

STANDARDIZATION AROUND SUPPLIERS EQUATES TO LARGE FINANCIAL SAVINGS FOR AUTOMOTIVE MANUFACTURER

AN AUTOMOTIVE MANUFACTURER CASE STUDY

Client Objective

Our client, a global automotive manufacturer recognized with three of the top 10 best-selling cars of all time and over 1.5 million employees, had a need for increased polices around supplier compliance.

Bartech is the Managed Services Provider (MSP) for a client that manages 60+ suppliers. The company challenged Bartech with providing best practices from the staffing industry and to design a process, including a centralized center of records, which could easily be replicated because all processes will be presented to the parent company in Germany. SAP Fieldglass was selected as the Vendor Management System (VMS) for its configurable and intuitive application and longstanding partnership with Bartech.

Approach

Bartech and the client worked together to develop custom fields within the VMS in order to establish standardization and compliance for suppliers and contractors.

Customization captured:

Professional Work Week

Added a custom field for billing designation to classify contracted workers as hourly, fixed monthly, salary or weekly. This reportable field determines the type of time sheet generated by the VMS. Most importantly, it allows the client's managers more control over their budget.

Visa Sponsorship

When tasked with helping our client's Human Resources department monitor their visa-sponsored-contract-workforce, Bartech added a step to the standard candidate submittal process to identify candidates that require sponsorship and vet this process through the client's Global Assignments team. Who is on a visa, what type of visa and the dates for the sponsorship renewal is now captured.

Time Tracking

Working in conjunction with the SAP Fieldglass professional services team, we made an enhancement to the standard VMS time tracking process by creating custom task codes that allow client's managers and suppliers visibility into the paid-time-off and holiday hours for each worker. The new task codes are reportable on the buyer-side, helping managers with resource allocation. On the supplier-side, the codes help with ensuring accurate payroll processing.

About This Case Study

A global automotive manufacturer with an existing MSP in place, Bartech, selected SAP Fieldglass as its VMS partner. The company realized benefits including: standardized processes, cost savings and decreased manual inefficiencies.

Year-End Processes

Through the SAP Fieldglass and Bartech partnership, a formal process was established to assist our client with the renewal of its current workforce through a Work Order Revision upload, which dramatically decreases time needed for approvals. We also designed a process to capture approved year-end spend estimates and to ensure the billing of accrual time and expenses to the appropriate accrual general ledger during the invoicing period at the beginning of each new year. By doing so, we've given our client's controllers more command over the current year-end budget, the coming year's budget estimate and system access to an audit trail of all budget/spend approvals.

Results

The results from the implementation of the customized billing fields, visa and time tracking, and decrease in approval time, coupled with Bartech's cost analysis around position comparison between incumbent workers versus new hires, resulted in:

- A standard and repeatable process around background and drug screening, mandated for every supplier
- Any red flags that violate policies are auditable and on record
- A cost savings of over \$3 million
- A savings of 9.9% (in one year) after our program was implemented. The breakdown by labor category is as follows:
 - IT (14.0%)
 - Finance, administrative and professional (10.3%)
 - IT – T-Systems North America (10.2%)
 - Light industrial (2.7%)
- This is an average annual savings of \$10,548 per contractor
- Repeatable savings year after year, mostly seen in IT positions
- Customized VMS reports on specific parts of organization
- Transparency in recruitment

About SAP Fieldglass

SAP Fieldglass provides the industry's leading cloud technology for services procurement and external workforce management. More than 400 global businesses leverage SAP Fieldglass' intuitive Vendor Management System (VMS) to gain visibility into its external labor, project-based services including Statements of Work (SOWs), independent contractors and additional flexible talent pools.

About Bartech

Bartech is an industry-leading professional services firm delivering contingent workforce and enterprise staffing solutions to Global 1000 firms. Managing more than 26,000 daily work assignments and over \$2 billion in annualized spend, Bartech helps clients improve their market position through greater efficiency, transparency and reduced operational risks. With a 35 year proven track record, Bartech continues to receive top industry recognition for its global solutions.