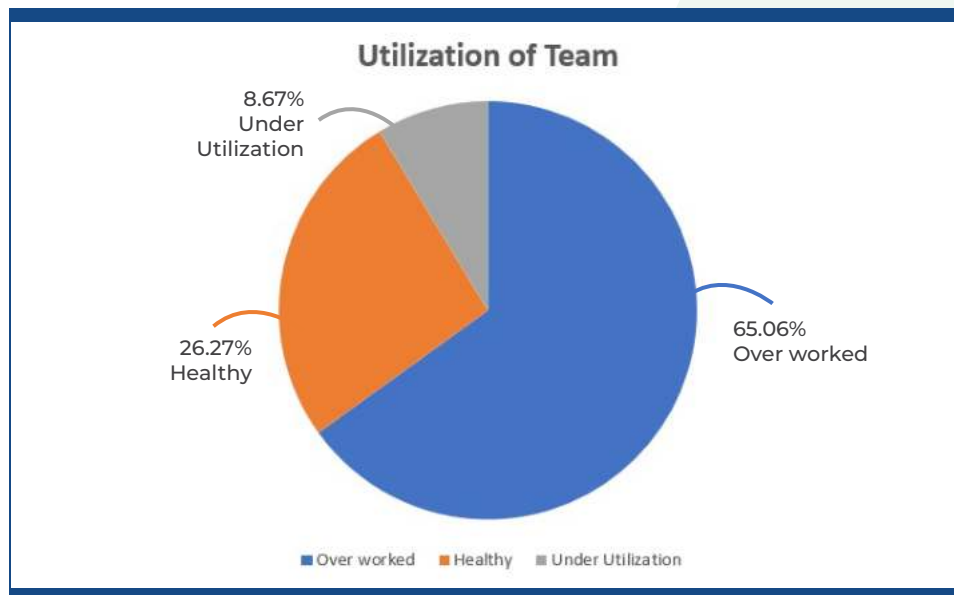
#### 4. Lack of Predictability into Outcomes, Affecting Cost and Deliverables

The inability to predict when work will be completed is a key source of frustration for managers, and it is magnified when deadlines are missed. Contingent workforce vendors and vendor managers both benefit from clear, predictable schedules, but it can be challenging to manage large teams. Remote work can add to the difficulty, making it harder to check in with workers and see how projects are progressing.

Workforce analytics provide a better solution. *Instead of checking on workers from time to time, people analytics software can track work progress in real time, and store data on an ongoing basis. Managers can track progress against project plans, and check in at any time to get true visibility into the workflow, progress, and real-time status on each job. This gives companies the ability to determine when projects will be complete with greater accuracy, making it possible to better predict costs and deliverables.*

#### Work output chart





## 5. Understaffed Vendor Management Teams

Companies who rely on contingent workforce teams are often already facing staffing shortages, making vendor management an additional challenge. While more collaboration is needed between clients and contingent workforce vendors, hiring more people is not the most economical, or feasible, solution. By automating many aspects of workforce management, companies can reduce the headcount needed to manage outsourced teams. This lowers overall costs, while providing the data and insights to improve vendor results.

## ProHance - Fueling the New Partner Ecosystem Management

In addressing challenges to contingent workforce vendors and clients, it is clear that partner ecosystem management through data analytics is an effective solution that meets the needs of both parties. But how do companies choose the right partner ecosystem management solution?

An ideal solution should capture time automatically, provide visibility across multiple organizational levels, and offer real-time insights for informed business decisions. It should also formulate effective strategies for capacity planning, people retention, operations management, and work-life balance, and drive collaboration across hybrid teams. Importantly, it should work across multiple operating systems and environments, and have the ability to be deployed quickly. Finally, it should be able to demonstrate measurable results, with a proven track record for increasing productivity and reducing costs.

ProHance is that solution. As a new-age workplace analytics and operations enablement platform, it enables leaders to make SMART decisions and get accurate insights when managing outsourced vendors. ProHance enables collaborative partner ecosystem management that leads to better results for clients and vendors. Teams become better connected, visible, engaged and optimized. And partnerships become future-ready, with operational resilience and seamless delivery.

### Effective Partner Ecosystem Management Leads to Measurable Results.

ProHance shows significant increases in efficiency, productivity and profitability, while reducing overtime costs, within just 3-12 months of deployment.

## ProHance includes six modules for effective contingent workforce management:

### 1. Work Time Module

The **Work Time Module** provides actionable analytics into work-related time metrics and key insights to help organizations manage hybrid workforce teams.

This module includes:

- 80+ out of the box reports and a report builder
- Activity Dashboard: Summary of work time metrics with options to drill down at various hierarchy levels
- Workload Analysis: Complete work pattern analysis across teams, processes and locations
- Attendance: Consolidated availability across all hybrid workforce teams
- Time Sheets: Automated time sheet and schedule adherence for individuals
- Current Activity: Real time analytics to make informed decisions

### 2. Work Output Module

This module enables organizations to compare key business metrics against time metrics and gather insights to improve business performance. It also aids in segmentation analysis across dynamic attributes.

The Work Output Module includes:

- Output Comparison with multiple time dimensions
- Comparison within Internal and External Teams
- Normalization for different work types
- Target vs. Achievement
- Seamless Third-Party Integration with popular vendor management systems

### 3. Advanced Analytics Module

This module provides deep analytics based on time metrics, enabling lean management and smart business decisions. It provides multi-dimensional variation analysis with long-term trends within work time metrics.

The Advanced Analytics Module includes:

- Benefit Realization Calculator, along with 'What-if' scenarios
- Distribution Analysis
- Work Zone & Context Switching
- Activity-Based Variation
- Top and Bottom Users
- Competency-based Analysis

## 4. Workflow Module

ProHance's robust workflow module can help improve prioritization, allocation, and real management of human resources and business-related tasks, enabling organizations to create quality parameters and measure the quality of work processes.

This module provides:

- Job Prioritization based on sensitivity, value, or any other key attribute
- Real-time Task Tracking - Track the turnaround time and other metrics
- Advanced Allocation Algorithms - Based on capacity/priority
- Powerful Reporting Engine to notify individuals and managers on areas to focus on
- Service Level Adherence Measurement and Average Handling Time for business activities

## 5. Asset Optimization Module

With this module, companies can get full visibility into their hardware and software utilization on a per-employee and company-wide basis. Understanding how assets are used can provide opportunities to increase efficiency and reduce overall capital and operational costs.

- Measure utilization levels of chargeable software
- Automated Asset & Inventory Reports
- Seat Utilization by period and teams
- In-Focus Software Usage
- End Point Actions through ProHance
- Identify Restricted Software used within the organization

## 6. Screen Recording Module

This feature helps organizations protect confidential information and create standard operating procedures by capturing screen content remotely.

It includes the following features:

- On-Demand Screen Capture
- Trigger-Based Screenshots or Videos
- Flexibility to choose type of activities, user roles, and duration for capture
- Detailed Reporting from team level to hourly level for compliance audits
- Useful Inputs for coaching and training, operations risk management, and process documentation

## Closing

The key benefits of ProHance can be summed up in three values:

### 1. Spend Optimization

Companies can get more value from their current contingent workforce spend, by optimizing performance across vendors.

### 2. Capacity Utilization

Organizations will also have the opportunity to improve utilization of the contingent workforce management capacity they already have on hand. By improving productivity and output of contingent workforce teams, companies can increase efficiency without wasting resources.

### 3. Transformation

Through vendor consolidation, newer engagement models and partnership with vendors, contingent workforce clients can achieve transformation in the value of their outsourced teams. Meanwhile, vendors gain the opportunity to strengthen trust and relationships with clients, while improving the value their workforce provides.



# PROHANCE

## ProHance

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ProHance is a cutting edge, global operations management platform that provides insights for smarter decisions in complex, distributed and hybrid workforce. Top fortune companies are using ProHance to improve work life balance and productivity within their organizations to unlock the true potential of their Human Capital. Our SaaS based modular approach allows an enterprise to effectively measure time and effort contribution with over a **100+ customizable reports**. A rapidly expanding organization with **320,000+ users across 24+ Countries**.

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