

S-O-W: CISCO SPELLS WORKFORCE SUCCESS WITH A FOCUS ON STATEMENTS OF WORK

A CISCO CASE STUDY



Headquartered in San Jose, California, Cisco is a worldwide leader in IT that designs, manufactures and sells networking equipment. The company has more than 75,000 workers to serve its customers worldwide.

Designing a thoughtful solution around specific goals

With more than \$1.5 billion in Statement of Work (SOW) spend and \$65 million in contingent spend, Cisco looked to Fieldglass to help them achieve three key, high-level goals surrounding their contingent labor and services procurement program:

- **Deliver an end-to-end business process for contingent workers at Cisco.** This included simplifying and improving its contracting process across its global labor by standardizing rates and leveraging spend by volume.
- **Mitigate risk by ensuring compliance to regulations, classification, tenure and other requirements.** The company also hoped to minimize its exposure to legal and financial risk while allowing managers to focus on finding labor with the right skill sets.
- **Provide visibility into contingent workforce and services data.** This increased visibility into spend would also enable managers to make informed, data-driven hiring decisions.

Cisco benefited from having a strong, engaged team of stakeholders to help define and identify which specific business objectives would help the company meet its three top-line goals. By thoroughly examining each department’s needs prior to implementing Fieldglass, Cisco was able to develop a solution that would meet both long- and short-term objectives:

Procurement	100% of spend managed through the program
	7% savings of managed labor spend
	Phased rationalization of labor suppliers through the program
	100% compliance with engagement types
	100% compliance with global procurement and HR policies
Finance	Generate and capture meaningful measures and views
	Identify and capture appropriate finance and accounting controls
	Provide visibility into finance business intelligence
	Properly align accounting, expense reporting structure and management process
	Properly align labor service procurement needs and O/S budgeting process
HR	100% policy compliance
	100% users trained for tool

Focusing on SOWs

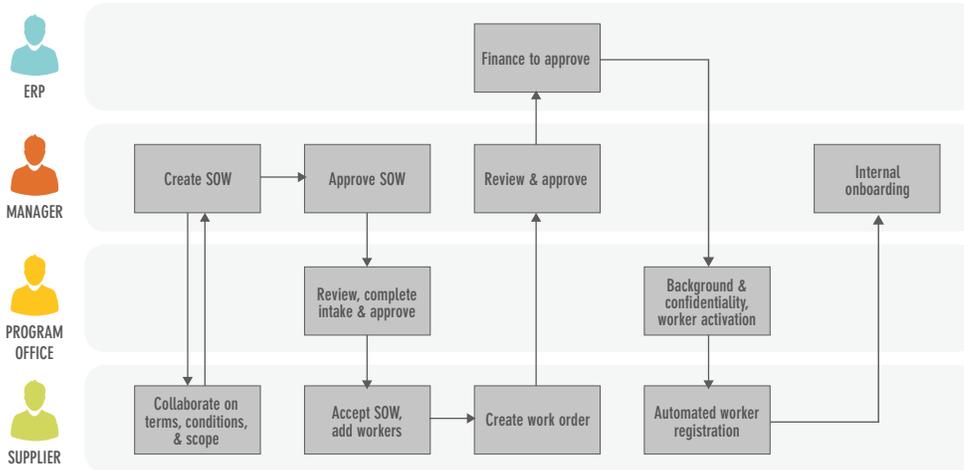
Cisco uses Fieldglass’ SOW functionality in conjunction with their procurement system. The SOW is created and approved in Fieldglass and then immediately and automatically flows into their procurement system, where the Purchase Order (PO) is then generated and transmitted back to Fieldglass.

About This Case Study

Using Fieldglass, Cisco has already saved more than \$33 million in costs associated with its large SOW workforce, with significant improvements in the areas of compliance and efficiency.

Fieldglass has helped Cisco simplify many of its time-consuming processes associated with managing a large services program. For example, the company had required managers to create/recreate SOWs and resubmit SOW workers quarterly as their procurement policies did not allow POs to be revised. To ease this burden, Fieldglass created and implemented the “Copy SOW” feature. This allows Cisco to effectively copy all active workers and generate a new PO with minimal impact on its hiring managers.

Process Flow: Statement of Work



About Fieldglass

Fieldglass, an SAP company, provides a cloud-based Vendor Management System (VMS) to manage contingent workforce and services procurement programs. More than 300 customers leverage Fieldglass to gain visibility into their external workforces, including contingent labor, services managed through Statements of Work and independent contractors while optimizing spend, quality, compliance and efficiency.

The company was also concerned that foreign suppliers subject to Fixed, Determinable, Annual or Periodic withholding might add workers from multiple locations onto the same SOW. This risk was mitigated by using custom fields and Fieldglass’ standard reporting tools.

Results, successes and what’s next

By implementing the Fieldglass VMS, Cisco has achieved a number of successes around both contingent labor and services. Most significantly, the company has realized \$33+ million in services cost savings to date, which can be attributed to competitively bidding SOWs and identifying commoditized SOWs. In addition, Cisco has realized other soft savings by tracking SOW revisions, enforcing approvals and limits based on pre-approved amounts and avoidance savings. Additional results include:

- The assurance of a formal process, singular tool and published contingent worker policy
- A formal tenure policy to address compliance
- Proper system and building access ensured through Fieldglass
- Rate reporting for all managers to better manage costs
- Proper worker classification guaranteed throughout the managed spend portfolio
- Secure transfer of Fieldglass data to Cisco’s business intelligence tool for reporting

Cisco has no plans to slow down. Because of the visibility they now have into their contingent labor and SOW engagements, the company is able to consider many new “optimization” opportunities, with current efforts including further consolidation, vendor negotiations and reorganizations as well as labor category redistributions.