SIA

STAFFING INDUSTRY ANALYSTS

Global

CONTINGENT WORKFORCE STRATEGIES
COUNCIL

Market Information and Forecasts

VMS Global Landscape & Differentiators 2022

12 December 2022 | Matt Norton, Global Workforce Solutions Research Director | mnorton@staffingindustry.com

Contents

For further research on this topic see www.staffingindustry.com

Copyrighted Material

How to use this information

This report can be used by contingent workforce program owners and stakeholders to:

- Understand the size and maturity of the Vendor Management System (VMS) market across the globe
- Gain visibility of trends about the evolution of contingent workforce management
- Identify the predominant model(s) being used
- Understand how a given provider is positioned in the market
- Create a short list of prospective providers
- Confirm veracity of provider statements
- Identify strengths and weaknesses of providers
- Establish base requirements for an eventual RFx initiative

Vendor Management System Definition:

An Internet-enabled contingent worker sourcing and billing application that enables a company to procure and manage a wide range of contingent workers and services in accordance with client business rules. Typical features of a VMS include supplier profiling, requisition or order creation and distribution, candidate submissions, on- and off-boarding, time and expense keeping, vouchering, consolidated billing and reporting.

Executive Summary

As reported in SIA's Workforce Buyer Survey, global adoption of Vendor Management Systems (VMS) by companies with more 1,000 employees has grown from just over 50% in 2009 to 80% in 2022 with an additional 17% of organizations likely to explore implementation withing the next 2 years. Over the past decade, VMS solutions have evolved from a system of record, primarily supporting processes where contingent workers are sourced through staffing agencies (vendors), to supporting workers sourced through services contracts (Statement of Work and Outsourced services) to, more recently, supporting the direct sourcing of contingent workers though company specific attraction programs.

With increasing buyer sophistication, and the expectation of contingent workforce programs to prove their value beyond cost saving and visibility, there has been a rise in demand for meaningful data analytics, benchmarks and insights to inform sourcing decisions and improve efficiency. Increases in task automation and artificial intelligence driving emerging new skill requirements, coupled with existing skill gaps in advanced markets, are leading a greater focus on getting work done, with a decreasing focus on the traditional constructs of worker type.

VMS net promoter score data from SIA's Workforce Solutions Buyers Survey suggest that there is a growing gap between client expectation and provider service delivery. The NPS score for VMS is -28 which suggests a high level of dissatisfaction with the services offered by VMS with this figure declining significantly over the past decade (see p. 29).

Spurred to innovate and address client demand, VMS vendors are working to develop end-to-end candidate management capabilities, including compliance and shift management; leverage next-generation artificial intelligence (AI) and machine learning (ML); develop strategic partnerships with other vendors; and provide holistic insights leveraging multiple data sources. These requirements are driving M&A activity as well as external interest in providers from private equity as well as ERP and Business Spend Management (BSM) organizations (see p.9).

In response to this evolving phenomenon, technologies that would previously have existed to serve a defined category within the workforce ecosystem are evolving, overlapping or integrating to enable the sourcing, visibility and management of any worker type, in any region. This development poses a challenge to any buyer who has invested in one or more best-of-breed technologies, and whose future workforce strategy may be constrained by the capabilities of incumbent systems to evolve or integrate with emerging solutions. Buyers should therefore consider their existing technology stack, and the wider technology strategy of the business when selecting a VMS provider.

Contingent workforce programs are now equally as likely to be led by HR as Procurement, and it is possible that program ownership within an organization will drive whether a talent-focus or spend management focus will be a deciding factor in assessing VMS fit and capability. Today's VMS landscape is broadly split into three areas; providers owned by or affiliated with human capital focused service providers or software companies, providers owned by or affiliated with enterprise spend management software companies and standalone providers with their own partnership ecosystem.

As the market continues to mature, we see two modes of adoption emerging: VMS as a component of an overall business spend management strategy, where the contingent workforce is considered a category of spend, and VMS as a component or core of a more talent-focused workforce management solution, where the contingent workforce is considered as one source of talent.

Even VMS providers admit that the term Vendor Management System is becoming an increasingly narrow description for the breadth and depth of solution contained within this subset of the workforce solutions ecosystem. Although most providers of these types of solutions still refer to themselves as VMS solutions (despite varying solution footprints), this year has seen the terminology continue to evolve as buyers adopt new and broader workforce capability beyond simple vendor management. Emerging terms adopted by vendors include External Workforce Platform, External Workforce Management System and Contractor Management System.

Research Methodology

The data and analysis included in this report are based on the results of a survey of VMS providers followed by detailed demonstrations of each platform through web conference. We invited providers ranging from large multinational staffing suppliers with VMS subsidiaries to enterprise and niche software suppliers in a given country. They were asked to provide information regarding their company profile, geographic footprint, customer segments, capability and sourcing models.

Participants were not obliged to complete all survey sections, and the level of provider participation is indicated within the individual provider landscape graphs. A common set of definitions and assumptions was included in the survey, and all currency in this report is in US dollars. While all information is self-reported by the providers themselves, SIA has performed validation of spend through analysis of supporting evidence of worker volumes, client base, assumptions testing and financial reporting.

Additional non-confidential data and analysis that is not specifically contained herein are available to CWS Council members upon request.

A total of 17 VMS providers (listed below) submitted sufficient data to qualify for inclusion in this report. To provide readers with a broader picture, the vendor landscape data on pages 7, 8, 11 and 12 of this report includes basic information on previous participants.

Note that, given the recent timing of <u>Beeline's acquisition of Utmost,</u> and the ongoing incorporation of Utmost features and services into Beeline, both companies declined the opportunity to participate in the demo part of the 2022 report which has limited our ability to validate their survey responses.

2022 participants

3 Story Software	Pixid
Acro: XRM	Prosperix
AgileOne: AccelerationVMS	Ramco
Beeline	SAP Fieldglass
Elevate	SimplifyVMS
Eqip	Utmost
HHCS	VectorVMS
Magnit VMS	VNDLY
Nétive	

VMS Provider Landscape Overview

More than half of current VMS vendors originated from the pure-play VMS market and have since formed affiliations with ERP providers and/or staffing providers as outlined in the table on the following page. "Affiliation" in this context relates to either alignment through ownership or alignment through a close partnership and go-to-market strategy.

- Pure Play relates to specialized talent software organizations that do not have an established recruiting service component other than the provision of the technology.
- Human Capital Affiliation relates to software companies with a broad portfolio of human capital technology including learning, development and talent acquisition.
- ERP/BSM Affiliation relates to vendors that have a close alignment and integration and/or ownership by an Enterprise Resource Planning or Business Spend Management software organization.
- Staffing/MSP Affiliation relates to those companies that are owned by Staffing/MSP organizations and/or where they have complementary MSP services or staffing services. Some MSP/VMS companies only sell VMS through the MSP, although in some cases, the VMS products are being offered as stand-alone solutions without the MSP service.

VMS Provider Landscape by Affiliation

VMS Provider by Affiliation (and in Alphabetical Order)	Associated Company	Staffing/MSP Affiliation	ERP / BSM Affiliation	Human Capital Affiliation	Pure Play
3 Story Software	Hays	✸			
AccelerationVMS	AgileOne	✸			
Brainnet	Magnit	✸			
Bridge	nGAGE	✸			
Econometrix	ManpowerGroup	✸			
Elevate	Elevated Resources	✸			
iSymphony	iSymphony*	✸			
Launch	PrideOne	✸			
Magnit VMS	Magnit	✸			
Medefis	AMN Healthcare	✸			
PlusUs	Brookson Direct	✸			
Prosperix	Zenith Talent Corporation	✸			
Shiftwise	AMN Healthcare	✸			
WorkNexus	Aleron	✸			
Workforce Logiq VMS	Magnit	✸			
XRM	Acro Service Corporation	✸			
Coupa	Coupa*		✸		
SAP Fieldglass	SAP		✸		
Ramco	Ramco		✸		
Smart Talent Procurement (Provade)	Smart ERP		✸		
VNDLY	Workday		✸		
Einstein II	HHCS			✸	
TalentLink	Cornerstone			✸	
VectorVMS	Learning Technologies Group			✸	

Name of affiliated company is the same

VMS Provider by Affiliation (and in Alphabetical Order)	Associated Company	Staffing/MSP Affiliation	ERP / BSM Affiliation	Human Capital Affiliation	Pure Play
Beeline					✶
Candex					✶
Conexis					✶
DirectSkills					✶
Eqip					✶
Nétive					✶
Pixid					✶
Shortlist					✶
SimplifyVMS					✶

VMS M&A and Investment Activity

2021/2022 has seen an uptick in VMS related investments and acquisitions following a suppressed market over the 18 months prior. There have been a number of significant transactions in the market relating to strategic investment between technology companies and investments by VMS providers themselves to enhance geographical or service capability.

Magnit continued its M&A journey by acquiring Geometric Results, Inc. (GRI) in March 2022. The addition of GRI's services includes SOW optimization, proactive sourcing, market intelligence, and supplier engagement and enables Magnit to broaden and deepen the services it offers companies in the areas of strategic talent acquisition, cost savings and growth goals related to their contingent workforce management programs. GRI also has its own VMS, 'eTips,' which is a mid-market offering in the UK with over 100 clients. This deal follows significant M&A activity by Magnit in the year prior in which the company acquired Workforce Logiq, Brainnet and PeopleTicker, the workforce rate benchmarking and analytics platform which enhances Magnit's data, software and services platform with the offering available through Magnit VMS.

In December 2021, Workday, a provider of finance and human resources solutions, finalized its intention to acquire VNDLY for $510 million in cash, according to Workday's Form 8-K filing with the US Securities and Exchange Commission. Workday said in a statement that the acquisition will let its customers use its solution "to manage the end-to-end process for permanent employees, while unifying the external workforce data from VNDLY, so they can better plan, execute and analyze their total workforce." Prior to the acquisition, VNDLY had formed a strategic alliance with Workday where over the past 16 months, Workday Product Managers and Engineers have collaborated with VNDLY product managers and engineers to create in platform integration via native APIs that connect Workday to VNDLY. By utilizing VNDLY's APIs to Workday HCM, this now allows for seamless integrations to already existing Workday solutions to bring to life the age-old vision of Total Talent Management. VNDLY lists Workday as an integration partner on its website and had recently become the first and only VMS to achieve a Workday certified integration.

In October 2022, Beeline announced the acquisition of Utmost (a participant in this report). Utmost was founded in 2018 by former Workday executives and enables clients to view in real time both employee and non-employee workforces by location and reporting structure, without the risk of co-mingling data in one ERP or HCM. In a statement, Beeline said that "with Utmost, Beeline will enable companies to access total talent insights across their entire workforce of employees and non-employees and will rapidly advance its vision of bringing solutions that tailor to the needs of every participant in the extended workforce process under one platform".

This is the second sizeable acquisition for Beeline in the past two years. In May 2021, Beeline announced the acquisition of JoinedUP, a high-volume workforce solution catering to the challenges and complexities experienced in the field with shift-based temporary labor. The announcement explained that even though "contingent workforce vendor management systems (VMS) have traditionally serviced some high-volume staffing, they have not been widely adopted due to the complexities in managing this labor category at the operational site level." The acquisition adds to Beeline's offering for centralized control and visibility of high-volume labor, enabling clients to source and manage the full spectrum of the extended workforce.

VMS-related acquisitions and investments since January 2021

Date	Type	Acquiring /Investing Company	Related Company	Reason	SIA News Story
January 2021	Acquisition	Magnit	PeopleTicker	To strengthen data intelligence capability	Link
February 2021	Acquisition	Magnit	Brainnet	To expand footprint in EMEA	Link
May 2021	Acquisition	Beeline	JoinedUP	To enhance shift-based/high-volume workforce capability	Link
June 2021	Acquisition	EQT Private Equity	Magnit	To grow external workforce capability	Link
August 2021	Acquisition	Magnit	Workforce Logiq	To expand global reach and technology capability	Link
September 2021	Acquisition	Magnit	WillHire	To expand direct sourcing capability	Link
October 2021	Acquisition	Aya Healthcare	Vizient (MSP and VMS unit)	To grow healthcare coverage	Link
December 2021	Acquisition	Workday	VNDLY	To provide a unified workforce optimization solution that enables organizations to manage all types of workers—salaried, hourly, contingent, and outsourced—and support a holistic talent strategy	Link
March 2022	Acquisition	Magnit	Geometric Results Inc.	To expand global reach, technology capability and presence in several verticals	Link
May 2022	Majority Investment	Stone Point Capital	Beeline	To accelerate pace of innovation and growth	Link
October 2022	Acquisition	Beeline	Utmost	To enhance Beeline's platform vision and extend Total Talent Intelligence capabilities	Link

Geographical and Regional Landscape

Spend figures represent 2021, however at the time of publication (December 2022) some providers are reporting significant growth in both spend and number of countries meaning they are likely to have far greater coverage by the time this report is updated in 2023.

VMS Provider By spend (and in alphabetical order)	Approximate % Clients using vendor's own MSP	Approximate Number Serviced:			Regions Targeting:		
		Countries	Countries with Full Invoicing	Languages	Americas	EMEA	Asia Pacific
Spend under Management above $70 billion							
SAP Fieldglass *	0%	180	117	21	✷	✷	✷
Spend under Management above $30 billion							
Beeline	0%	126	85	17	✷	✷	✷
Spend under Management between $12 billion and $20 billion							
Magnit VMS	92%	80	72	15	✷	✷	✷
Spend under Management between $6 billion and $12 billion							
Pixid	0%	19	15	9	✷	✷	
SimplifyVMS	0%	103	36	9	✷	✷	✷
Spend under Management between $2 billion and $6 billion							
3 Story Software	83%	21	12	8	✷	✷	✷
AgileOne: AccelerationVMS	97%	11	10	10	✷	✷	✷
Nétive	0%	13	13	5	✷	✷	
VectorVMS	0%	8	8	7	✷	✷	✷
Spend under Management between $1 billion and $2 billion							
AMN Healthcare*	34%*	1	1	1	✷		
XRM	90%	11	9	11	✷	✷	✷
Spend under Management up to $1 billion							
Bridge*	100%	1	1	1		✷	
Candex*	0%*	24*	14*	1*	✷	✷	
Conexis*	<10%	2	2	1	✷		

SIA
STAFFING INDUSTRY ANALYSTS

VMS Provider By spend (and in alphabetical order)	Approximate % Clients using vendor's own MSP	Approximate Number Serviced:			Regions Targeting:		
		Countries	Countries with Full Invoicing	Languages	Americas	EMEA	Asia Pacific
Spend under Management up to $1 billion (continued)							
Brookson Group: PlusUs*	unknown	1	1	1		✴	
Elevated Resources: Elevate	95%	7	7	1	✴	✴	✴
HHCS	0%	1	1	1	✴		
iSymphony*	40%*	2*	1*	1*	✴		
ManpowerGroup: Econometrix*	86%	2	2	6	✴		
PrideOne: Launch*	100%	4	4	1	✴	✴	✴
Work Nexus*	100%	32*	30*	3*	✴	✴	✴
Spend under Management unknown							
Coupa	0%	40+*	unknown	unknown	✴	✴	✴
Eqip	0%	21	19	2	✴	✴	
Prosperix	100%	1	1	1	✴	✴	✴
Ramco	0%	18	13	1	✴	✴	✴
Shortlist	0%	23	10	25+	✴	✴	✴
Smart Talent Procurement	0%	38*	36*	19*	✴	✴	✴
TalentLink	0%	3	0	25	✴	✴	
VNDLY	0%	70+	Not disclosed	15	✴	✴	✴

Figure is an SIA estimate, or an estimate based on previously reported data

VMS Market Overview

We estimate the 2021 global Vendor Management System (VMS) market achieved $226 billion spend under management, a year-over-year increase of 26% following on from an annual decline of 0.5% in 2020.

67% of reported new contracts in 2021 were awarded by buyers or programs that have not had a previous VMS solution in place, suggesting that despite the high level of market penetration, particularly in North America, there is no shortage of organizations seeking a VMS solution for the first time. This could also be an indication of the challenge faced by buyers in changing an embedded technology, with only 33% of newly awarded programs won from an incumbent VMS provider. VMS platforms built on more modern architecture are seeking to solve this problem by simplifying data transfer, integration and process redesign.

A direct contractual relationship with the VMS can create greater flexibility for buyers who may wish to either manage a program internally or make a change to their MSP provider without disruption to their technology solution. Approximately half of reported programs have a direct contract with their VMS provider, and 32% of programs are internally managed.

Statement of Work (SOW) spend continues to be a focus area for VMS providers, with more than half of participants reporting SOW spend under management. Despite this, SOW represents just 27% of reported 2021 spend under management, suggesting that it remains an unpenetrated market for VMS. Despite the potential opportunity, VMS providers need to be clear in their SOW value proposition to persuade buyers that VMS is a credible alternative or complement to other, more traditional spend management platforms.
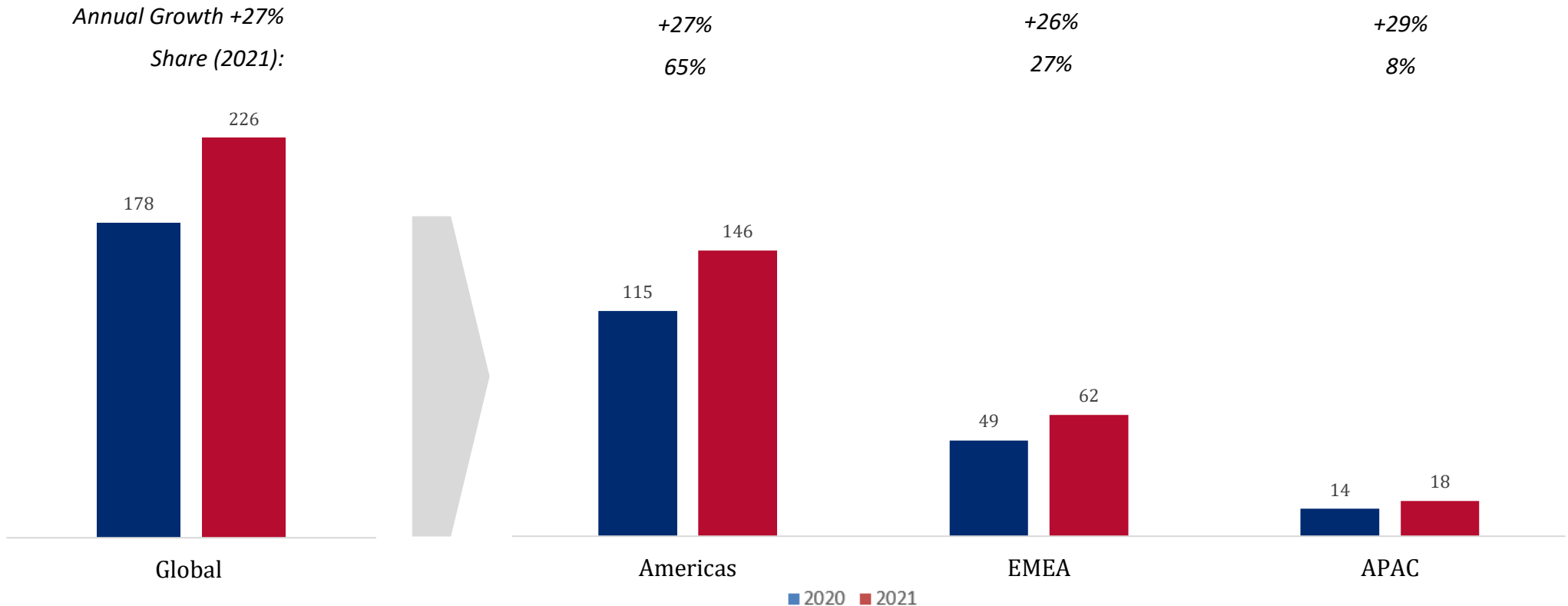
Despite perception that adoption of VMS is the preserve of the large enterprise, only a small number of providers dominate the very largest programs, and approximately 59% of the market by spend is represented by programs of $100 million or less, signifying plenty of opportunity in the mid-market. A number of new VMS-MSP partnerships have formed to target this mid-market opportunity with repeatable configurations and solutions.

Most providers in this study serve multiple regions, although there are providers that are specifically focused on a given country (predominantly the US) and while VMS providers typically serve a range of industries, some, are more focused on a specific industry such as healthcare.

SIA
STAFFING INDUSTRY ANALYSTS

1. Detailed VMS Market Size with Regional Estimates

Global market spend for VMS is estimated at $226 billion for 2021, a year-over-year increase of 26% following on from an annual decline of 0.5% in 2020. VMS spend performance was similar by region although the Americas region continues to dominate the market being responsible for 65% of global VMS spend under management. Total market size is extrapolated from over 2,800 buyer contracts from the 17 vendors that participated in our annual survey, representing 159 billion of spend for 2021. SIA anticipates the market will continue to grow in 2022 with high single-digit growth this year. Many providers have noted multiple contract wins in the first three quarters of this year, however, global market spend may not return to double digit growth for some time due to high levels of market penetration, and a relatively small number of net new contracts available in the market that are likely to significantly impact the overall market size. However, despite a plethora of emerging alternative workforce management options, VMS, as long as it continues to evolve, remains a credible solution for the management of contingent workforce programs.

2021 VMS Global Market Spend by Region ($ billions)

		Americas	EMEA	APAC
Annual Growth	+27%	+27%	+26%	+29%
Share (2021):		65%	27%	8%

Legend: ■ 2020 ■ 2021

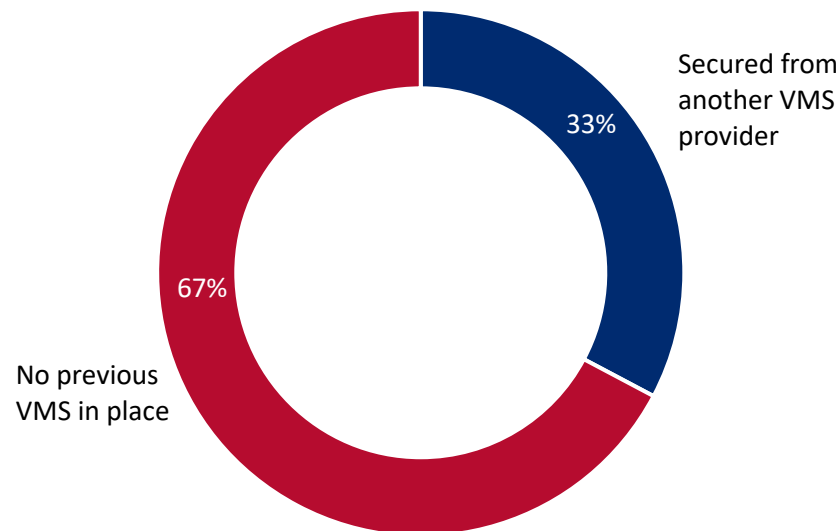| Region	2020	2021
Global	178	226
Americas	115	146
EMEA	49	62
APAC	14	18

2. Net Growth in VMS Adoption

67% of reported new contracts in 2021 were awarded by buyers or programs that have not had a previous VMS solution in place, suggesting that despite the high level of market penetration, particularly in North America, there is no shortage of organizations seeking a VMS solution for the first time, many of whom may be seeking to bring control to smaller programs.

The relatively low amount of market movement from one VMS to another could also be an indication of the challenge faced by buyers in changing an embedded technology, with only 27% of newly awarded programs won from an incumbent VMS provider.

VMS platforms built on more modern architecture are seeking solve this problem by simplifying data transfer, integration and process redesign.

Of all reported contracts, 43% were extended during 2021.

New contracts awarded by volume of contracts

Secured from another VMS provider — 33%

No previous VMS in place — 67%

SIA
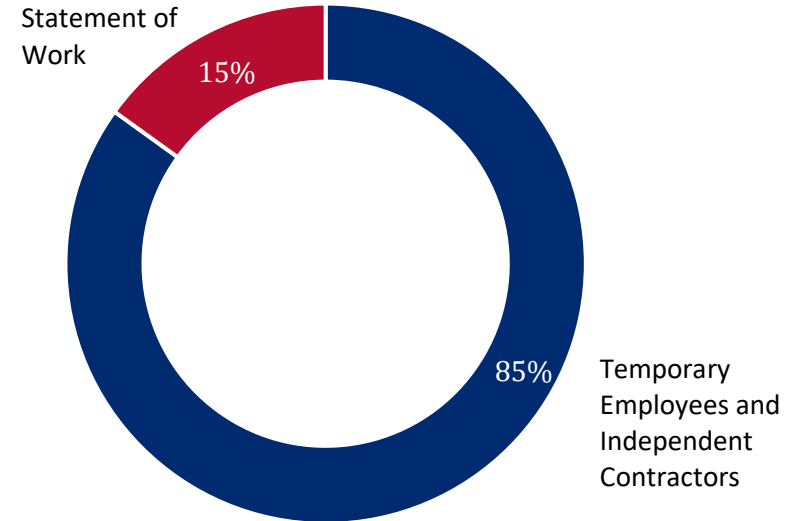STAFFING INDUSTRY ANALYSTS

3. Work Arrangements

SOW continues to be a focus area for VMS providers, with three-quarters of participants reporting SOW spend under management. Despite this, SOW represents only 27% of reported 2021 spend under management, suggesting that it remains a largely unpenetrated market for VMS providers. Despite the potential opportunity, VMS providers need to be clear in their SOW value proposition to persuade buyers that VMS is a credible alternative or complement to other, more traditional spend management platforms. Of those VMS providers that offer SOW solutions, 26% of clients, measured by number of programs, are utilizing the service. 63% of respondents to SIA's 2022 Global Workforce Solutions Buyer Survey say that their contingent workforce program includes the management of SOW, further evidence that buyers are using alternative solutions to manage their SOW spend.

Note: As the respondent pool in this year's survey is different from last year's, share-of-spend comparisons between this report and its counterpart published last year should not be used to extrapolate market trends in SOW spend.

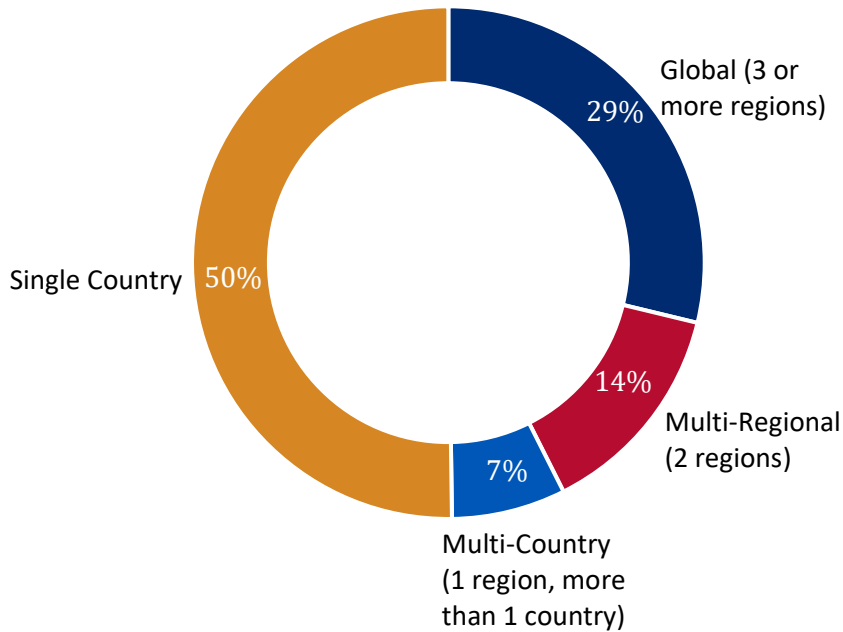*Share of 2021VMS Spend by Work Arrangement*

Statement of Work 27%

73% Temporary Employees and Independent Contractors
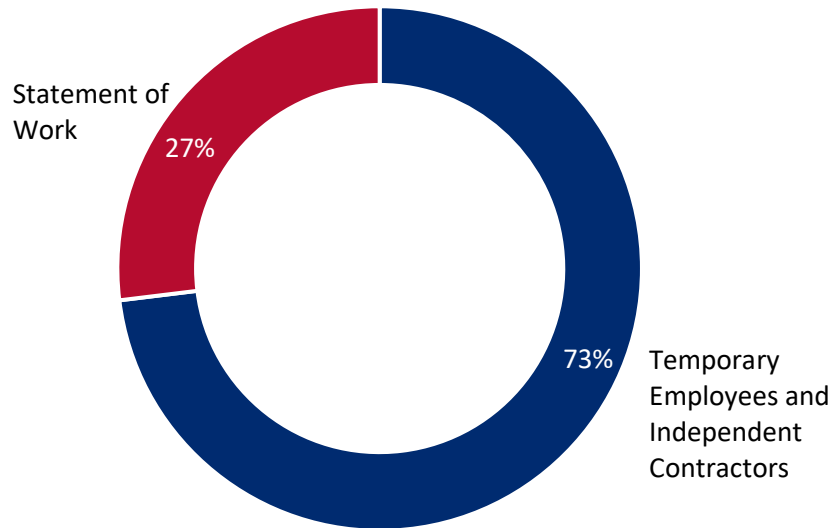
Share of Clients adopting SOW by Volume of Clients

Statement of Work 15%

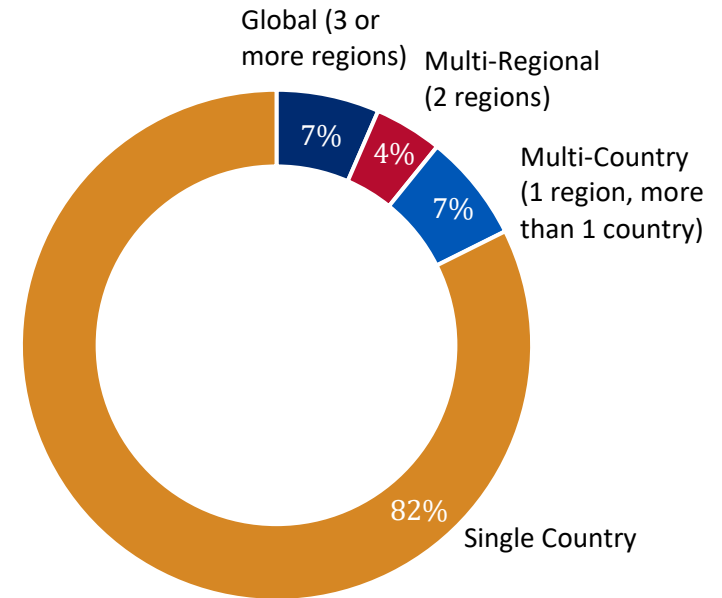85% Temporary Employees and Independent Contractors

4. Geographical Scope

Single country contracts represent the largest share of the market spend by geographical scope, representing 50% of the total. Global programs account for just under a third (29%) of total VMS market spend. The percentage of spend associated with global programs has remained at circa 25%-30% since 2015, and while global programs represent a reasonable proportion of reported spend, the volume of individual clients adopting multi-country, multi-regional and global programs is far lower at 18%. Within SIA's own Contingent Workforce Strategies Council membership, a number of global organizations are working with different VMS providers in different regions.

Share of 2021 VMS Spend by Geographical Scope

Global (3 or more regions) 29%

Single Country 50%

Multi-Regional (2 regions) 14%

Multi-Country (1 region, more than 1 country) 7%

Share of 2021 VMS Clients by Geographical Scope

Global (3 or more regions) 7%

Multi-Regional (2 regions) 4%

Multi-Country (1 region, more than 1 country) 7%

Single Country 82%

SIA
STAFFING INDUSTRY ANALYSTS

5. Program Size

Spend is well distributed across a range of program sizes with a similar value of spend attributed to programs of under $10 million per annum (18%), and those of more than $1 billion per annum (13%).

When measured by volume of clients however, the majority of reported programs (59%) have an annual value of less than $10 million, suggesting VMS is more widely adopted in the mid-market than the spend-only data indicates.

Share of 2021 VMS Spend by Annual Program Spend
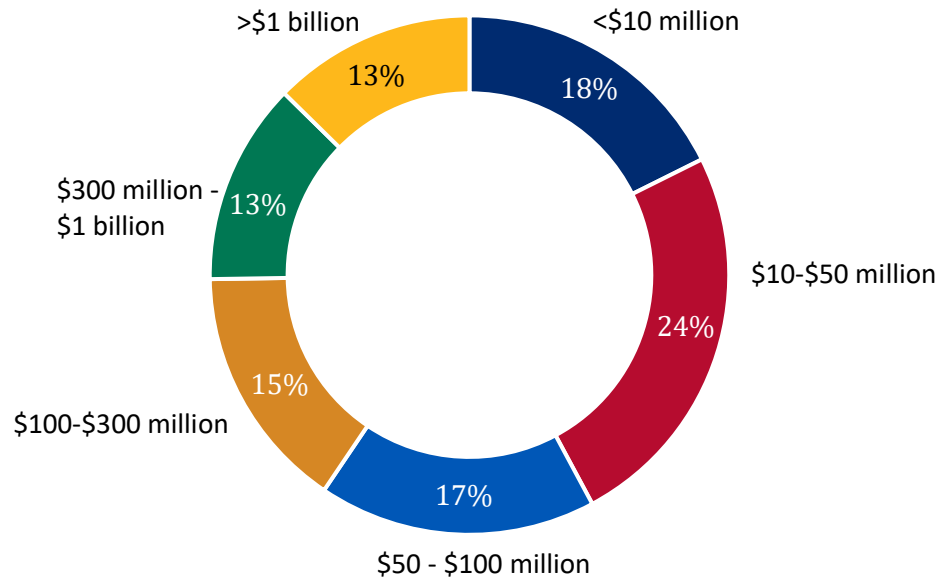
Share of 2021 VMS Clients by Annual Program Spend
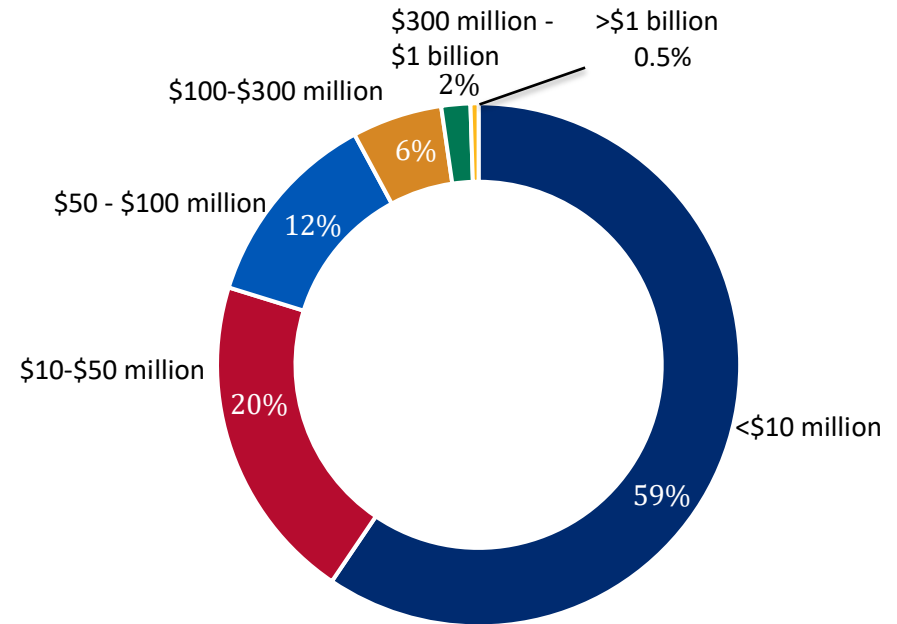
6. Client Size

The majority of the market by spend (60%) is represented by organizations of more than 10,000 employees, although buyers across all sizes of organization are represented. As with program size, when distribution of organization size is measured by volume of clients, 43% of clients deploying a VMS solution have 2,000 employees or fewer, indicating strong adoption of VMS across all sizes of buyer. We predict further mid-market growth as providers refine their mid-market offer, and workforce mix within smaller organizations becomes more weighted towards a contingent workforce.
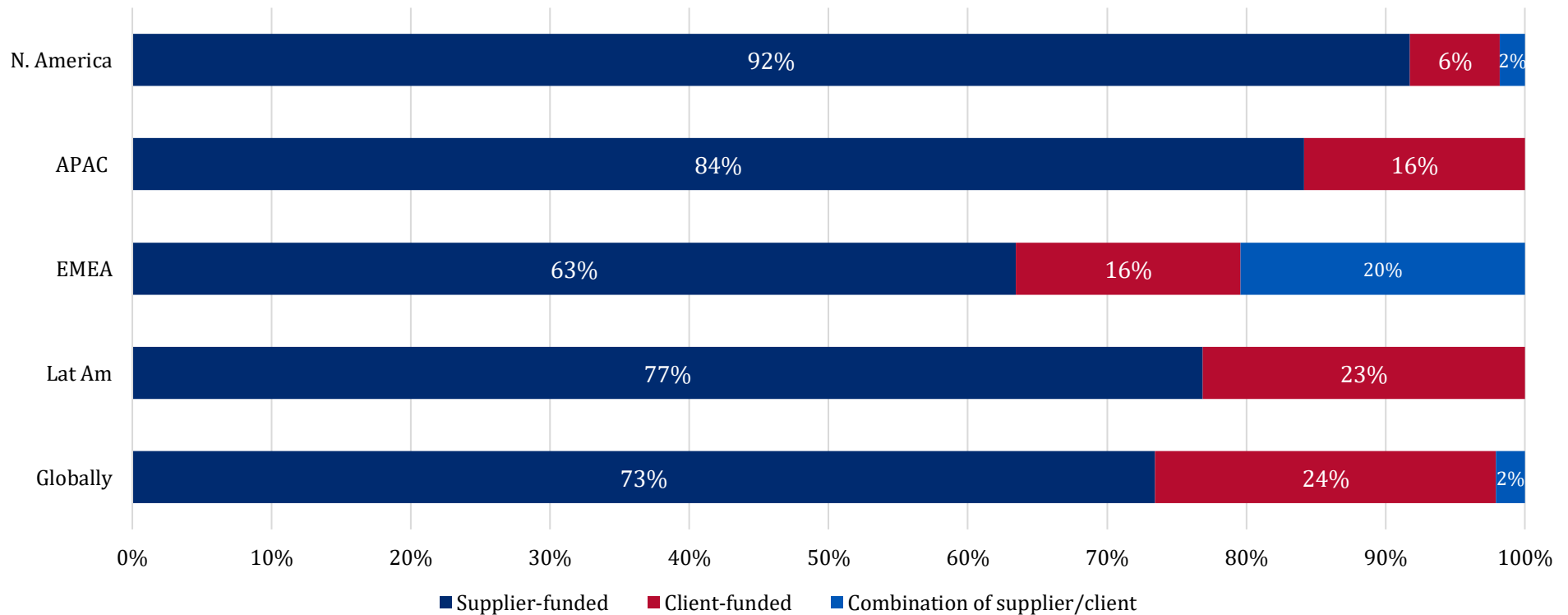
Share of 2021 VMS Spend by Size of Client
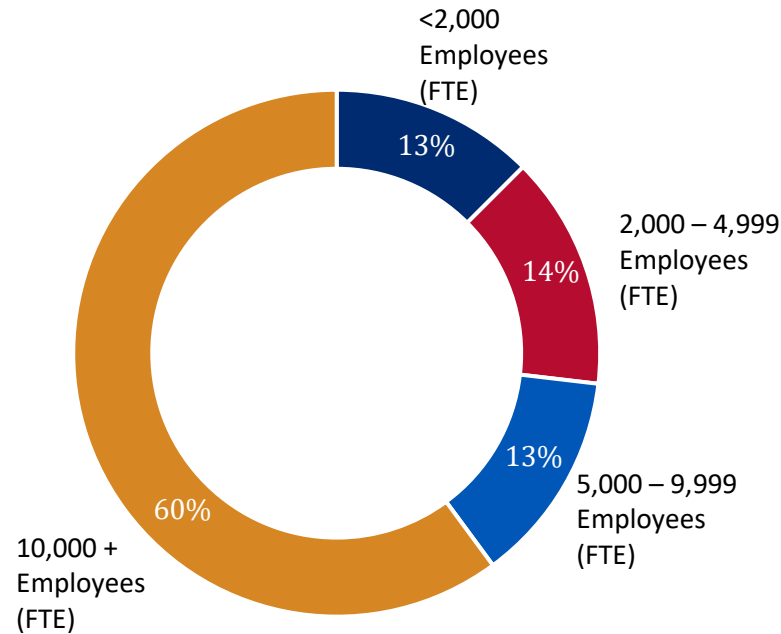
Share of 2021 VMS Clients by Size of Client
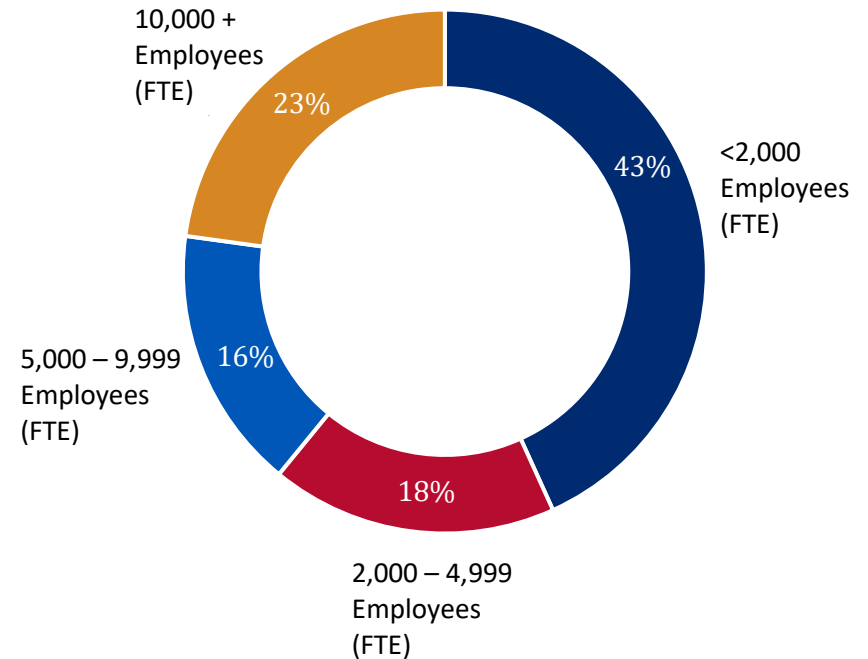
7. VMS Funding Models

The prevalent pricing method for a VMS used by 92% of firms for North America and 73% globally, is percentage of spend through the program, typically funded by the supplier. SOW engagements are more commonly client-funded and have pricing caps. The advantage of supplier funding is that from day one of the program, the client does not need to find a budget for a costly implementation or fight for allocation on an annual basis. Supplier funding also ensures that the users who get the most benefit from the program end up paying the largest share. The downside to supplier funding comes from supplier resistance, which can contribute to poor program adoption. Client funded models often cost less overall than supplier funded programs, and supplier adoption is usually better. Supplier funding is easier to manage in a single country implementation or where the buyer has significant volumes to incentivize suppliers. In multi-country implementations and where there are lower volumes by country, many programs require client funding to avoid losing suppliers in the process.

Share of 2021 VMS spend by funding model

Legend: ■ Supplier-funded ■ Client-funded ■ Combination of supplier/client

Region	Supplier-funded	Client-funded	Combination of supplier/client
N. America	92%	6%	2%
APAC	84%	16%	
EMEA	63%	16%	20%
Lat Am	77%	23%	
Globally	73%	24%	2%

8. VMS Pricing Models

Anecdotally, there is increasing buyer appetite for alternative VMS pricing models more aligned to the licensing approach offered by other enterprise software solutions. Despite this, fee as a percentage of spend remains the predominant pricing model. There are some advantages to this for the buyer; it is simple to administer, and in the same way that the VMS benefits when volumes increase, they equally carry more risk when volumes decrease. The impact of the COVID-19 pandemic is a good example of the risk burden borne by VMS becoming a reality. An increasing number of organizations are adopting a combination of fee types within a program as new and different sources of workers are managed within the VMS that mean percentage of spend is not an appropriate model. The 'other' category in the chart below includes a combination of fee per FTE in the system and per timesheet processed.
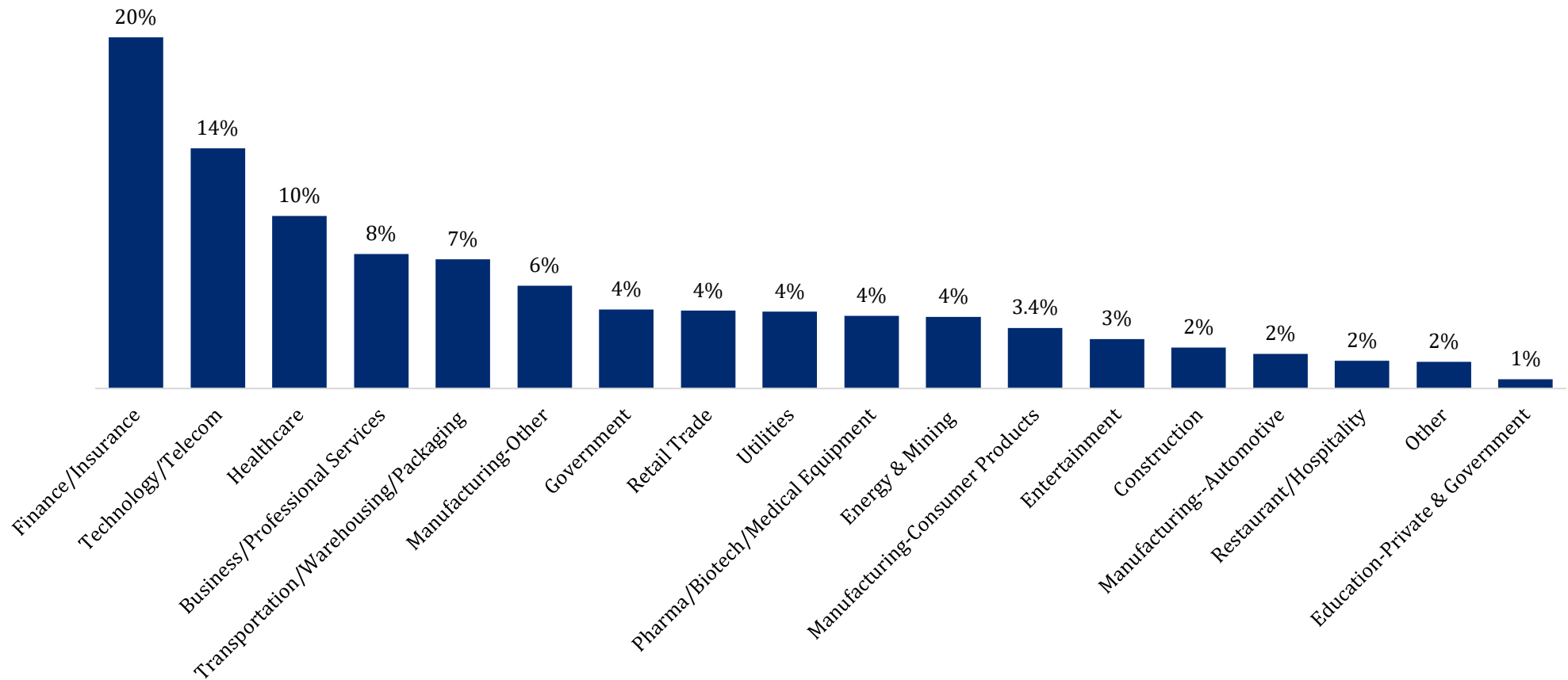
Share of 2021 VMS spend by pricing model

SIA
STAFFING INDUSTRY ANALYSTS
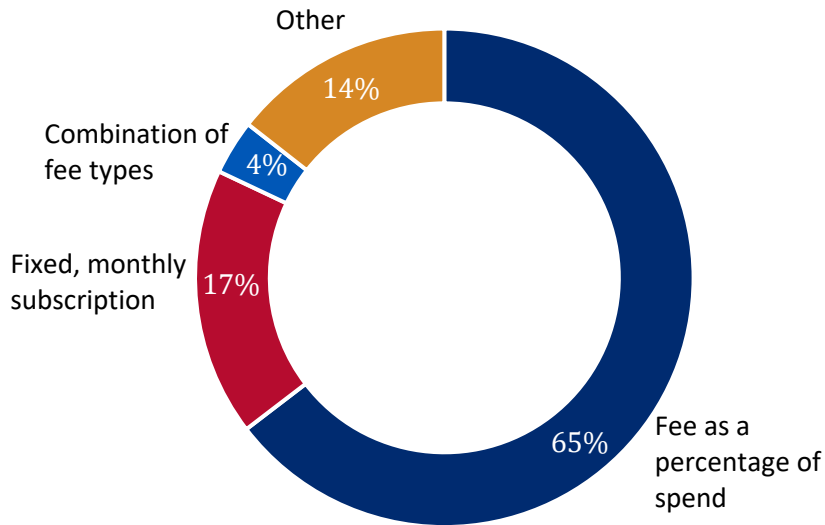
9. Industries of the VMS Market

The Finance/Insurance industry (20% of spend) continues to be the largest consumer of VMS, followed by Technology/Telecom and Healthcare. The top ten industries by spend represent 81% of the total VMS market.

*VMS Market Size by Buyer Industry (share of spend)*

10. Occupational Mix

By volume of workers, the largest occupational category is industrial, with 58% of workers managed through VMS platforms in this category. It should be noted however that, given the lower average pay of workers within the industrial category, the occupational mix is not necessarily reflective of spend managed within the programs. By spend, the largest occupational category is Information Technology, with 41% of spend in VMS platforms in this category, largely driven by high worker pay rates rather than volumes. The industrial category only accounts for 10% of total spend.

*Share of VMS Market by Occupational Skill Category (by spend)*
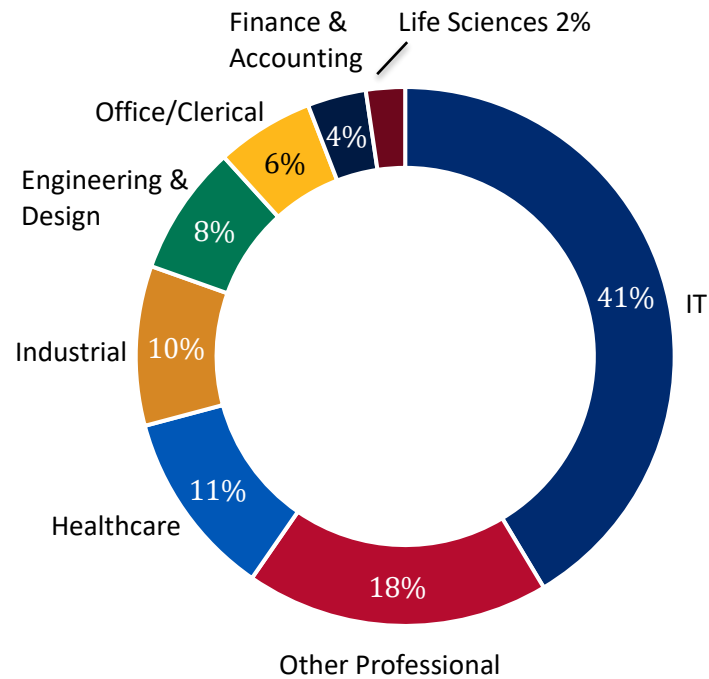
Share of VMS Market by Occupational Skill Category (by worker volume)
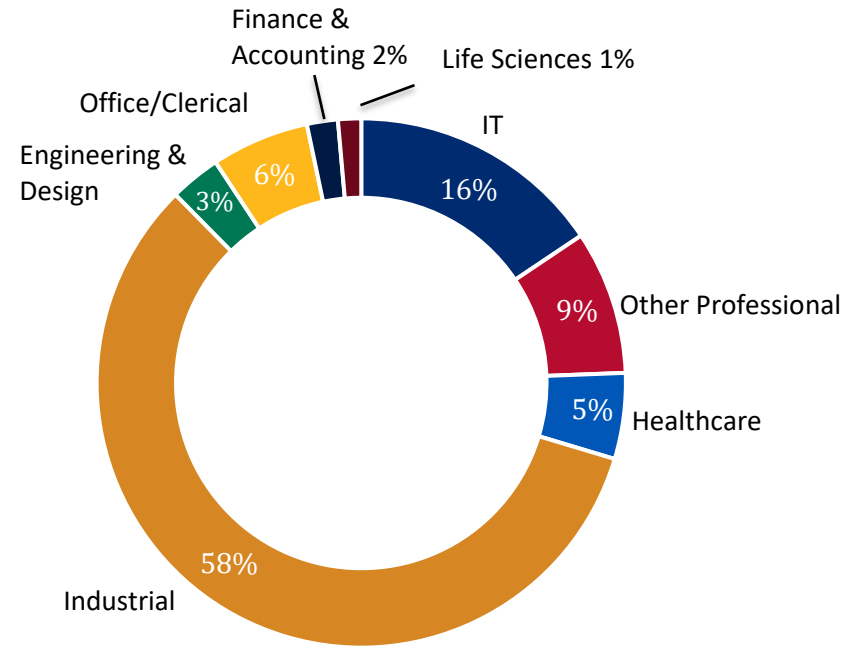
11. Service Delivery Model

67% of providers deliver VMS services either in conjunction with a third-party MSP (46%) or bundled with an MSP offered by either their own or a parent company (21%). At 35%, the number of internally managed programs continues to grow, and VMS providers have a direct contractual relationship in approximately half of reported programs. These figures correlate with SIA's 2022 Workforce Solutions Buyer Survey where 40% of respondents report internally managed programs and a further 18% plan to explore within the next two years.

VMS Market by Service Delivery Model (share of worker volumes)

Vendor's own MSP — 21%
Internally (Client) Managed Program — 33%
Third Party MSP — 46%
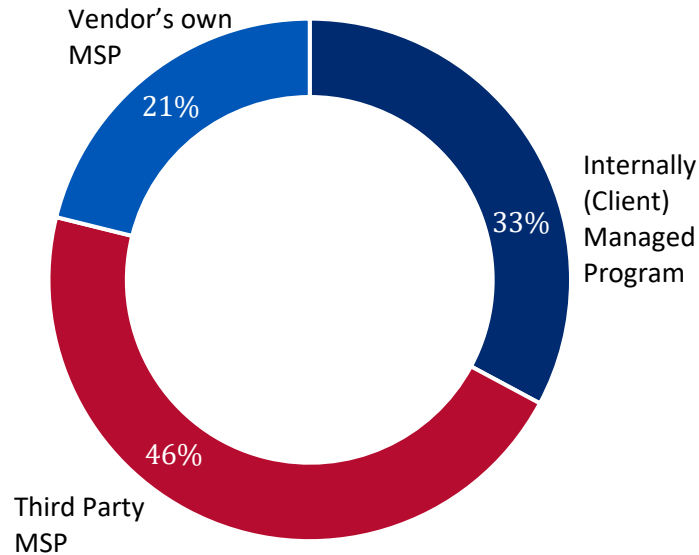
Workforce Solutions Buyers Survey – Value delivered by VMS

SIA's annual Workforce Solutions Buyers Survey reflects the responses of companies with contingent workforce and/or RPO (recruitment process outsourcing) programs by region. As part of the 2022 survey, SIA asked respondents, "how would you apportion the value delivered by your VMS across the following attributes?". Attributes listed for selection were quality, efficiency, cost, risk, and talent acquisition. Responses are reflected in the chart below. VMS value was considered highest in efficiency (29%) however responses are distributed equally, showing that the VMS value proposition comes from an overall consideration of all characteristics, and not one particular attribute.

How respondents apportion the value of their internal/ external MSP (number of respondents = 86)
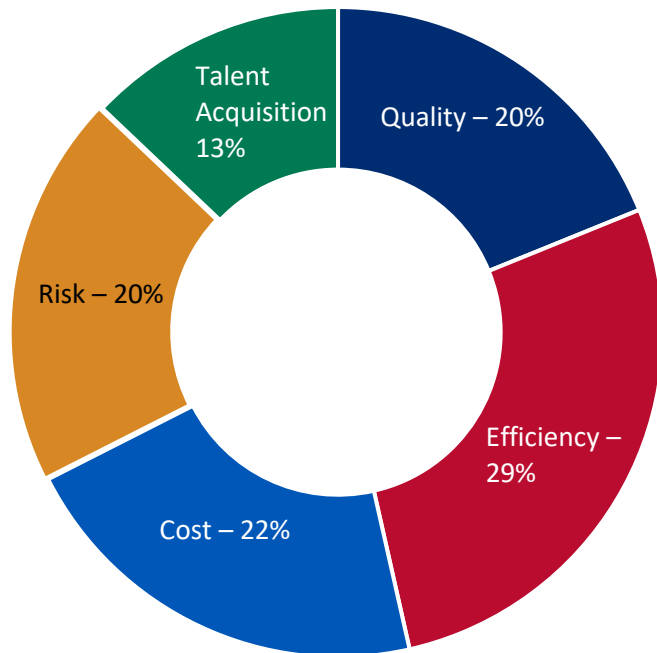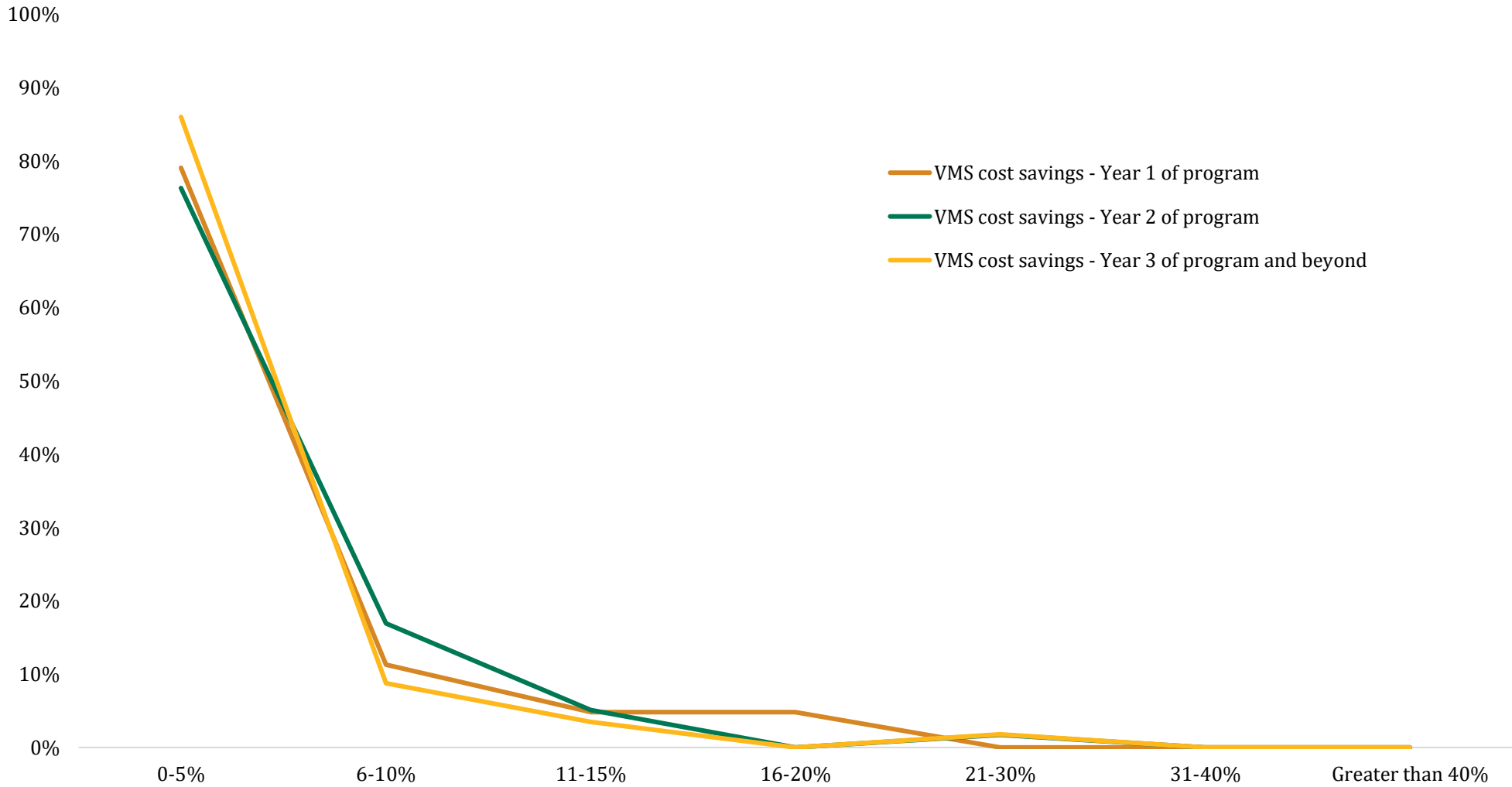
Workforce Solutions Buyers Survey – Cost savings delivered by VMS

Looking at VMS value in a more cost-specific way, the survey also asked, "What cost savings in percent (if any) have you seen as a result of using an VMS?" in the first year, second year, and third year and beyond of the program. Responses are shown below. Cost savings of 0-5% were seen by a majority of respondents in all years. The percent selecting 0-5% was highest in year 3 and beyond. Cost savings of 6%-10% was the second most common selection reported by companies.

	VMS cost savings – Year 1 (of program)	VMS cost savings – Year 2	VMS cost savings – Year 3 and beyond
0-5%	79%	76%	86%
6%-10%	11%	17%	9%
11%-15%	5%	5%	4%
16%-20%	5%	0%	0%
21%-30%	0%	2%	2%
31%-40%	0%	0%	0%
>40%	0%	0%	0%
Respondents	62	59	57

Workforce Solutions Buyers Survey – Cost savings delivered by VMS (continued)

SIA
STAFFING INDUSTRY ANALYSTS

Workforce Solutions Buyers Survey – VMS Net Promoter Scores

SIA asked large companies how likely they would be to recommend their current suppliers. Respondents selected a value ranging from zero (not likely to recommend) to ten (very likely to recommend). The graph below provides the distribution of global responses. The net promoter score is calculated by subtracting the percent of respondents scoring 0-6 from the percent scoring a 9 or 10. The NPS for VMS is -28 which suggests a high level of dissatisfaction with the services offered by VMS. The graph on the following page shows the trend of NPS in the US over the past decade (note this score was not recorded in 2020). It shows a clear decline in the net number of customers willing to recommend their VMS supplier.
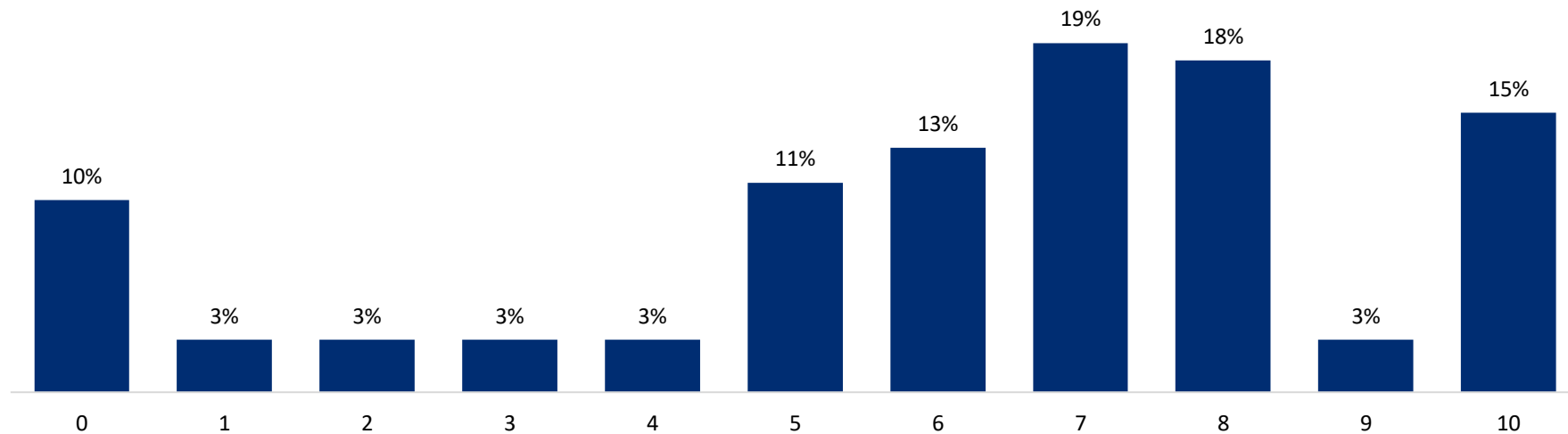
NPS was developed by Fred Reichheld, a fellow at Bain & Company®

Workforce Solutions Buyers Survey – VMS Net Promoter Scores Over Time (Americas Region)
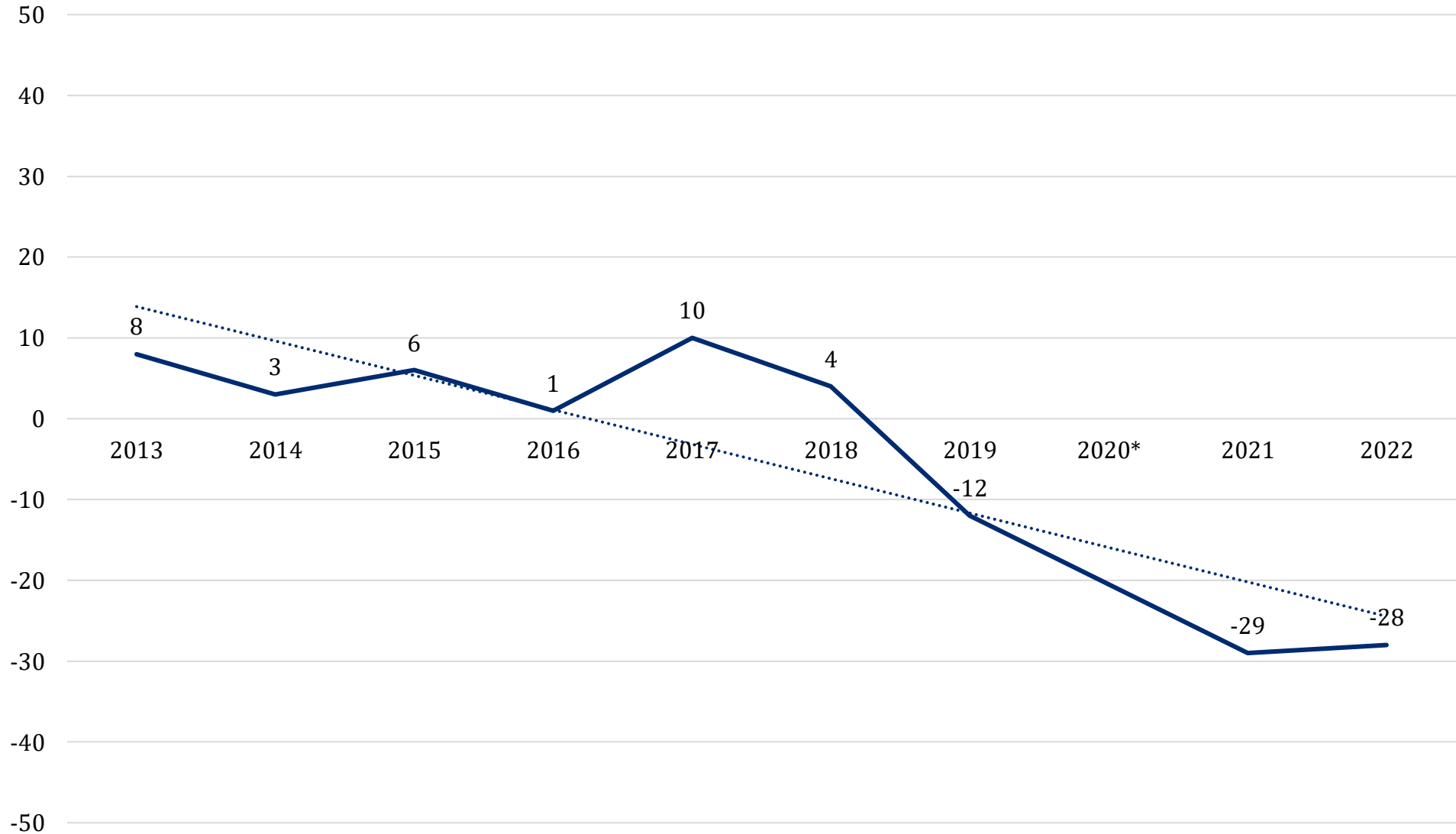
Why Choose a VMS?

The traditional drivers for using VMS include:

- Improved visibility of the contingent workforce and associated mitigation of risk through worker on/off boarding process management, worker classification, tenure management and asset management. As VMS providers invest in more localized solutions it is realistic to achieve this in a global context. With today's VMS SOW functionality and capability, workforce risk mitigation can now apply to all types of contingent workers including those operating under service contracts or projects. Traditionally, organizations had little to no visibility of workers engaged through these channels.

- Process efficiencies through consolidated invoicing, streamlined approval process, SOW milestone payment and simplified time and expense entry.

- Cost management and reduction through leveraging internal and external bill and pay rate data, use of supplier performance metrics in supplier negotiations and sourcing strategy development and tracking overtime and expenses.

- Improved quality, performance and timeliness in contingent workforce fulfilment through requisition standardisation, supply chain optimization and simplified feedback and selection capability.

More recent and emerging benefits from utilizing a VMS include:

- Ability to leverage newer direct sourcing and other workforce channels such as Freelancer Management Systems (FMS) in a controlled way, offering greater flexibility to find and source any type of profile to further drive time-to-fill and cost efficiency.

- Feedback and performance management to optimize contingent workforce outcomes.

- More effective management of contingent workforce alumni through talent pooling and redeployment.

- Moving towards total talent management outcomes by understanding workforce mix, utilizing the contingent workforce as a source of referrals and integrations with other talent-related systems for full workforce visibility.

The case studies on the following pages highlight the rationale for VMS selection, evidence of adoption of new services, and offer examples of the benefits achieved by VMS customers, as reported by participants to this study. Contingent workforce buyers may like to review these case studies when building a business case, creating RFI/RFP material or when conducting provider evaluations.

SIA
STAFFING INDUSTRY ANALYSTS

Leading Software Compnay Improves Workforce Visbility and Access to Talent

Challenge

Founded in 2003, the client offers an open, extensible data platform that supports shared data across any environment so that teams in an organization can get visibility, with context, for every interaction and business process.

The software company had begun to rely more on its widening contingent workforce as it grew. Despite considerable spend on contingent labor, the organization wasn't realizing the full potential of its program. In particular, there were three areas related to its contingent workforce that it was looking to better address:

- Visibility into the workforce: much of the organization's existing contingent dataset was old and inaccurate.
- Access to quality talent: the company lacked the internal resources and experience necessary to broaden and deepen its talent pool as it expanded.
- Lack of process: inconsistent protocols, an uncontrolled supply base, and rogue spend was hampering program efficiency.

Solution

After conducting a thorough search, the company selected Magnit to optimize its contingent workforce program. The client chose Magnit in particular for its wide array of services and experience, highlighted by:

- Industry expertise: Magnit is one of the largest global Managed Service Providers (MSPs), with 30 years of experience and over 600 clients in more than 120 countries.
- Single source of truth: Magnit's unique integrated Workforce Management Platform gives clients access to both leading-edge MSP and VMS, which helps centralize contingent labor management into one cloud- based platform.
- Strategic advising: Magnit's Strategic Advisory team leverages data and analytics to assess the maturity and effectiveness of contingent workforce programs and provide actionable guidance on enhancing these programs.

Results

The company implemented Magnit's VMS to standardize and automate its contingent workforce processes and quickly realized the benefits of improved workforce visibility and efficiency. It also tapped Magnit's MSP services to manage IC compliance and payrolling, thereby mitigating risk, driving cost savings and further enhancing program effectiveness. By standardizing markups and providing regular governance on spend, Magnit was able to reduce rogue spend. In addition, Magnit conducted two supplier optimizations, which focused the client's supply base, reduced costs and improved service related KPIs. Based on these successes, the company recently expanded its program into several new countries, including Canada, the United Kingdom and Australia. It also began implementing Magnit's Direct Sourcing solution to expand its private talent pool, including leveraging its brand to promote contingent opportunities via its careers site.

In addition, with diversity a high priority for this client, it tapped the Magnit Diversity, Equity & Inclusion solution to assist in achieving its DE&I goals. Partnering with Magnit, the client launched a "Women Back to Work" diversity cohort aimed at sourcing candidates with gaps in their employment records. Future diversity cohorts will target veterans and black tech professionals.

Source: Magnit VMS

VMS Investments and Emerging Solutions

Vendor Management Systems in their traditional sense are contingent worker sourcing and billing applications that enable a company to procure and manage contingent workers (as temporary agency workers or through services contracts) in accordance with client business rules. In a rapidly changing technology landscape, VMS solutions have evolved in their scope of service, geographical capability, provision of data for decision making and maturity as talent acquisition platforms. In recognition of this, SIA does not focus here on the more established service basics but, to provide context to the developments on which to evaluate providers, explores a range of areas in which providers are investing, including:

- User adoption, experience and mobile enablement

- Client and MSP self-service and configuration

- Integration with client systems

- Managing the extended workforce for Workday users

- Reporting, analytics and benchmarking

- Automation and process enhancements

- Direct sourcing, talent pooling and candidate matching and selection capability

- External technology and service partnerships

- DE&I partnerships, initiatives and data collection

- Accessibility for users with disabilities

1. Focus on User Adoption, Experience, and Mobile Enablement

New VMS enhancements and developments are only worthy of investment if client adoption is sufficient to drive meaningful organizational benefit. In pursuit of ensuring client adoption, providers engage in a variety of methods. User experience and accessibility have a significant impact on adoption, and many providers are investing in mobile enablement and VMS apps to provide on-the-go access to basic features such as timesheet submission and approval to more sophisticated full-product capability including full requisition and contract management.

Examples of user adoption techniques and user experience developments include:

- In August 2021, **3 Story Software** implemented Whatfix, a digital adoption platform which includes interactive walkthroughs, context and segment-specific help and usage analytics. The platform is used to enhance the user experience and to announce new features.

- **AgileOne** continues to invest in the enhancement of its service solutions and proprietary technologies to feature or integrate with software tools that will simplify the end-user experience. AccelerationVMS' Virtual Assistant guides system users throughout the application while Virtual Recruiter pre-screens applicants for best-fit modelling. Additionally, the company's technology roadmap includes a variety of usability and design enhancements, including a responsive page redesign to auto scale software to mobile and tablet screens through AccelerationVMS and Talent ETL apps for iPhone, Android and Microsoft devices, and shift management and scheduling functionalities.

- In 2022/23, **Beeline** continues to advance persona-based user experiences by weaving intelligent automation into everyday tasks for managers, approvers, and program teams. Program office teams will also be provided with real-time market benchmarks directly in Beeline Analytics that will help them stay informed about rates and sourcing trends in today's dynamic talent market. As an Extended Workforce Platform, Beeline will also be launching an experience that caters to the supplier and services firms supporting customers. The new experience will be focused on helping suppliers maximize their time, streamline their processes, and prioritize their opportunities across all their clients using Beeline in one place.

- As an MSP-owned VMS, **Elevate** has a focus on MSP program improvement and continues to enhance a mobile branded MSP Program Excellence communications and content distribution platform. Further user-experience enhancements include automated task creation based on worker type.

- The entire functionality of **Eqip,** including support of all workforce types and all service types, is available on mobile device and is cross platform/ platform independent.

- **Magnit VMS'** mobile platform is comprised of three different areas for the manager, worker and supplier and offers the entire scope of functions that are available from its web browser experience. The company also announced a new strategic partnership with Ceridian, a human capital management (HCM) technology, to offer Dayforce Wallet, Ceridian's pay solution that enables employees to access their pay on demand. Dayforce Wallet will provide the non-employee workforce with more control over their compensation by giving them access to their earned net pay whenever they need it, at no cost to them or the employer of record.

When workers make an on-demand pay request through the Dayforce Wallet mobile app, their pay is deposited directly into their Dayforce Wallet account, which can then be used to make purchases, pay bills, withdraw cash, or make direct deposits into another checking account.

- **Nétive** have added additional context-sensitive help-functionality to the application. Hiring managers are now guided using a flexible decision tree mechanism to the best fitting requisition/acquisition process. This mitigates misclassification risk or non-compliant buying. The company has added a meeting scheduler, which helps hiring managers to arrange interviews with candidates with ease and generates calendar invites for all individuals. All of Nétive's settings pages have migrated to the Salesforce "lightning" system, which allows for additional speed and an improved user experience while the company has hired additional UX (User Experience) designers, which are committed to work with customers and partners to further enhance user experience. Nétive also offers users the ability to translate all communication templates, documents and even master data.

- A video interview tool has been integrated within **Pixid** VMS to provide a solution to clients and candidates who cannot attend interviews in person while electronic signature for all types of documents is now available on the Pixid app.

- **Prosperix's** VMS Network is an innovative approach to VMS technology in that it includes a fully integrated hiring marketplace built within the end-to end solution. This combination allows clients to increase access to available talent and speed up time-to-hire by leveraging the network effects of an ecosystem of clients, suppliers and candidates. This enables direct access to thousands of talent suppliers and talent pools to fill positions across every skill, niche, and geography.

- **Ramco** is moving beyond mobile-first to 'zero UI.' The goal is to enable users to perform any transaction across multiple channels and applications including bots, Microsoft TEAMS, WhatsApp, Slack, email and Facebook Messenger, voice and smart watch along with web and mobile.

- **SAP Fieldglass** has enhanced the UX to include more graphical views to reduce the amount of text and data on a screen and introduce more modern displays and analytics (as well as provide new themes to provide a more consistent UX for those utilizing other SAP software). Over the past year, the company has also released enhancements to the SAP Help Portal, the central access point to SAP Fieldglass product documentation and redesigned the SOW user interface, utilizing a more wizard driven approach that caters to novice users. In addition, users can choose to view information side-by-side, vertically instead of horizontally. This means that information can be viewed higher up the page rather than always having to scroll down. All updates are related to feedback provided by SAP Fieldglass' UX Community, made up of customers, suppliers, and partners, that have a direct connection with SAP Fieldglass' UX teams to provide feedback, collaborate, and get sneak previews.

- **SimplifyVMS's** app is fully mobile native and incorporates SimplifyVMS's complete VMS functionality for all user types (hirer, worker and supplier). SimplifyVMS can incorporate unique items into the system from a mobile perspective. For example, users can receive specific one-off, single population, or whole population push messages from the client PMO/MSP and can respond via text as well. Another function added to the mobile application is the User Feedback function whereby users can be prompted with a short survey, or within the UI can be prompted for feedback, on the solution. This functionality is helpful in further honing the UI experience for the VMS, and provides auditable feedback

contained within the solution.

Similarly, the company is investing in segment specific enhancements. For example, to support healthcare specific solutions, SimplifyVMS has developed functionality to handle clinical and non-clinical spend, to administer shift management, and to enhance credentialing via integrations. Also part of their segment buildout is to further enhance the solution offering to the light industrial/manufacturing/industrial services space; specifically, to reverse timesheet approval, to quick-turn suspend & rehire and to enhance schedule management and mass/bulk timesheet/ onboard/off board enhanced functionalities.

- As part of the Learning Technologies Group, **VectorVMS** can provide expertise, services, and technology to support a wide range of workforce management strategies, ranging from RPO and talent acquisition to learning management and governance/risk/compliance.

- For first generation buyers, and infrequent users, **VNDLY** offers configurable walk through guides and online instructor-led training to ease change management concerns and reduce training efforts. All new enhancements and services are made available across VNDLY's customer base with a disabled status as to not impact the program. This approach enables the PMO and/or MSP to test new feature sets and decide at the appropriate time when they would like to activate them. Additionally, the implementation team supports change management with clients through training and consultation. VNDLY has also increased user adoption by providing native API integration options that allows for programs to kick off requisition processes from Workday. VNDLY report that an increasing number of clients are considering a consolidated process that does not force their user community to bounce between multiple solutions to start the procurement process.

VNDLY has expanded the tool's global capability to include translations, time zone support improvements for user displays, multiple tenure policies, and global tax support. Later roadmap product items include continued translations, to support additional personas and languages, and rate calculator updates. VNDLY was built with mobile in mind so all pages can be viewed on a desktop, laptop, tablet, or mobile device seamlessly. Workday has a unified mobile application which allows contractors to enter time and submit expenses into the mobile application and allows resource managers to review and approve all entries.

- **XRM** has expanded mobile app features to help Light Industrial resource managers to view staffing schedules by day/week and add events such as absences, tardiness and incidents as well as request backfills. In programs with light industrial contingent labor, association of client locations (plants, distribution centers etc.) to suppliers' branches is supported, thus speeding up communication of requests and fulfilment. XRM has also added capabilities to support vendor specific rate cards to be used in Time and Materials SOWs.

2. Client and MSP Self Service and Configuration

Effective VMS configuration at both the implementation stage and on an ongoing basis can make the difference between a successful and unsuccessful program. A VMS can have advanced capability, but poorly configured, with complex workflows driven by the temptation to replicate legacy processes can all lead to low uptake, user frustration and poor perception of the technology itself. In many cases an MSP will be responsible for ongoing configuration, and in some cases, for the initial configuration at the implementation stage. Self-service capability and simplicity of system configuration is therefore a key differentiator. This has become more relevant in recent years as MSPs target the mid-market and look to replicate best practice configuration across multiple clients to gain economies of scale. Similarly, an enterprise client with an internally managed program will benefit from the flexibility that a self-service approach post-implementation can bring. Examples of investments in self-service and ease of configuration are highlighted below:

- **Eqip** has developed a lean fast-track implementation process for its standard VMS solution with reported times as short as two months for enterprise clients and two weeks with its' Digital MSP offering for SME's. The company also offers a VMS Light offering with even faster implementation times which is designed for program with external workforce spend of up to CHF 10 million (approximately USD 10.5 million).

- **Magnit VMS** is highly configurable and allows users to have predefined permissions and roles. Users that are granted an admin role have the ability to manage all aspects of configuration, including defining workflows, custom fields, financial structure, and foundational data management. Users that are granted an MSP user role have the ability to manage all aspects required to fully self-manage a non-employee program, including day-to-day operational tasks and data uploads. Users that are granted a financial role have the ability to self-manage the invoice process, including preview of invoice data and scheduling of invoice creation. Additionally, 3rd party MSPs leveraging Magnit VMS have the permissions required to manage and configure the technology in order to support their portfolio of clients.

- **Nétive's** Self Service Application enables MSPs/customers to change the behavior of the VMS in an agile way. By using a "Visio" style web browser-based modelling tool, the VMS can be configured and reconfigured as required within minutes, meaning that complex changes, new workflows, e.g., adding a light industrial workflow, and approval alterations can be accomplished and approved at speed.

- Most configurations can be managed by the customer administrator while limited configurations must be enabled by **SAP Fieldglass**. Customer administrators have access to the administration interface of their SAP Fieldglass company instance. Customer administrators have access to change approval workflows, manage user accounts, manage job posting templates, monitor the system audit trail, manage rate cards, change system labels, set up translations, manage master data and create custom fields, etc.

SAP Fieldglass has a self-service integration platform called Configuration Manager that is included in subscription pricing (i.e. available to all customers). Configuration Manager provides customers self-service capabilities to smartly and independently enable and manage integrations. Configuration manager enables global implementations while minimizing timeline and impact on customer resources, it delivers agility to add integration capabilities as your program matures, and it streamlines maintenance of existing integrations as data needs change and evolve. Configuration Managers have access to integration tools, system tools, and other maintenance tools through a self-service dashboard. The tools allow clients to perform many administrative actions independently, eliminating the need to open support cases with SAP Fieldglass to

implement those actions.

- **SimplifyVMS** has created a universal configuration platform for PMO, MSP, and end-users. Permissions enable users to have unlimited configurability within the tool ranging from workflow configuration (e.g. fully configurable onboarding, off boarding) to approvals/delegates/ supplier tiering. Enhanced functionalities include training guides, self-help videos, a chatbot (single repository and group chat) and prompting from a chatbot wizard immediately after entering the system. The company has also enhanced the self-configuration functionality to support MSPs/client PMOs who want to completely implement and support the configuration of the solution on their own.

- **VectorVMS'** Shared Managed Services offering is an end-to-end solution that blends full VMS automation with MSP-like services of the client's choosing, allowing businesses to tap into the power of a hybrid model without having to leverage a full-scale MSP. All of the features in VectorVMS' application are configurable and can be adjusted by the client or MSP at any time. The company are working on automating imports for bulk data loads by clients and have started this by deploying vendors and have source data in User Acceptance Testing (UAT).

- With its VSync automation capability, **VNDLY** enables MSPs (or client divisions) to replicate an existing VMS test instance including configuration settings they would like to keep within an hour, meaning significant program roll out efficiencies can be achieved. VNDLY is currently expanding this functionality to clone data as well.

- In 2021-22, **XRM** implemented a brand new reporting engine that can be used by MSPs and client power users to produce repots and charts by joining multiple data entities, without VMS team involvement. The tool offers a comprehensive range of options to MSPs and self-managing client teams to fully configure XRM without needing help from the VMS team.

3. Integration with Client Systems

Enterprise organizations are complex technology environments. For many larger programs, a VMS can only really add meaningful value if it can integrate seamlessly with the existing technology infrastructure, increasing visibility and reducing manual processes, rather than acting as another platform in which a user must transact.

We invited VMSs to provide examples of in-depth integrations and program benefits. Some of these are highlighted below.

- In addition to 3SS Web Services, 3SS have added Boomi as a middleware integration tool. Boomi is currently being used for a Workday/ 3SS integration. They are also working with a client on a Boomi/ePloy integration.

- To meet the needs of customers' and suppliers' IT departments, **Beeline** is building on the success of modernizing APIs in 2022 by substantially expanding the catalogue of APIs and connectors to leading HCMs, ERPs, and other enterprise systems. Beeline will continue to expand their network of technology innovators, collaborators, and service providers through acquisitions and partnerships that make a meaningful and lasting impact on extended workforce programs. In 2022, Beeline expanded on its acquisition of JoinedUp, the end-to-end shift-based workforce solution that provides operational efficiency gains for light industrial, education, and healthcare labor to North America and European markets. In 2023, full integration of JoinedUp to the Extended Workforce Platform will unlock more digital connections for suppliers, capabilities for additional budget transparency, new invoicing features, and richer analytics.

- **HHCS** has 18 integrations with Kronos to eliminate manual touchpoints and increased efficiencies across procurement, time management and invoicing etc.

- **Magnit VMS** continues to invest in and expand its proprietary I/O integration platform, designed to provide flexibility in terms of file formats, transfer protocols, data transformation, scheduling, security and scalability. In addition to configurable integrations for all common VMS integration points, the I/O Platform also includes configurable, productized integrations with third-party systems/partners such as Workday, ServiceNow and Glider. Over the last year the company has invested in creating an expandable, multiserver architecture that can manage higher demand and expand as required. The company has also created a new dashboard that reduces configuration and support time and provides full monitoring and metrics of the platform. Lastly, Magnit have continued to enhance existing integrations by providing more configurability for mapping to new and additional fields, new integration points for client invoicing, and new offerings of public open APIs.

- To automate the requisition to invoice process, **Nétive** has built integrations with its banking client's secure, on-premise environment. The heavily secured environment demanded customised network transmission protocols and encryption. Scope includes integrations to create and approve PO's in SAP from Nétive assignment data, creation of resource and ID information in SAP to trigger on-boarding processes and asset management, timesheet data transfer to generate goods receipt in SAP and an integration with Readsoft for invoice processing. Benefits include significant reduction in time to onboard and the elimination of invoicing related issues.

Nétive is 'open' to every partner' customer and supplier via its Nétive OpenAPI and has integrations in place with several ERP/HRIS and financial systems including but not limited to SAP, Oracle, Taleo and Workday. These integrations mainly focus on master data, delivery of new employees, creation of purchase orders, allocation of hours (or "Goods Receipt") and invoices while the company also integrates with the PEPPOL invoicing network for standardized e-invoicing within the EU. Nétive also integrates with employment agencies and payroll systems via the Nétive Connect platform as well as analytics tools such as PowerBI and Tableau, Broadbean (job distributor) and Adobe and DocuSign for electronic signatures.

SAP Fieldglass has three categories of integration offerings. Firstly, SAP FG standard integrations which include 250+ available standard connectors and web services API's available out of the box that are highly configurable and flexible, touch every possible integration point within the end to end workflow, and standardized to reduce need for custom development. SAP Fieldglass also has productized integrations. These out-of-the-box, cloud-to-cloud integrations between SAP products to simplify interoperability across the SAP suite include integrations in place with Ariba, SuccessFactors and S/4, with Concur planned in upcoming release cycles. For these integrations, SAP owns the development, ongoing maintenance and monitoring of these "productized" integrations to ease the burden and total cost of ownership for the customer. As an example, SAP Fieldglass provides a productized integration with SAP SuccessFactors specifically designed to provide total workforce visibility of both employees and non-employees. As workforce plans and open job positions are created in SuccessFactors, a direct link to SAP Fieldglass allows managers to easily create requisitions in SAP Fieldglass for non-employee workers. As the requisition is filled in SAP Fieldglass, the profiles of the non-employee workers are fed back to SAP SuccessFactors for total workforce analytics. In addition, non-employee worker records can be passed to SAP SuccessFactors LMS for training and learning. Using SAP's Master Data Service, organizations have a central place to control and update all master data components, including job roles, users, org structures, and accounting elements. Lastly, the company offers integrations to its SAP App Store Partners, an ecosystem of digital partner channels delivering seamless and pre-built integrations to transform how customers engage and manage their external workforce (On/Offboarding, Payrolling, Background Check & Verification, Additional Talent Channels, IC Validation, Taxation, and E-signature tools to list some examples).

- **VectorVMS** can integrate with applicant tracking systems as well as HRIS systems to manage total talent. The company reports clients' use of VectorVMS to integrate with the scheduling tool where they can import full-time shifts that they cannot fill for existing contingent workers to pick up and supplement their full time work. VectorVMS has also implemented an API management tool that allows the company to quickly and seamlessly integrate with any technology requested by the client.

- **VNDLY** has built a new module to develop custom reports which can be connected to VNDLY APIs. VNDLY allows users with the correct permissions to access tenant data to build their own reports, own files for transferring to their servers, and even connect to VNDLY APIs with specific parameters. VNDLY offers a comprehensive and unique way of building such reports and APIs to the market. In addition, VNDLY has launched new APIs for procurement spend management processes such as PO/PR creation and invoice matching process.

- **XRM** has multiple workflow options for integration with ERPs such as Workday.

4. Managing the Extended Workforce for Workday Users

When managing the employed workforce, buyers are most likely to utilize a Human Capital Management (HCM) system, often as part of a broader suite of Enterprise Resource Planning Tools. VMS integrations with some of the highest profile brands in this sector such as SAP and Oracle are common and have been in place in various guises for a number of years. More recently, through SIA's CWS Council members, we are learning of an increasing number of examples of enterprise CW buyer organizations leveraging Workday as their primary HCM; a reflection of the broader market. External analysts place Workday's global market share at between 10% to 15%, and Workday is increasingly becoming an HCM of choice, even when there is another ERP in place.

Thirteen participants to this study have varying levels of integration with Workday. While a number of providers have basic integrations in place, only one is currently a Workday Access partner at the time of writing: VNDLY. As mentioned earlier in the report, Workday announced their intention to acquire VNDLY in November 2021 and the deal was finalized in December 2021. Below, we outline examples of how providers are developing solutions.

- **SAP Fieldglass** reports that it currently has 70+ customers with active Workday/SAP Fieldglass integrations enabled using standard APIs, over 200 enabled connectors, and just under 1 million lifetime integration runs across those clients. SAP Fieldglass reports the following integration points as most common between SAP Fieldglass and Workday: synchronization of base configuration data, client users, accounting information, the creation of job posting within SAP Fieldglass from a position within Workday and a contingent worker feed to Workday for talent workforce management and visibility.

- **SimplifyVMS** has Workday integrations to synchronize core data, enable job request from Workday, issue purchase order request and approval, transfer worker data for onboarding and process time and supplier payments. Simplify can transform how Workday data needs to be communicated into Simplify and back out to Workday as well by leveraging web services to enable the integration to occur in real-time. This reduces the need for manual intervention by the end user and/or MSP to collect data from Workday, match it into Simplify, and then be forced to upload the information into the VMS.

- Prior to becoming a Workday company in December 2021, **VNDLY** became and still remains the only Workday approved VMS with a Workday Certified integration. The Certified Integration features 28 individual connector APIs built entirely by the VNDLY Product Team. These APIs can be used to configure the tool to customer specifications, typically requiring only minutes in the implementation process. VNDLY's Workforce Connector for Workday allows seamless integration with real-time connectivity for numerous scenarios, including changes to job profiles, cost centers, supervisory org charts, and more. Extended worker provisioning triggered by VNDLY flows into Workday and downstream systems, enabling tracking, reporting, and visibility. By utilizing VNDLY's APIs to Workday HCM, this now allows for seamless integrations to already existing Workday solutions to bring to life the age-old vision of Total Talent Management.

  VNDLY has developed a series of integration packages (Foundational and Workforce) that optimize how to leverage the two platforms. These packages provide seamless data exchanges between Workday and VNDLY. The Workday basic package ensures master data elements that have been configured in Workday, easily and at a frequency of the client's choosing, interact with VNDLY.

Master Workday foundational data elements such as organizational structure, users with their report to relationships, cost centers (organizational assignments), and work site locations can all be leveraged in VNDLY, and configured directly within the user interface. More mature programs (and the majority of VNDLY customers), leverage the Workforce Package. This offering includes both the master foundational data elements as well as data on the extended workforce. It also provides options, such as organization of job requirements within Workday, further reducing change management challenges. Information such as reason codes, worker types, on and off-boarding details, credentials, and assignment details can be exchanged further advancing the total talent management capabilities of both platforms. The Workforce package is geared for programs that have instituted program controls within their Workday instance and want to capitalize on those configurations within VNDLY.

5. Reporting, Analytics and Benchmarking

Reporting, benchmarks and analytics are fundamental for any VMS to support the visibility and control of costs and to manage supplier engagements. Buyers are additionally demanding predictive and prescriptive insights to support effective contingent workforce management. Providers that are investing in growing capability are typically moving from basic reporting to data analytics leveraging both internal and external data. Further developments include making analytics accessible within the workflow so that users have relevant information to hand.

Examples of reporting and analytics capabilities and recent developments are below:

- **3 Story Software** has embedded Insight Software (formerly Exago) reporting and analytics within the application with ad hoc reports available to all users.

- **AgileOne** has upgraded its Acceleration VMS software suite to provide 360 reporting analysis, business intelligence and workforce analytics through its integration with Microsoft's Power BI reporting and data analytics module, producing data sets in real time for distribution in a variety of formats. The company also has a system integration with Brightfield's Talent Data Exchange (TDX) market rate analysis and benchmarking software. TDX is a platform designed and built to deliver program and market analytics, that standardizes and normalizes data across hundreds of enterprises, to enable on-demand access to internal performance analysis and external market benchmarks. The company also offers clients ad hoc reports and insights from its' in house data team.

- Prior to the pandemic, market rates were relatively flat quarter-over-quarter and now, because market rate trends are changing month-to-month, **Beeline** will be using real-time trends to provide program teams with critical market rate insights and benchmarks for continuously validating rate cards.

- **Elevate** is integrated with GoodData for data analytics. The entire data model is exposed to a sophisticated extract, transform, load (ETL) process to transform transaction data into three categories of analytics: process metrics, spend analytics and workforce analytics which can be filtered by date range, business unit hierarchy and job category hierarchy.

- In 2021 **Eqip** introduced a major update with visual reporting and BI functionality with a customizable and real-time BI tool. This is currently in use by most of Eqip's clients.

- In November 2022, **HHCS** announced the release of its next-generation Einstein II VMS. The enhancements to be offered to new and existing clients include highly customizable dashboards and reports bring visibility and control to contract labor management, equipping organizations for better, more cost-effective sourcing and planning.

- Through acquisition, partnership and purchase, **Magnit** claim to have amassed the world's largest repository for contingent labor data, encompassing over 170 billion data points. Magnit acquired PeopleTicker, the workforce rate benchmarking and analytics platform, in January 2021. PeopleTicker's data science and market rate intelligence leverages machine learning and crowdsourcing to assemble global

market rate data. The company also launched its' own market rate intelligence/benchmarking software, RatePoint, in mid-2021.

Recent acquisitions of Brainnet (MSP in the Netherlands), Workforce Logiq (large vendor-neutral MSP), GRI (large vendor-neutral MSP), and WillHire (direct sourcing platform) have enabled Magnit to add a significant amount of benchmarking data, as well as several new technologies that include AI/ML and predictive capabilities (such as ENGAGE, which helps predict talent migrations and flight risks, as well as benchmarking candidate supply/demand information by skill set, diversity status, and many other fields). In the past 18 months Magnit has begun publishing labor market reports across US, EMEA and now APAC labor markets, as well as industry-specific reports in Finance/ Banking, Automotive, Life Sciences, Healthcare, Technology, and others.

- As **Nétive** is built on the Salesforce platform it is able to leverage the Einstein virtual assistant to improve user experience. The company has launched its first customers on Nétive Advance Workforce Analytics (AWA) which uses Einstein to suggest the "next best action" to the hiring manager, recommending the activity that best supports the contingent workforce program's goal. The system is able to predict the most valuable hard and soft skill mix for a role and the best rate vs skills ratio. With one click, MSPs/recruiters are able to predict rates, fulfilment times, the most successful sourcing channels, expected evaluation results by the hiring manager, expected assignment extension opportunities and the probability of probation period completion. Adding or removing required skills immediately recalculates all predictions. New functionality includes ad-hoc analysis (descriptive analytics) in any report, describing the most remarkable facts in the report automatically. Also automatic trend analysis has been added, including capabilities that "explain" factors/drivers that may have caused trends.

- **Pixid** have changed their BI tool from Pentaho to Sisense in order to improve performance and dashboard capabilities.

- **Prosperix** provides clients with insights into key spend areas such as diversity spend management, PO and SOW tracking, bill rate and/or placement fee adherence reporting, spend by category or department, and more. Using an analytics engine to power their financial reporting service, Prosperix provides business intelligence to assist with key initiatives such as cost containment, rate standardization, bill rate compliance, and automate governance of PO and/or SOW spend limits.

  The company's platform-based talent supplier reporting module provides real-time insights into the proven abilities of every supplier and this information is available to both the client and to the suppliers themselves. This module's data is also utilized to feed proprietary matching algorithms that make data-driven decisions based on supplier performance. The talent supplier reports provide information regarding which recruitment organizations are best able to support by department, geography and skill set. The data allows for easy stack ranking of talent suppliers by quickest to submit, largest talent pool for each position, and geographical expertise.

- **Ramco's** platform incorporates analytics which predict the probability of fulfilling a position, the optimum, salary range for a position, and based on prior buyer and supplier behavior, the potential for invoice payment and processing delays. Clients have the flexibility to build their own reports and dashboards.

- **SAP Fieldglass** is working on a new analytics offering consisting of dashboards across four pillars - compliance, efficiency, quality, and cost control. Within these dashboards, organizations will be able to compare their own KPIs and performance against the broader Fieldglass market, giving them a true view into performance compared to their peers. Key metrics include on/offboarding completion, worker tenure, rate compliance, candidate and worker quality, cycle times, applicant response rate, rate rationalization, accurate invoicing, and more.

  The Market Intelligence dashboards will use aggregated Fieldglass data to provide average rate information in each region as well as rate trends and the supply and demand of external labor by role and region. Dashboards will be designed to conduct side-by-side analysis between three locations while scatter charts will provide useful time-to-fill data by average hourly bill rate as well as the number of potential candidates for that location. Fieldglass data can inform clients of the low, average and high rates by location, a breakdown of the potential candidate quality by location and the estimated total cost of an engagement by location to help determine which location is most economical. The company released its new Quarterly Trends Dashboard in November. The Quarterly Trends dashboard presents application feature adoption, usage, and benchmarks. Customers can view aggregated benchmarks from across the Fieldglass community to their own internal program data.

- **SimplifyVMS** has built its own proprietary reporting and analytics platform and as a result is able to enhance the platform at speed. SimplifyVMS additionally utilizes multiple data platforms along with the SimplifyVMS data source and can use AI to analyze the supply and demand trend change and predict future rates based on existing integrations and workflow configurations within the tool. The company can aggregate appropriate program data for the creation of a benchmark and apply it within a report; conversely, the VMS can integrate with third-party vendors via API and/or file feed to create a benchmark with a greater dataset as well.

  New reporting and analytics capabilities include SimplifyVMS's direct sourcing functionality whereby users who log into the direct sourcing module can run real-time data analytics on the direct sourcing module's data lake, as opposed to the entire repository within the application. This data includes the stratification and sourcing of data across all different job boards, both public and private, which enable clients to receive a "Cycle Time Metrics" report and "Supplier Scorecard" but from the different data collection nodes. Furthermore, these reports and analytics are in real-time, shared with any number of stakeholders on any cadence as well.

- Moving beyond standard API connectors, **VNDLY** has the capability to convert any custom report, including those with complex calculations, into a custom API. With permissions, any user in the system can drag and drop reporting fields into a real time API to connect with client, MSP or supplier's systems, creating greater opportunities for real-time analytics and simplifying otherwise complex activities such as legislative updates to invoicing data and reports.

- **XRM** implemented comprehensive customizable self-service reporting and analytics capabilities in XRM System.

6. Automation and Process Enhancements

A core business driver of programs adopting VMS for the first time is the opportunity to automate and simplify manual processes to improve program efficiency. A VMS must, therefore, be more than a system of record, and providers are continually seeking ways to bring further automation to customers.

Examples include:

- **Eqip's** MSP Digital Backbone substantially reduces the manual work of MSP providers and clients, accelerating the next generation MSP operating model. The platform enables automation of transactional sourcing tasks, contractual and assignment activity and onboarding, as well as digitalization of the back-office including time, deliverables, expenses, logistics and invoicing. The tool additionally automates all engagement and compensation rules for all workforce categories including complex blue-collar rules, collective and/or union agreements and complex working schedules. AI is used for the creation of the candidate's profile in Eqip. The data is parsed from uploaded documents, such as CVs and added to the profile. The information is easily accessible and Eqip makes recommendations based on the profile and the requisition. There is no need to download any documents and it makes the selection of the ideal candidate easier and quicker.

- In January 2021, **Magnit VMS** announced an exclusive partnership with Eightfold, a talent intelligence platform. Under the terms of the partnership, the company will embed Eightfold's AI technology into its contingent workforce management platform, including SaaS solutions, such as Magnit VMS, direct sourcing and diversity & inclusion offerings, to optimize its customers' contingent hiring practices. Eightfold's platform harnesses machine learning and natural language processing to combine internal data with publicly available insights to predict future roles, as well as identifying validated skills, likely skills and missing skills. Its AI technology uses the career paths of more than one billion profiles. Magnit reports that this results in 90% less time screening, 80% faster time to interview, 70% more top candidates, 60% lower cost to hire, and due to its gender/anonymous evaluations, no bias.

- **Nétive** has recently added a flexible automated evaluation/assessment system to measure the performance of a worker, a vendor, and the MSP program office/hiring desk. It enables programs to measure qualitative and quantitative KPI's combined in a single dashboard, providing new means to continuous improvement in the program.

- **SAP Fieldglass** leverages AI to recommend O*NET codes when a user submits or creates a job template or an SOW role in SAP Fieldglass. The O*NET codes become important underlying data when analyzing an external workforce program in order to help users identify job trends, provide rate guidance, evaluate worker onboarding timelines, and recommend suppliers. SAP Fieldglass uses ML to recommend similar candidates to a hiring manager. A reference candidate's resume is used to identify available workers with similar skills and experience, shortening the time it takes to identify ideal candidates from a large pool. The company also leverages ML to scan the resumes of submitted candidates, identify hard/soft skills within a resume, match it against the job requirements and rank candidates.

Resume scoring has recently been improved by using NLP and context awareness weights to key words. A learning component was also added to account for hiring decisions ultimately made. SAP Fieldglass has also recently released an AI-driven chatbot, the SAP Fieldglass Assistant, that uses a simplified, conversational experience to guide end users to the answers they need and utilizes RPA technology to consolidate invoices, saving users from having to do this task manually.

SAP Fieldglass continues to develop automation, investing to increase triggering of actions between SuccessFactors and Fieldglass for requisition and worker data. In 2023 and beyond, the company reports a focus on developing a more cohesive onboarding process for both employees and contingent workers, as well as enhanced flexible integrations from Fieldglass to Employee Central.

- **SimplifyVMS** has incorporated additional elements into the solution to further increase the automation and processing of data. Specifically, parameters automation has been incorporated throughout the tool for users to leverage as they navigate throughout the tool. These 'guard rails' are offered via a decision tree wizard whereby users, based on user role, will be asked a list of predefined questions leading to a specific workflow within the solution. This functionality had existed prior to 2022; however, the new Q&A repository and function associated with the decision tree has changed. The new functionality learns from how the users engage with the solution and will generate new responses based on how users action in the tool. For example, a user entering the tool may be prompted to "How to Create a Job" which will then lead to the specific UI screen for action. If the user then clicks on a specific radial within the concluded UI such as, "Bill rate – yes or no" and the user(s), over time, are significantly skewed towards "Yes," then the Q&A repository will spawn a decision tree branch that further specifies the decision tree query.

- **VNDLY** has launched the next version of approvals management where clients, MSPs and PMO users can centrally track and manage complex and multi-layered approvals. For example, one VNDLY client uses 23 levels of approvals, configured in eight different ways. VNDLY reports that this new functionality has drastically improved the efficiencies of their customer base. In addition to the several native VNDLY improvements, the 28 different APIs automated several processes between VNDLY and Workday and eliminated the need for manual intervention and file transfers.

In addition, VNDLY's global invoice template builder allows businesses to create the invoice templates needed to meet varying in-country requirements. Users can also choose to leverage the expertise of local vendors by allowing them to access this template builder, moving the burden of local compliance and taxation away from internal teams. To support rate card pay parity, VNDLY's rate cards can be easily set-up and managed with the ability to add equal pay rates to support compliance with Agency Workers Regulations. To further support global needs, VNDLY provides local invoice compliance, tax rate management, tenure regulations, rate calculations, extensive currency coverage, timesheet tracking and language packs. The VNDLY platform provides several key functions that support bulk updating, including controls that manage error handling for data migrations so administrators can immediately understand the cause and rectify the error.

- **XRM** added a chatbot tool to assist users in performing basic functions and automated the process of tracking and applying California Meal Break rules to time sheets and spend calculations.

7. Direct Sourcing, Talent Pooling and Candidate Matching and Selection Capability

The impact of the pandemic amplified an already growing buyer interest in direct sourcing, as organizations have both needed to get closer to their contingent talent and identify opportunities to reduce their overall program cost. The capability to support direct sourcing through AI enabled talent matching and purpose-built technology platforms continues to be an area of development and investment for VMS providers. To support direct sourcing, and access to a broader talent ecosystem, providers have invested in partnerships and solutions to build external and internal talent pool capability. Artificial intelligence and machine learning are becoming standard features in the parsing and matching of candidate data to requisitions and this capability is being used in both a supplier and direct sourcing context.

Examples of provider capability are highlighted below:

- **AccelerationVMS** has a partnership with Gr8 People, a talent CRM, which users can access to build, engage and curate talent communities and freelancer networks. Features include AI enabled screening, auto-mapping of ATS applications, leveraging social networks for employee referrals, and the creation of a ready-now talent bench. The company is also partnering with WorkLLama and LiveHire, direct sourcing platforms, to provide clients with access to multiple external online talent communities.

- **Beeline** conducted a focus group in 2022 to address the topic of workforce flexibility. As a result, in 2023, new features such as global sourcing and new talent sourcing channels will be added to Beeline Extended Workforce Platform. This will include the ability to request mailing information from workers to ensure they receive any client-issued equipment or materials in a timely fashion and speed up time to productivity.

- **Eqip's** native B2B Marketplace is included within the VMS, giving enterprise clients extended sourcing capability through a global network of more than 8,000 suppliers and over a million workers. With in-platform performance data and ranking, B2B Marketplace can be used to benchmark performance of a client's own suppliers against the external market. Worksource, Eqip's newest module, was fully launched at the end of 2021, and is used by clients as a direct sourcing module where customers interact with selected talent pools and freelancers directly. Besides direct sourcing capability, Worksource serves as an internal skill and talent management tool for clients enabling full visibility of skillsets and talent available in the organization, prior to launching any search externally. Verified Digital Profiles (VDP) of external workforce candidates is available for both Eqip clients and suppliers and is AI-powered to foster better skill management for clients and more efficient candidate matching process for suppliers.

- **Magnit VMS** launched its Direct Sourcing solution in March 2021 to all new and existing customers. Magnit Direct Sourcing is an integrated solution combining brand-enabled automated sourcing with proactive talent community seeding and development. It drives efficiency and talent quality through leading-edge services and capabilities, including AI-driven technology, curation services, global rate intelligence, program management, and analytics. Leveraging machine learning, the solution helps direct programs grow incrementally smarter over time, powering long-term effectiveness. The result is increased client payroll utilization rates that drive significant cost savings.

  In October 2021, Magnit announced a partnership with Glider, an AI-enabled talent quality solution that verifies identity, validates skills, and

organizational fit through an enhanced candidate experience. The partnership will ensure Magnit clients benefit from an enhanced level of candidate vetting and risk reduction capabilities, engaging the best candidates faster and avoiding costs of bad hires. With integration into Magnit VMS, these results can be achieved whether candidates come from staffing suppliers and service providers or through a direct sourcing channel (where it can also serve as a talent engagement tool). The company is also building a sourcing intelligence tool which assists managers in deciding which type of worker is the most appropriate to engage for an assignment as well as providing rate and availability data by location.

- **Nétive** launched an easy to configure decision tree mechanism, which helps customers decide on the right acquisition channel. This tool when combined with Nétive's automated compliance management system helps to mitigate worker misclassification risk. The company has also invested to increase the speed of parsing and matching functionality, adding several new parsing languages.

- **Pixid** launched a new talent pool module which enables suppliers to propose candidates to clients and for clients to ask their suppliers to anticipate future needs by preparing pools of candidates. Clients are also able to use internal talent pools to shortlist potentially suitable candidates for future hiring needs.

- **Prosperix** provides ongoing talent pool assessments to clients and utilizing Prosperix's artificial intelligence functionality to help identify, engage, and nurture best matched candidates for future hiring opportunities. Additionally, Prosperix facilitates direct sourcing initiatives like alumni and referral networks, silver-medallist programs, etc. Hiring managers can also add candidates to their own private talent pools where they can be accessed and matched for future opportunities.

- **SAP Fieldglass** has focused on expanding their SAP App Store Partners of direct sourcing and talent pool platforms, allowing customers to utilize the best solution for their needs, while seamlessly plugging it into SAP Fieldglass.

- New functionality within **SimplifyVMS's** direct sourcing module is designed to replace the role of a virtual recruiter for the traditional job boards like CareerBuilder, Monster, Dice etc. More specifically, not only does the direct sourcing module integrate and release posts to different job boards, but it also searches those job boards for taxonomy elements tied to specific posts. As a result, direct sourcing is proactive in seeking out candidates who may fit a client's specific requisition's needs.

- **VectorVMS** signed partnerships for talent pooling and direct sourcing over the past 12 months with LiveHire, WorkLLama and TalentNet.

- **VNDLY** has built a proprietary Best Match Index (BMI) that scans resumes and job descriptions to stack rank the better suited candidates based on variety of data points and semantics. The algorithm uses machine learning models which are constantly refined and conducts A/B tests to provide better holistic value to the client. VNDLY allows for private talent pools to be stored and accessed for recruiting purposes when needed. VNDLY also connects with Workday for creating or obtaining additional talent data. All Workday integrations have been launched to the market this year.

- **XRM** has capabilities for suppliers to build pre-hire talent pools to help with faster fills and a facility to provide access to Direct Hire resources through the VMS.

8. External Technology and Service Partnerships

For some enterprise customers and MSPs the VMS platform has evolved from just the primary system of record for the contingent workforce and vendors to a gateway to a vast array of technologies used for the sourcing, assessing, vetting, classification, benchmarking and payment of talent and services. If a VMS is already in place, many customers do not want to transact with emerging solutions outside the program, and as such, a common VMS approach is to make available an ecosystem of technology and services partnerships. These third-party organizations may be accessible through open APIs or there may be deeper integrations enabling customers to access full capability from within the VMS. As many VMS providers have dozens if not hundreds of technology relationships, the below is not intended to be an exhaustive list of partnerships. Instead we highlight some recent examples reported by participants to this study:

- AgileOne has new **AccelerationVMS** partnerships with Intercom for chat functionality, Gr8 people (talent CRM) and Fountain (high-volume hiring platform).

- **Elevate** has announced partnership with Bullhorn and Opptly, a direct sourcing platform.

- In addition to its existing MSP and technology partnerships **Eqip** is using TAPFIN's IntelliReach platform for extended reporting and analytics.

- **HHCS** has over a dozen strategic partnerships aligned to collaborate in all areas of human capital management - some notable partnerships include, Huron, ECG Management, Prosperix, Cielo, Wanderly and Microsoft.

- **Pixid** has a partnership with ADP for integrated time management for temp workers and electronic payslips and contracts for permanent workers as well as an integration with Bullhorn for agencies.

- **Prosperix** has recently completed a VMS-to-VMS integration with HHCS. With the integration, Prosperix can now receive non-clinical jobs directly in the VMS from HHCS, which allows the jobs to be fulfilled by the suppliers in the Prosperix marketplace.

- **SAP Fieldglass** considers the formal members of their SAP App Store as strategic alliances. SAP Fieldglass has leveraged its open platform to create the App Store, an innovative new ecosystem that delivers seamless integrations with online solution providers to help customers transform how they engage and manage the external workforce. New partnerships added in 2021/2022 include Stratesys, DAEGO, Scout Exchange, WorkLLama, AlertEnterprise and Vicoland.

- **SimplifyVMS** is actively engaging tech partners ranging from timesheets, compliance, ATS, FMS, integration providers, background checkers, ERPs, analytics/benchmarks providers, and others to further enhance our ecosystem of solutions for our clients and partners alike. In the past 12 months SimplifyVMS announced a partnership with EMSI as it continues to bolster its market rate intelligence providers portfolio.

- **VectorVMS** announced partnerships in the direct sourcing space with platforms such as TalentNet, WorkLLama and LiveHire. In addition the company has partnered with Glider for assessments, Flexwise and Makeshift for shift scheduling and Mindlance for independent contractor vetting. VectorVMS are also in the process of vetting rate analytics providers to provide market rate analytics to customers and partners.

9. DE&I Partnerships, Initiatives and Data Collection

The industry has historically focused on supplier diversity, which is a valid and essential part of a company's diversity strategy. However, today's reality is that even a diverse set of suppliers – woman-owned, minority-owned, disabled veteran-owned (MWBE) will not necessarily ensure that the talent they supply is diverse. Over the past year, many VMSs have enhanced their offerings to prevent bias at the hiring stage, to help to build and encourage diverse talent communities and to provide actionable insights on diversity using analytics. Examples of provider capability are highlighted below:

- **3 Story Software** has reportable custom fields available for both the suppliers and the MSP to identify and track candidate diversity and is currently reviewing the requirements necessary to provide truly blind bids from suppliers in order for clients to make unbiased candidate selections. Candidates can opt in or opt out of providing their data.

- **AccelerationVMS** can store Equal Employment Opportunity Commission (EEOC) data in an encrypted table ensuring that, at no time, it is shared or surfaced through the candidate selection and engagement process. Reporting can then be presented at an aggregate level to mirror the EEOC report structure while preserving candidate/applicant confidentiality.

- **Beeline** report that while it is convenient for third-party agencies to provide personal information on behalf of temporary or contract workers and consultants (to present them as candidates for jobs or projects, or to successfully onboard to a client), the trade-off is that the individual loses control of how their information is being represented, who can see it, and where and when it can be used. This puts burden and risk on the supplier and hinders safe collection and trending of external workforce diversity data. As a result, Beeline will be launching a new talent experience that enables individuals to control their own data. Beeline will be able to provide clients aggregated and anonymized DE&I insights for their external workforce without risk. The talent experience is part of Beeline's future vision to help accelerate worker onboarding steps through automation and enabling suppliers to focus more on talent acquisition and engagement and less on administrative activities.

- **HHCS' Einstein II VMS** enables vendor partner information to be provided to each client with business classification break-down for reporting purposes and can house DE&I data as a classification document.

- **Magnit VMS** enables the collection of self-identified diversity data that can be leveraged to provide actionable metrics, trends, benchmarks and labor market availability. Data insights inform strategic investment decisions such as sourcing locations, inclusion practices, hiring focuses, targeted diversity cohorts and accountability. Magnit report significant change in the representation of the contingent workforce at client organizations with one large pharma client increasing their Hispanic/Latino talent by 11 percentage points and their Black and African American talent by 5 percentage points.

- All information submitted by a supplier or client about a candidate is tracked within the job application by **Prosperix**, including the summary overview, notes, resume, accompanying documents, background information and more. This information becomes part of the candidate record and is auditable and accessible indefinitely. Candidates also have access to their information and can provide updates to their profile,

resumes and accompanying documents. This allows the information to stay current and ensures the candidate is represented correctly by the recruiter.

- **SimplifyVMS** can develop a public facing diverse talent pool that clients may utilize, or can create a private diverse talent pool specific to the client's requirements as well. SimplifyVMS is now engaged in driving neurodiverse talent pools across multiple clients who, recognizing the uniqueness of neurodiverse candidates, are working to align their talent acquisition strategies to best fit their needs. Any preconfigured or User Defined Fields (UDFs) can be incorporated into the tool and can be applied to diversity initiatives, which means that users can then search, filter, flag, etc. worker/supplier/user profiles with data items contained within these fields, which also means that SimplifyVMS can report on these items accordingly. Diversity spend can be tracked against metrics embedded within the solution and notifications can be sent if spend goals are on track or not. Re-adjustments on spend can be made as needed by permissioned users based on the diversity metrics report.

- Diversity, Equity and Inclusion data is not captured natively within **VNDLY.** However, VNDLY supports DE&I initiatives within the application through custom fields if desired by the client. It is not turned on by default. VNDLY can be configured to help eliminate factors that may create bias when reviewing/comparing candidates. Diversity Categories or other desired information can be configured and tracked at various levels such as supplier or candidate level. For example, VNDLY can be configured to eliminate 'years of experience' when comparing candidates for opportunities to minimize age discrimination behavior. Also, VNDLY supports configuration of GDPR policies with right to erase any sensitive data as deemed necessary.

- Within **SAP Fieldglass**, diversity classifications for each supplier can be configured and captured on the supplier's profile and then made available to users during the distribution and sourcing process. It is common for diversity suppliers to be configured in the first tier of distribution lists to give them a competitive advantage at filling orders before non-diverse suppliers receive the position. Each supplier's diversity status may be included in reports as well to gain visibility into items such as spend, performance, fill ratios, etc.

  All spend incurred with diversity suppliers within SAP Fieldglass can be tracked accordingly. Invoices for this type of supplier can be individually tracked and presented to your accounts payable system separately, allowing SAP Fieldglass' customer to pay these suppliers directly, rather than paying the MSP who then pays these suppliers on behalf of the client. By paying the suppliers directly, SAP Fieldglass' customer is able to claim the credit for Tier 1 diversity spend.

  Through their partnership with Qualtrics, SAP Fieldglass enables the collection of diversity data. This information is wholly anonymized and can only be reported at an aggregate level. The partnership with Qualtrics enables more than just diversity data collection though, it combines X data (experience data) with O data (Operational data) to uncover not only what is happening, but why.

- LTG's Affirmity solution is integrated with the **VectorVMS** platform, enabling users to measure and track diversity initiatives and metrics while assisting organizations in building an inclusive workplace.

10. Accessibility for users with disabilities

Accessibility for users with disabilities is an important priority to many companies as part of their diversity, equity, and inclusion efforts. A number of vendors have focused on compliance with the Web Content Accessibility Guidelines (WCAG) which are part of a series of internationally recognized web accessibility guidelines published by the Web Accessibility Initiative of the World Wide Web Consortium, the main international standards organization for the Internet. WCAG has three levels of conformance: A, AA and AAA. Examples of provider capability are highlighted below:

- **3 Story Software** is using a third-party tool that allows users to adjust visuals to accommodate various disabilities. The tool also has blind reader capability and recognizes users with standard blind readers. With this tool, 3SS is 100% WCAG AA compliant.

- **Magnit VMS** complies with WCAG level A, and the company is currently working on level AA compliance. The mobile app has been developed to support voice-over commands to help visually impaired users navigate the app.

- **SAP Fieldglass** is committed to being WCAG 2.1 AA compliant across the application. SAP Fieldglass is committed to ensuring that all users are able to successfully navigate and complete basic transactions in the system. SAP Fieldglass' accessibility strategy measures compliance against the WCAG 2.1 framework. On an ongoing basis, accessibility enhancements are considered during the planning phase for each major release of the application. A formal Quality Assurance function is in place to ensure SAP Fieldglass' accessibility stance remains strong and does not erode over time. Accessibility training and documentation is also available for the development and testing staff members. SAP Fieldglass has achieved 100% compliance with WCAG 2.0 level AA criteria standard and achieved 93% compliance with WCAG 2.1 level AA criteria.

- **SimplifyVMS** is WCAG 2.0 AA compliant. In addition to this, SimplifyVMS have supported more specific user bases like the visually or auditorily impaired. Use cases include but are not limited to lightening/darkening/reddening the User Interface, font size enhancements, actions are spoken and not mouse sensitive, and automation to support one-click or two-click items.

- **VNDLY** uses Lighthouse, an open-source, automated tool for improving the quality of web pages, which includes audits for performance and accessibility. VNDLY currently has a score of 72 (out of 100) and is constantly working to improve accessibility. To ensure accessibility, VNDLY will work with the client and/or MSP to provide one-on-one assistance for users with enhanced needs.

SIA VMS Provider Evaluation

Process and Evaluation Criteria

SIA invited a range of VMS providers to participate in this evaluation, including staffing suppliers with VMS subsidiaries, pure play VMS providers and enterprise software providers with a contingent workforce management component. 15 providers that took part in the initial survey also participated in the evaluation process.

Participants rated their own capability and maturity against a range of criteria set by SIA within the following categories:

- Supplier Engagement and Management
- Time, Expenses and Invoicing
- Statement of Work
- Direct Sourcing
- Reporting and Analytics
- User Experience

Participants were then invited to demonstrate functionality in real-time via a 90-minute web conference with SIA analysts. The outputs of the survey and demonstration scores were moderated and combined and are presented in a heat map format to illustrate capability.

All providers are featured in each of the above six categories, with the exception of the Statement of Work category, where 14 providers have sufficient capability for evaluation.

The above categories, and the specific criteria within them, are not intended to be an exhaustive list of every feature available within a VMS platform. The evaluation is designed to provide a broad overview of functional capability so that readers can identify, at a glance, the relative maturity of providers against each category. The heatmap is intended as a guide and should not be taken to imply that a firm with a higher rating in any given category necessarily provides better service to customers or more value to its stakeholders.

It should additionally be noted that some providers have a sector focus, with features designed to serve the needs of that specific market, for example healthcare. Sector-specific features are not covered within this evaluation. Readers should apply their own weightings to the criteria depending on their needs and priorities before forming any conclusions and should not assume that the outputs are reflective of a provider's capability or maturity within the context of their market specialism.

Rating Scale

The rating scale applied to each criterion is described below. Suppliers were rated on a combination of self-assessment and SIA analyst validation, with the exception of those criteria relating to integration where, in all cases, the rating is based on the providers' own assessment of capability.

Each of the measured criteria has been defined by SIA as either core (C) or evolving (E) to denote the relative market maturity of the feature.

	Provider Assessment	**SIA Validation**
	No evidence of functionality or roadmap	Not available
	Evidence of roadmap, documented requirements	Developing/Not Configurable
	Basic functionality and adoption	Moderate/Minor Configurability
	Developed functionality and adoption	Good/Configurable
	Enhanced functionality and adoption	Best Imaginable/Fully Configurable

SIA
STAFFING INDUSTRY ANALYSTS

Supplier Engagement and Management

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	Suppliers can service multiple customers through single account															
E	Online application /assessment /sign up for new suppliers															
E	Automatically recommend suppliers at requisition stage using past performance data															
C	User can choose suppliers at point of use															
C	User/admin can configure tiering by location and discipline															
C	Suppliers can view and download performance data															
E	Individual / group chat functionality for supplier/MSP/customer communication															
E	Suppliers can communicate directly with end client within the application (without PMO intervention)															
	Overall															

Time, Expenses and Invoicing

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	Configurable timesheet and billing rules for local legislative requirements in each country of operation															
E	Timesheet/card can calculate overtime rates/shift-based pay based on start and end time of worker assignment															
E	Mobile app for worker time & expense entry															
E	Mobile app for customer time & expense approval															
C	Integrations to external time systems for payment and invoicing															
E	Create timecards in Application from customer entry/exit system															
C	Assign proxy approval as required															
E	Split time/expenses across multiple projects															
E	Apply margin to billable resources															
C	Configurable start and end dates for timecards/sheets															
E	Support local billing cycles per country (e.g. 4 week v calendar month)															
E	Completion of a shift by a worker can automatically trigger a pay and bill cycle															
	Overall															

SIA
STAFFING INDUSTRY ANALYSTS

Statement of Work: Sourcing and SOW Creation

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
C	Set up: Integrates with customer system for budget approval															
E	Sourcing: Build RFX within the application															
E	Sourcing: User can assign contributors configurable by role															
C	Sourcing: View and amend previously used templates															
E	Sourcing: Conduct RFX scoring and bid comparison within application including consensus scoring															
C	Sourcing: Conduct and configure supplier Q&A including open and restricted questions															
E	SOW Creation: Data from RFX populates SOW template															
E	SOW Creation: Supplier and Customer can mark up and negotiate SOW within the application															
E	SOW Creation: Integration with e-signature application as standard e.g. DocuSign, Adobe															
C	Onboarding: Integrates with vetting and screening systems for resource onboarding															
	Overall															

Statement of Work: Management and Reporting

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	SOW Engagement Management: View, manage and amend complete or partial milestone payments															
C	SOW Engagement Management: Change control managed within the application															
C	SOW Engagement Management: Vendor milestone/end of project scoring and feedback functionality															
C	SOW Engagement Management: Manage, extend, terminate, assign resources against project															
C	Reporting and analytics: dashboard view of resources deployed against projects															
C	Reporting and analytics: tracking of non-billable resources within the application															
C	Reporting and analytics: dashboard view of supplier bid record															
C	Reporting and analytics: dashboard view of overall & project-by-project budget, remaining budget and milestones															
E	Calculation of service penalties within application															
C	Billing rules configurable by SOW type e.g. service-based vs. Project based															

Statement of Work: Management and Reporting Continued

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	VMS can route RFx to approved suppliers based on the RFx template/data															
E	Prospective suppliers can register to respond to bids through the VMS															
E	VMS contains a standard library of best-practice RFx templates															
E	VMS can monitor and manage SLA's for outsourced agreements e.g. helpdesk support															
	Overall (All Statement of Work Criteria)															

SIA
STAFFING INDUSTRY ANALYSTS

Direct Sourcing

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	Integrations with client ATS/HRIS systems															
C	Creation of private talent pools within VMS															
E	Creation of private talent pools through 3rd party integration with online platform															
E	Provision of access to public talent pool from the application or via integration															
C	Customer can view previous engagement method e.g., supplier, permanent alumni, previous applicant															
E	Mobile application for candidates to maintain their profile															
E	Automatically recommend candidates based on information in requisition															
E	Application parses candidate CV/social information into profile															
C	Application can present candidate along with supplier candidates and source can be visible or hidden															
C	Users can share/recommend candidates within the platform															
E	Users can view compliance/vetting levels/outstanding vetting items for candidates															
E	Configurable communications/messaging to talent pool															
E	AI powered candidate matching capability															

Direct Sourcing Continued

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	System manages on-boarding and screening workflow with and triggers notifications for expired items															
E	System recommends optimum sourcing channel based on information in requisition															
E	Scheduling. Workers can be scheduled into shifts using drag and drop															
E	Scheduling. Workers can view and self-book into shifts via app															
	Overall															

SIA
STAFFING INDUSTRY ANALYSTS

Reporting and Analytics

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
C	Rate benchmarking against system data															
E	Rate benchmarking against external data															
E	Decision support using both external and internal data e.g. location, rate, tenure															
C	User-configurable report builder															
C	Pre-defined library of standard dashboards/reports available by user/hierarchy															
E	Rate and Tenure trend reporting for forecasting															
E	Business Intelligence tool built into the application															
E	Customer can define calculations and workflow based on own tolerance levels e.g., spend limits															
E	Reports can be uploaded into presentations from within the application															

Reporting and Analytics Continued

		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
C	Reports defined by hierarchy, location, region and can drill down from dashboard view															
E	System can source and present data on availability of all worker types to reduce requirement for external sourcing															
C	NEW: System can offer supplier diversity reporting															
E	NEW: System can offer candidate diversity reporting															
	Overall															

SIA STAFFING INDUSTRY ANALYSTS

User Experience

|		3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
E	Application recommends previously used templates															
C	Application is enabled for tablet / mobile															
E	Customer mobile app available for requisition creation, review, approvals															
E	Candidate mobile app available for applications, timesheet submission															
E	Supplier mobile app available for requisition acceptance, submissions															
C	Fast-track processes available and configurable (e.g., for volume hiring)															
E	Pop-up guidance available during process															
E	Chatbot guidance available during process															
E	Personalized recommendations - based on user preferences															
E	Voice-based activities and transactions available															
E	Full VMS functionality available in mobile app															
E	Application triggers transactions automatically based on user profile /credentials															
E	Real time event-driven API for integration															
	Overall															

Training and Customer Support

Providers were invited to provide additional information regarding a range of services to support customers with a yes or no response. While these responses have not been validated by SIA, readers can use the information to identify the breadth and depth of available customer support across providers.

|	3 Story Software	AccelerationVMS	Elevate	Eqip	HHCS	Magnit VMS	Nétive	Pixid	Prosperix	Ramco	SAP Fieldglass	SimplifyVMS	VectorVMS	VNDLY	XRM
In-region implementation resource available for all regions serviced	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
In-region support available for all regions serviced	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dedicated account management	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
In-application training material available	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Roadmap published and issued to customers	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Vendor has customer user-group to inform roadmap	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	
Customer can support themselves post-go live with training tools, certification and support available	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Customer / MSP can implement / deploy VMS with support from VMS provider	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Formal superuser/administrator certification available	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y		
24/7 support	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Vendor collects NPS data and reviews at executive level	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y
Customer / MSP can implement / deploy VMS with minimal support from VMS provider	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
MSP users are able to deploy VMS to multiple clients by copying a single instance	Y		Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y

VMS Market by Provider

1. VMS Providers by Work Arrangement

Temporary employees continue to represent the majority of spend for most VMS providers. some providers are exclusively temp/contract, although within that group some are actively developing an SOW proposition.

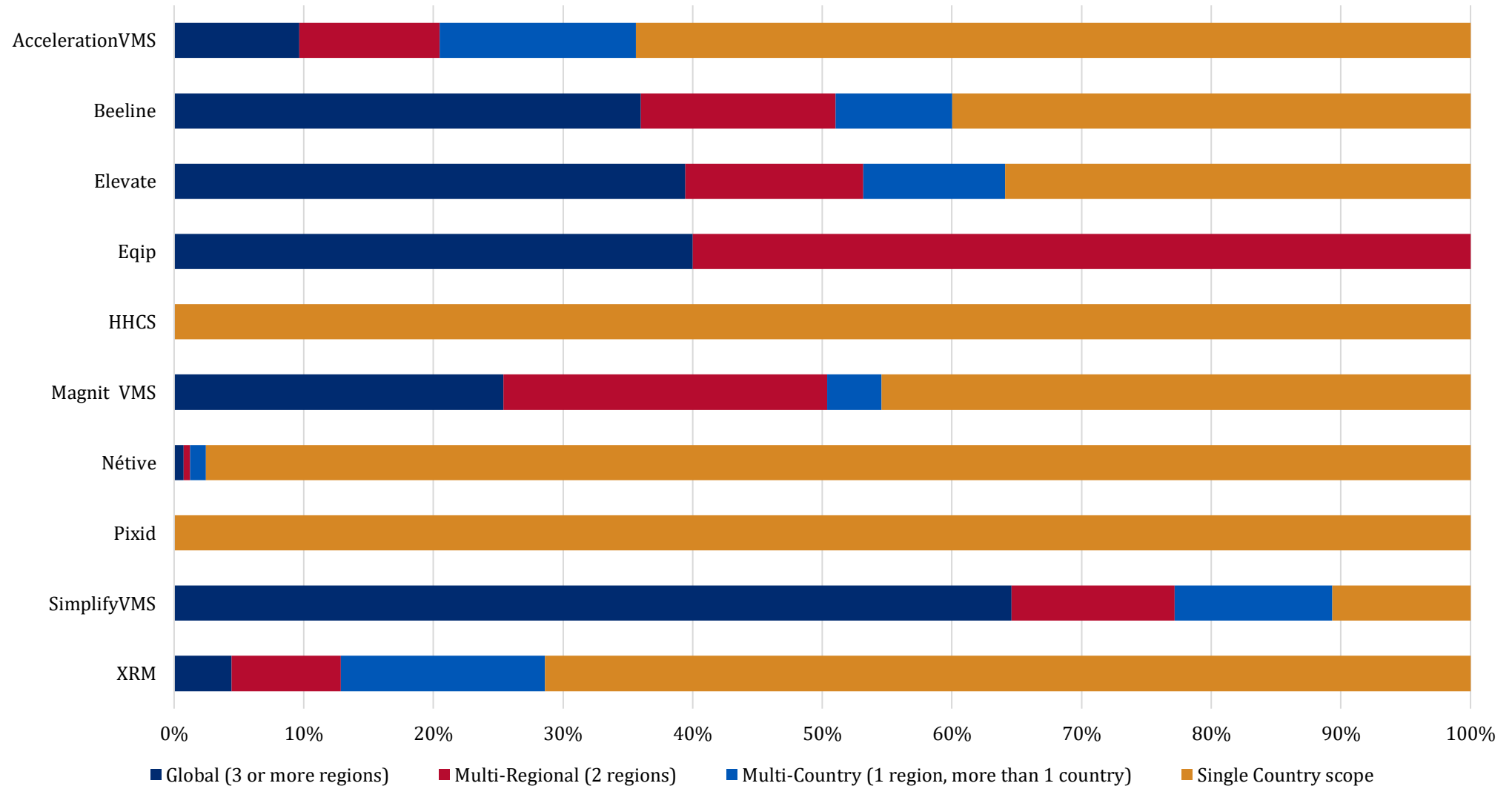Legend: ■ Temp/Contractor Spend ■ SOW/Outsourced Spend
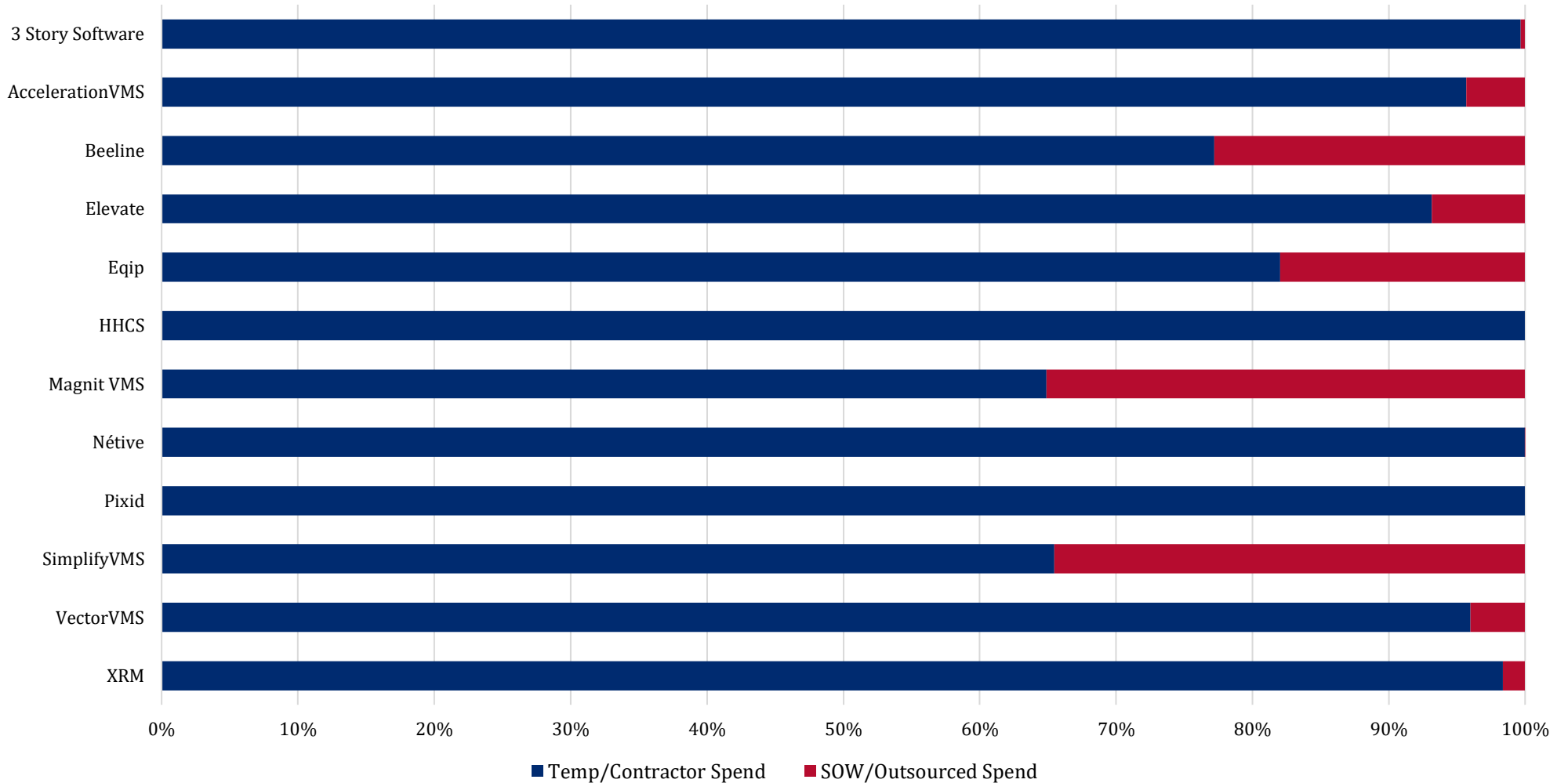
2. VMS Providers by Regional Spend

While there are providers that are focused on a given country (i.e. US, France, the Netherlands), the majority of providers in our study service multiple regions. The specific volumes within each country per VMS provider are not shared within this report, but specific data and analysis can be provided to CWS Council members upon request.
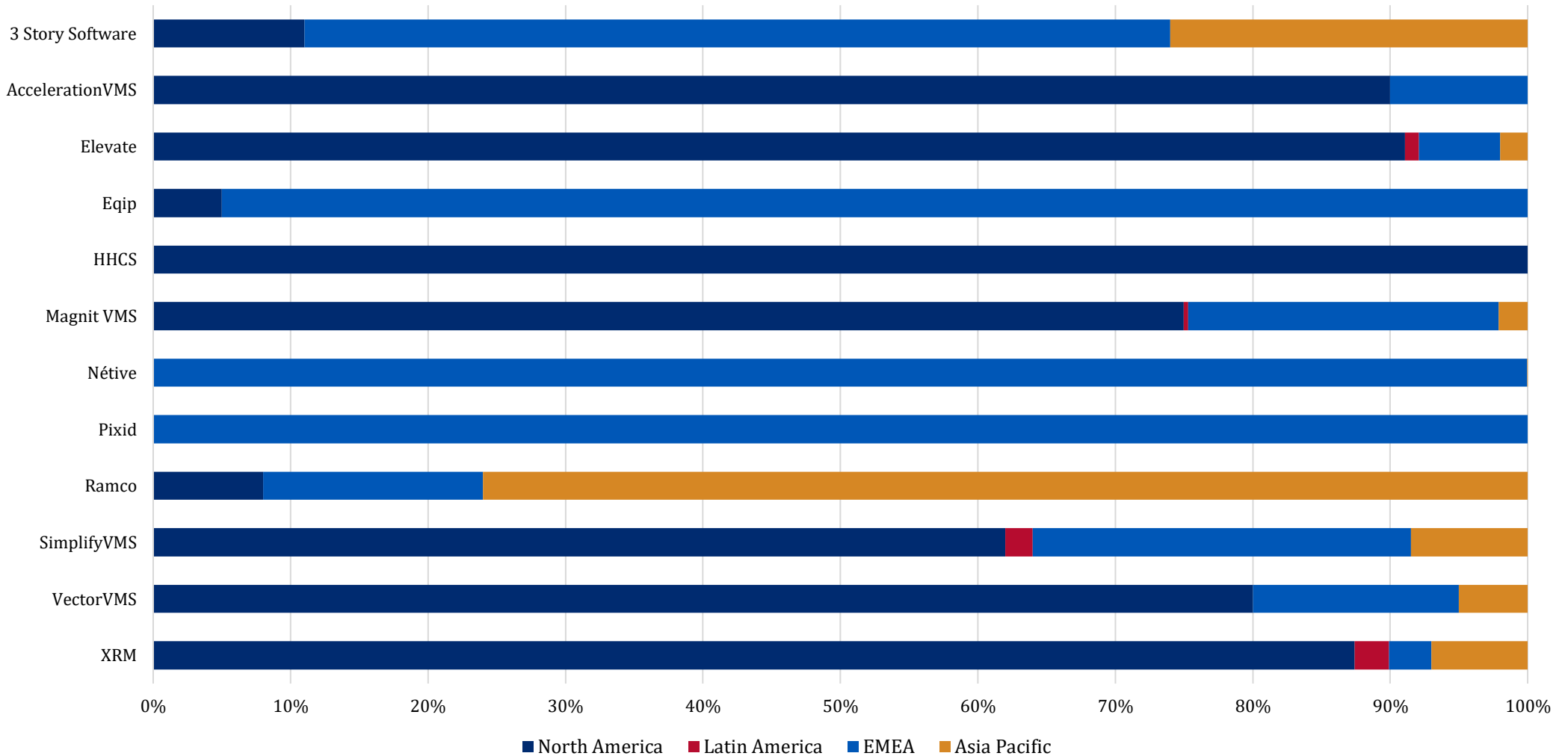
3. VMS Providers by Geographical Scope of Clients

Geographical scope of clients by provider is indicated below. Though single-country programs make up the majority of spend, more than half of providers have programs in two or more regions listed in the graph on the previous page.

Legend: ■ Global (3 or more regions) ■ Multi-Regional (2 regions) ■ Multi-Country (1 region, more than 1 country) ■ Single Country scope

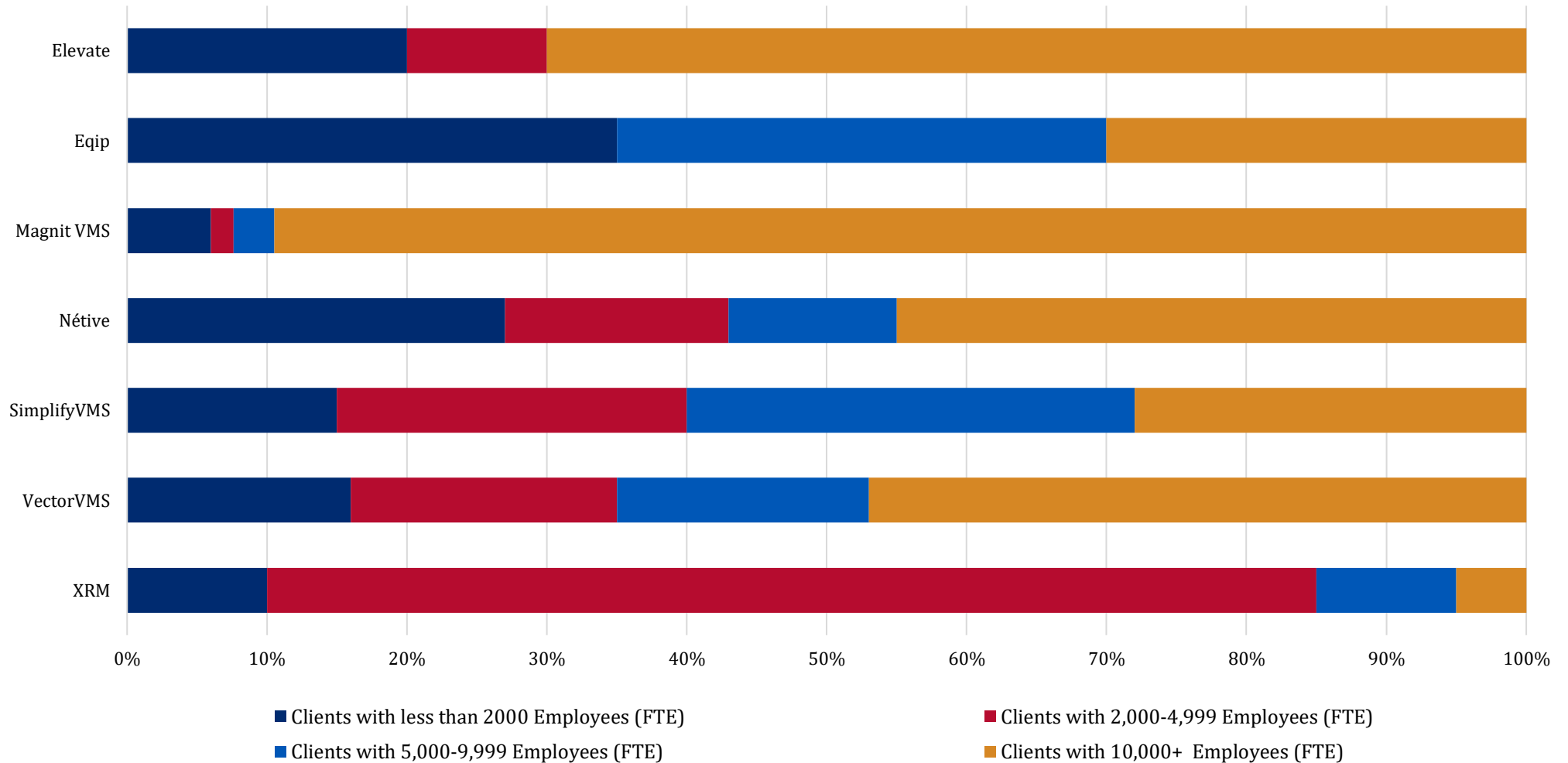## 4. VMS Providers by Buyer Spend Size (Share of Spend)

VMS providers with the greatest spend under management tend to serve clients with larger programs. These larger clients are typically those with global requirements. Given that VMS providers often support implementations with their own teams, provider experience across a range of program sizes demonstrates both agility and an ability to scale and is consequently a key selection criteria.

SIA
STAFFING INDUSTRY ANALYSTS
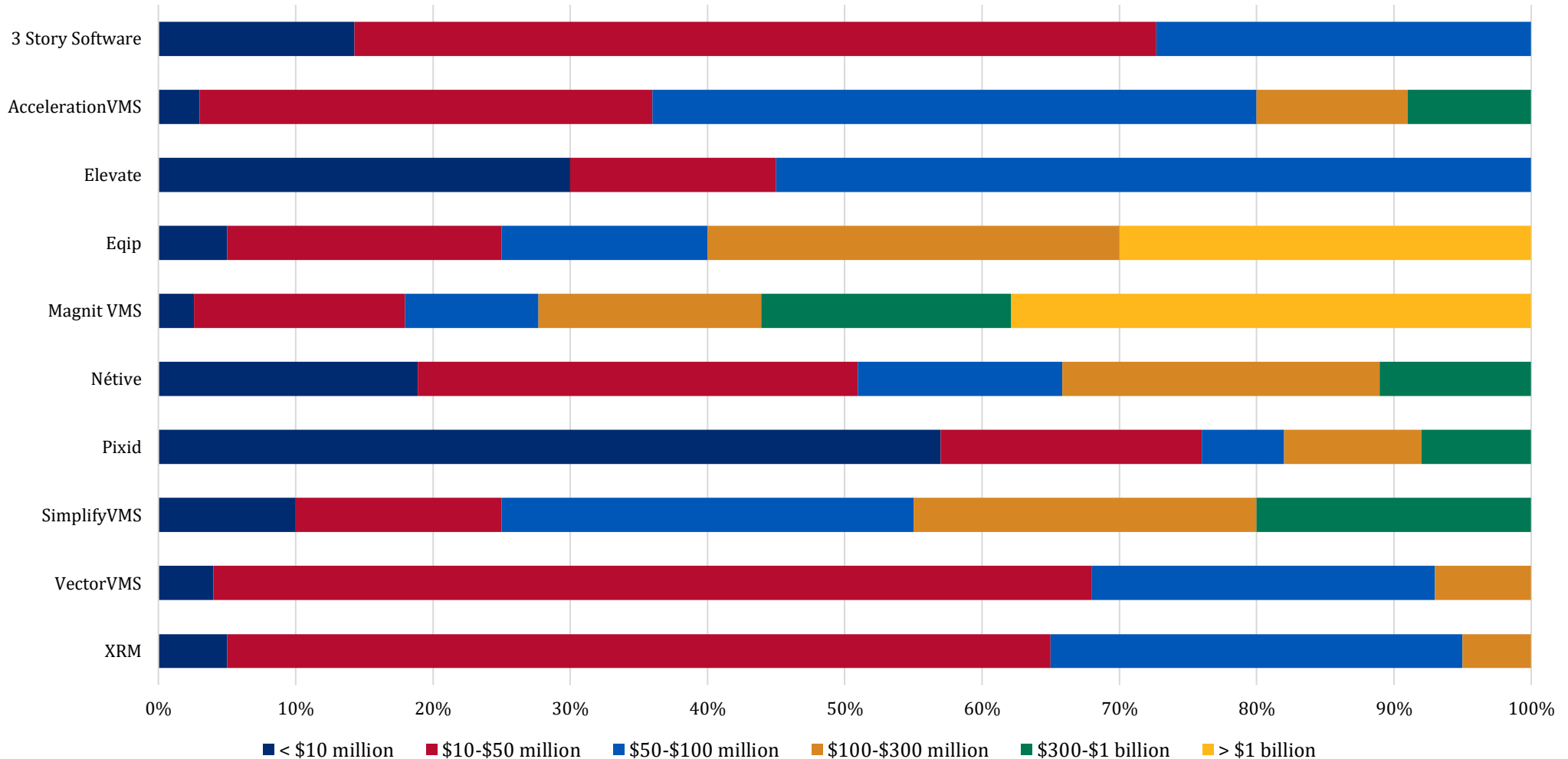
5. VMS Providers by Buyer Organizational Size

Some providers are focused on large enterprise customers, but Nétive, SimplifyVMS and XRM all derive at least 40% of spend from clients with less than 5,000 employees, demonstrating further the strength of the mid-market for VMS.

Share of 2021 VMS Spend by Buyer Organizational Size

■ Clients with less than 2000 Employees (FTE) ■ Clients with 2,000-4,999 Employees (FTE)
■ Clients with 5,000-9,999 Employees (FTE) ■ Clients with 10,000+ Employees (FTE)

6. VMS Providers by Funding Model

The majority of VMS providers indicate supplier-funded programs are the most prevalent, though in EMEA and APAC they are less dominant, with some providers reporting exclusively client-funded programs. SOW engagements are more commonly client-funded.

VMS Provider by Program Funding Model per Region (share of spend)

North America

EMEA

Legend: ■ Supplier-funded ■ Client-funded ■ Combination of supplier/client ■ Other
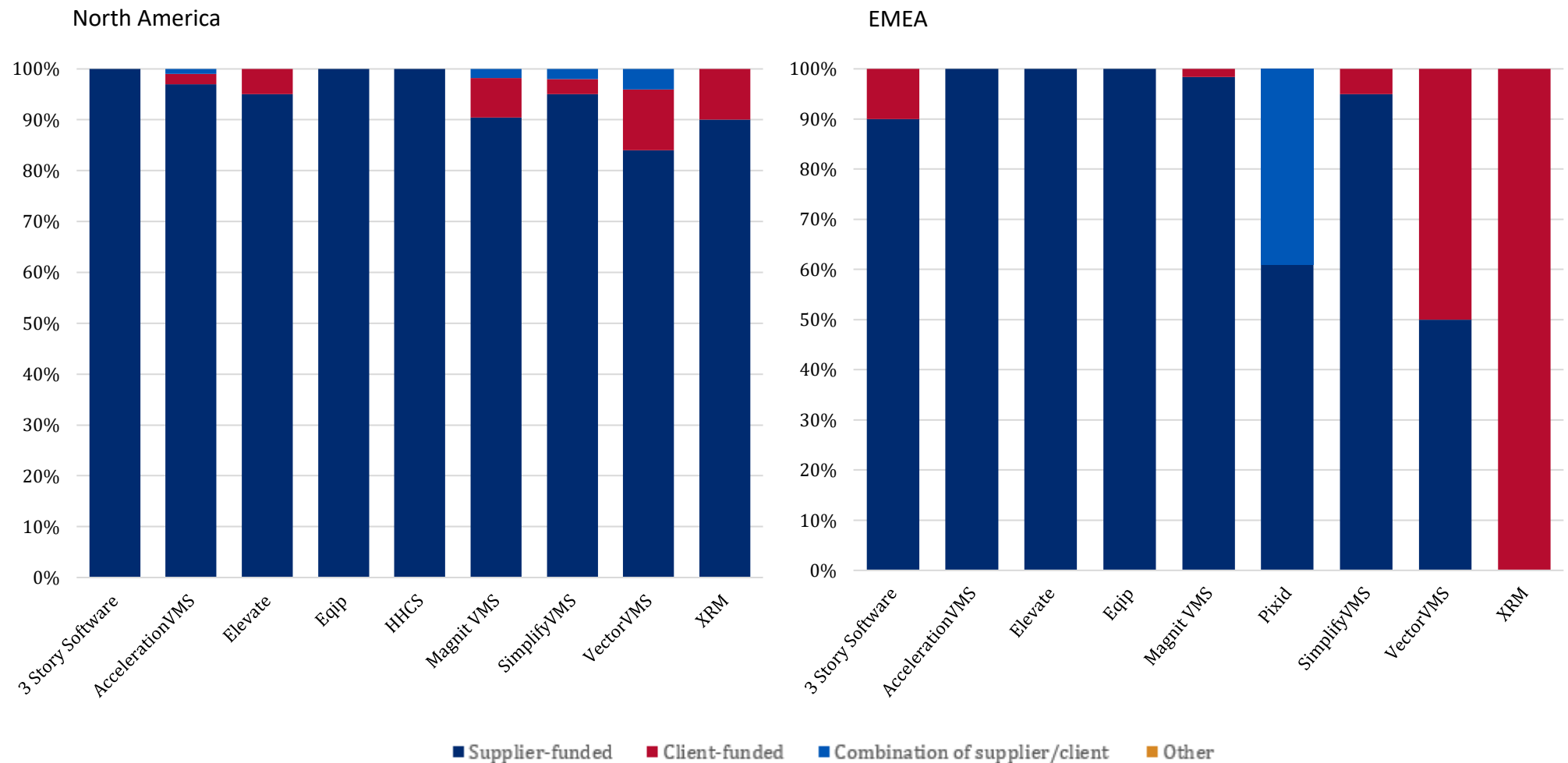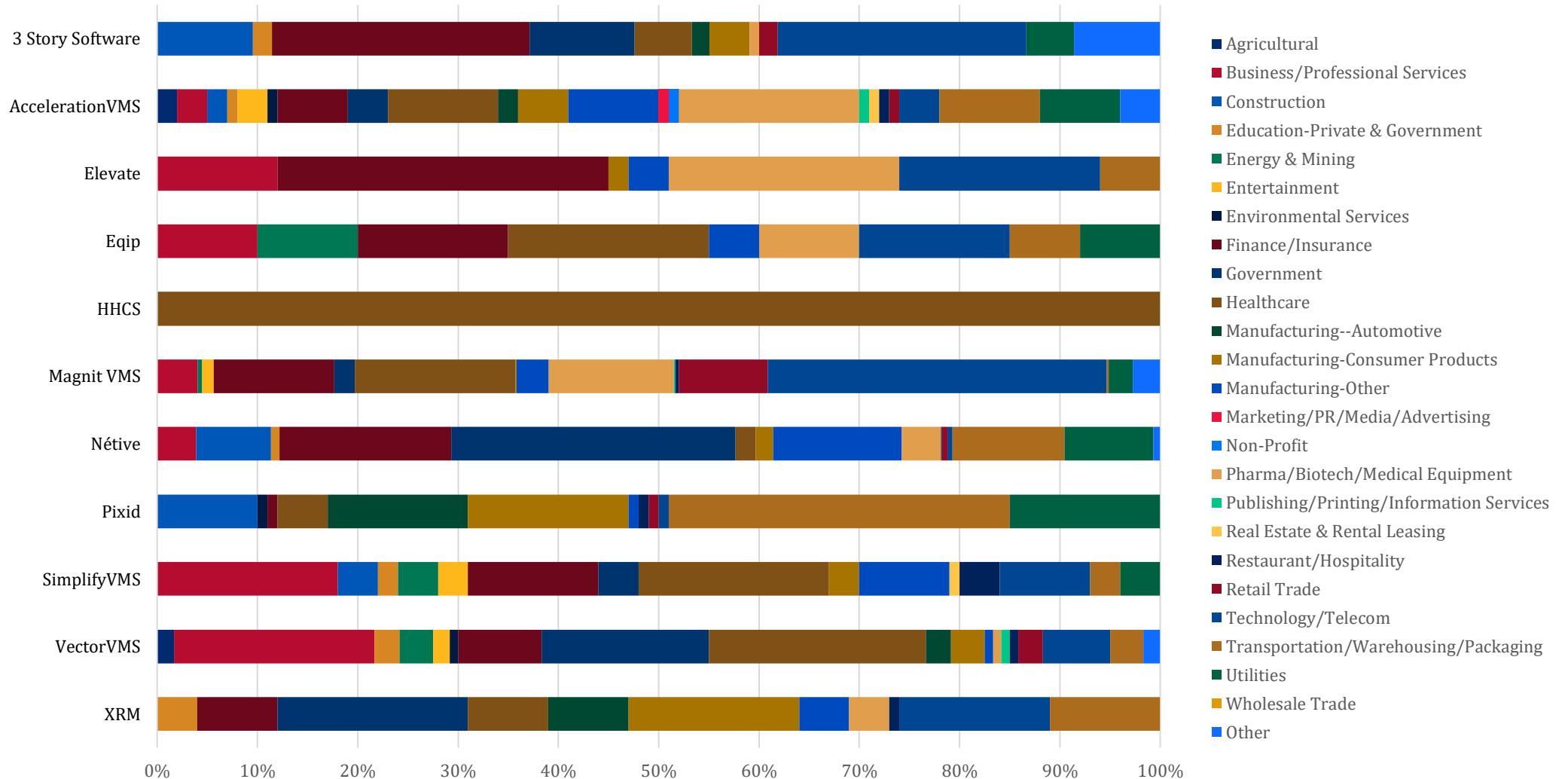
7. VMS Providers by Pricing Model

Pricing for US-based VMS providers are primarily percentage of spend although some of the larger providers offer a range of pricing models. Some European providers such as Pixid use a fee per workable hour, or FTE and/or documents processed (see 'Other' below).

Pricing models commonly take account of different spend-scales for SOW management, for example fixing the percentage once the value of SOW spend reaches a certain threshold, or differing percentages dependent on SOW value. SOW pricing needs to be attractive to encourage adoption of spend onto the platform or program expansion will be potentially limited.
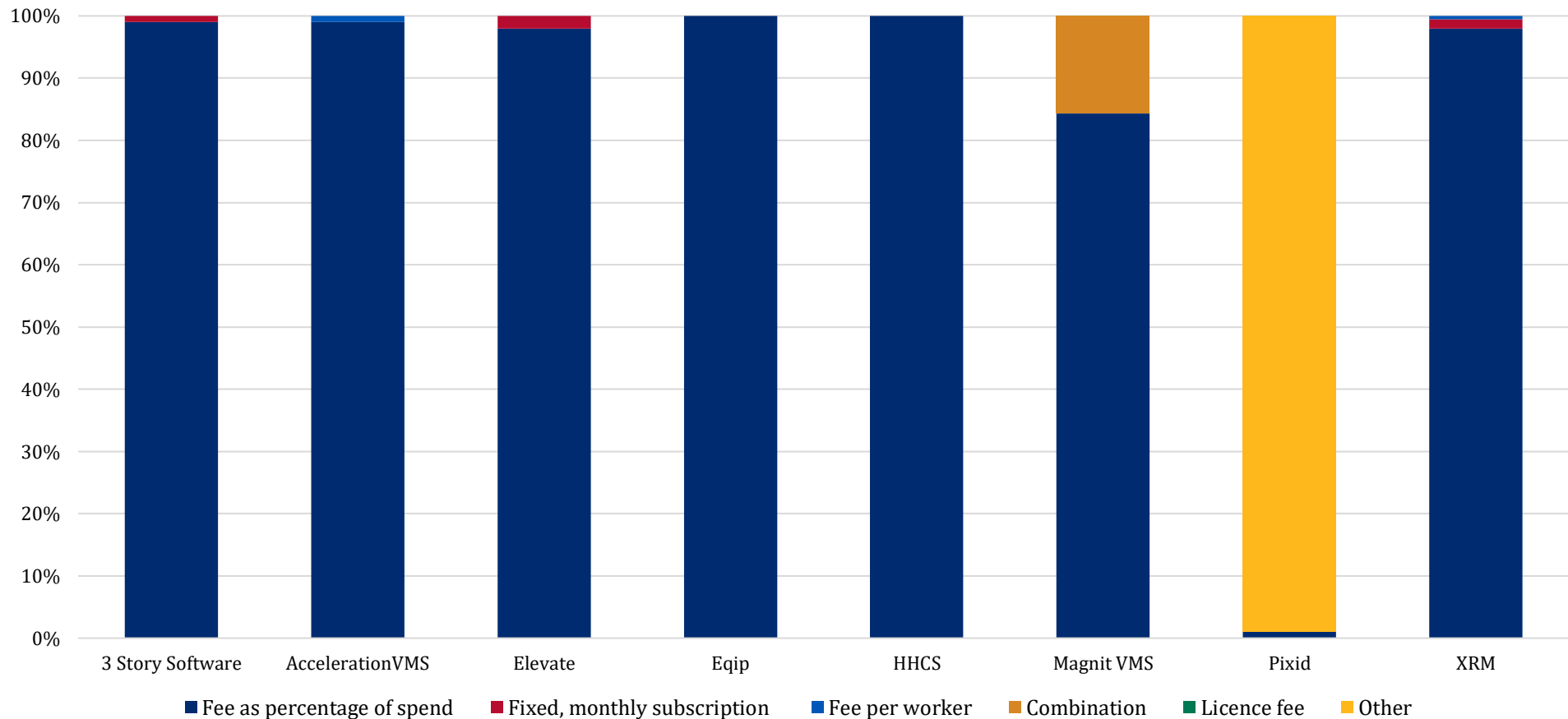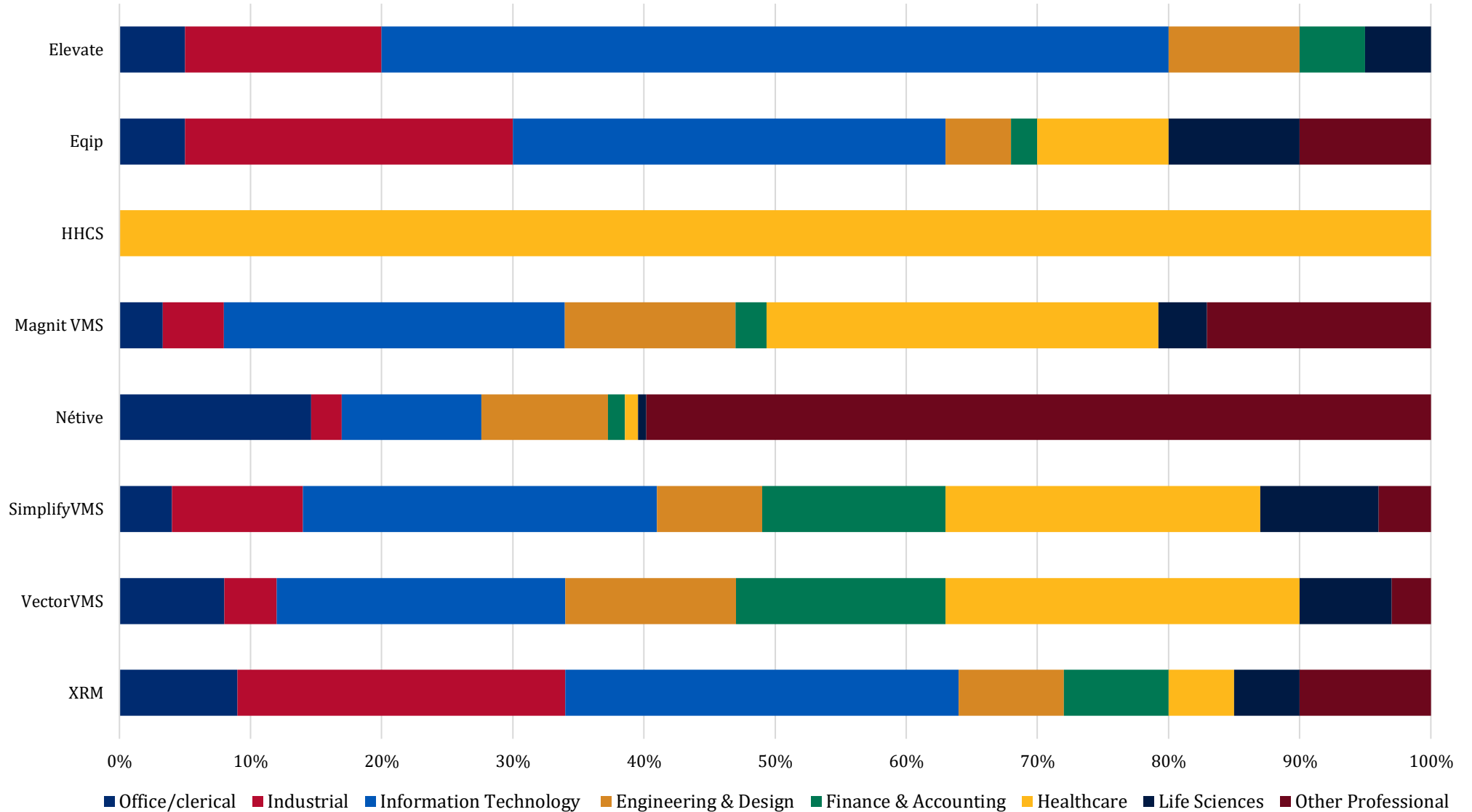
8. VMS Providers by Client Industry

VMS providers are not typically focused on any one industry. As the chart below indicates, spend is well distributed across a broad range of client industries. The exception to this is healthcare, where VMS solutions are typically designed around the needs of the sector. HHCS operates exclusively in this market.

Legend:
- Agricultural
- Business/Professional Services
- Construction
- Education-Private & Government
- Energy & Mining
- Entertainment
- Environmental Services
- Finance/Insurance
- Government
- Healthcare
- Manufacturing--Automotive
- Manufacturing-Consumer Products
- Manufacturing-Other
- Marketing/PR/Media/Advertising
- Non-Profit
- Pharma/Biotech/Medical Equipment
- Publishing/Printing/Information Services
- Real Estate & Rental Leasing
- Restaurant/Hospitality
- Retail Trade
- Technology/Telecom
- Transportation/Warehousing/Packaging
- Utilities
- Wholesale Trade
- Other

Chart rows (providers): 3 Story Software, AccelerationVMS, Elevate, Eqip, HHCS, Magnit VMS, Nétive, Pixid, SimplifyVMS, VectorVMS, XRM

9. VMS Providers by Occupational Category

Provider Profile

The Magnit company profile on the next page was submitted by Magnit and – with the exception of editing as needed for grammar, length and consistency – was not altered or amended by Staffing Industry Analysts. Staffing Industry Analysts does not warrant the validity of the vendor-provided profile.

Company Name
Magnit

Corporate parent/ownership
EQT Partners

VMS Division HQ
Burlingame, California

Contact phone/name/email
information@magnitglobal.com

Website
www.magnitglobal.com

Key Executives
Kevin Akeroyd, Chief Executive Officer
Sam Smith, President, EMEA & Global Client Delivery
Joe Hanna, Chief Product Officer
Mohan Natarajan, Chief Technology Officer

Proprietary VMS Technology Name
Magnit VMS

Number of Active VMS Clients
504

Industry Experience
30+ years of experience across multiple industries including:
Aerospace, Airline, Automotive, Consumer, Consulting, Entertainment, Financial Services, Healthcare, Insurance, Manufacturing/Engineering, Pharma, Technology, Telecommunications

Company Description
Magnit is a global leader and pioneer in contingent workforce management. Our industry-leading Integrated Workforce Management (IWM) Platform is supported by 30+ years of innovation, modern software, proven expertise, and world-class data and intelligence. It enables companies to optimize talent and diversity goals while achieving operational and financial success. With Magnit, companies can adapt quickly to the evolution of work to grow their extended workforce with greater agility, transparency, and speed.

Brand Differentiator
Magnit's offers the industry-leading Integrated Workforce Management Platform that is comprised of modern software, proven expertise and world-class data and intelligence built to deliver the real-time intelligence organizations need to successfully source, track and manage their extended workforce. With the power of the industry's first and only integrated platform, companies can adapt quickly to economic shifts with the speed, scale, flexibility, cost savings and expertise needed to shape and deliver the evolution of work.

Other Service Offerings / Brands
- Magnit Integrated Workforce Management Platform
- Magnit Vendor Management System (VMS)
- Magnit Managed Service Provider (MSP)
- Magnit Direct Sourcing solution
- Magnit Total Talent Intelligence (TTI)
- Magnit Services Procurement
- Magnit Employer of Record (EOR)
- Magnit Diversity, Equity and Inclusion (DE&I)
- Magnit Strategic Advisory

Geographical Presence
- Global presence in 124 countries
- Hiring intelligence and data mgmt. (skills village) in 160 countries
- 10,000+ supplier partnerships

Appendix - Definitions

Work Arrangements:

- **Traditional Employment** is used to describe the model where workers are employed by an employer to work under their management on an indefinite basis. In some circumstances, Traditional Employment may also be used to differentiate between Full-Time Work rather than Part-Time Work. Traditional Employment is also referred to as Permanent Employment. Note that SIA deems "permanent/contingent workforce" as synonymous to "employed/non-employed workforce" throughout this document.

- **Temporary Employee - Temporary Employee ("Temporary")** — An employee who performs work for an organization with the expectation that the work will be for a short or limited. Temporary employees may be hired directly by the employer or sourced through a staffing company.

- **Independent Contractor (IC — not SOW)** — A self-employed individual performing services for a company a under contract for services. The individual may provide their services as a freelance self-employed person (1099 in the US) or through the intermediary of a single-person corporate entity (in the UK, a limited company known as a "personal service company" or "PSC"; in the US, an LLC, corporation, or S corporation). Unlike employees, independent contractors are free to perform their work as they see fit, with limited or no control over the manner in which the work is performed. Tax authorities in many countries use the concept of "control" with respect to behavior, together with financial autonomy and a range of other tests to determine the true nature of the relationship between the parties for tax liability purposes. These tests vary by country but follow broadly similar principles.

- **Statement of Work (SOW)** — A document that captures products, work activities and deliverables to be supplied under a contract as part of a project timeline. In contrast to a typical temporary staffing arrangement which is billed based on time worked, SOW agreements are usually billed based on a fixed price deliverable and staged for achieving specific milestones.

Service Model Classifications:

- **Managed Service Provider** (MSP) is a company that takes on primary responsibility for managing an organization's contingent workforce program. An MSP may or may not be independent of a staffing supplier. Typical responsibilities of an MSP include overall program management, reporting and tracking metrics, supplier selection and management, order distribution, and consolidated billing across program suppliers. Many MSPs also provide their clients with a Vendor Management System (VMS). An MSP can also be responsible for the client's Direct Sourcing and may or may not be independent of a staffing supplier.

- **Vendor-Neutral (VN) Program** is a term used to describe a model in which a managed services or VMS technology handles its tasks (e.g. order distribution or candidate selection) based on client-defined policies that mandate that all (or a pre-defined set of) vendors be (a) given an equal opportunity to fill each order, and/or (b) selected for each order based on the same criteria. The presumed advantage of a vendor-neutral model is that the best vendor with the best candidate will fill each position. The term is sometimes used in a stricter form to refer to an independent managed service provider that is completely autonomous, or semi-autonomous, from the staffing suppliers.

- **Master Supplier** is a staffing supplier that takes overall responsibility for providing a client with temporary staff. In a master supplier relationship, all orders will usually go first to the master supplier to either be filled by the master supplier or distributed to a secondary tier of suppliers. Sometimes a master supplier will not only provide a significant portion of the temporary staff working at the employer's site but will also manage an organization's contingent workforce program.

- **Hybrid Program** involves the blending of different sourcing model attributes to manage a contingent workforce program. Typically, a hybrid program includes elements of vendor-neutral and master-supplier programs. For example, a buyer might engage a single provider to act as the sole supplier for its Light Industrial job requisitions while having multiple providers competitively bid on IT positions.

Other Definitions:

- **Direct Sourcing -** A term commonly used to refer to the process by which a company leverages its own candidate pool (e.g., former employees, retirees, silver medalist applicants from its own ATS) to place within the company, as contingent/temporary employees. Direct Sourcing does not necessarily mean that 100% of a company's hiring will be done in-house and with no relationships with intermediaries. In earlier times, this practice for contingent workers largely consisted of informally sourced, pre-identified candidates who were placed on the payroll of a third-party payroll provider. More modern and mature direct sourcing programs typically leverage the employer brand in job advertising to maximize candidate flow. More recently, the demand for Direct Sourcing has been accelerated by the evolution and multiplication of talent acquisition tools and services (aided by developments in artificial intelligence and big data). Such tools include software for managing and curating candidate talent pools.

- **Extended Workforce Platform (or Extended Workforce System) -** A definition adopted by a number of suppliers of Vendor Management Systems given that their technology offers more than simply the ability to manage vendors. Typical additional services offered by an Extended Workforce Platform include the provision of Statement of Work and Outsourced Services. Many traditional VMS firms also offer this broader portfolio of services but continue to market their services under the more familiar VMS label.

- **Float Pool** — A pool of pre-screened and vetted workers most commonly used in the healthcare sector for supplemental staffing of clinical nursing positions (sometimes referred to as a 'nurse bank'). The ultimate objective is to provide a database of available personnel without having to go through a third party. The float pool provides consistency in supplemental staffing by utilizing experienced nurses and assuring a more highly prepared nursing team is available with consistency of orientation towards the organization, its policies and departments thereby fostering shared cultural values. Float Pool workers are offered a variety of work by being given opportunities to work across different departments.

- **Freelancer Management System (FMS)** is a cloud-based workforce management platform. The FMS helps businesses initiate, manage, complete, track and analyze engagements with individual independent workers, who may be sourced by the provider or the business itself. To fall within the FMS category, a solution provider must provide a complete, end-to-end technology system that allows users in an organization to search for and find a particular worker and activate, complete, and pay for the work engagement within the system. Many Vendor Management Systems now offer FMS style functionality as part of their product suite.

- **Spend Under Management** is the approximate amount of spend that was actually invoiced by suppliers for work performed during the given calendar year.

- **Strategic Workforce Planning** is the process an organization undertakes to develop a holistic, long-term and proactive approach to strategically assessing and accessing all multiple forms of talent engagement. Specifically, Strategic Workforce Planning links corporate and strategic objectives and their associated workforce implications with multiple avenues of talent engagement and resourcing (e.g. Direct Hire, Contingent, SOW, Outsource).

- **Talent Pool** — a database of passive and active sources of talent who are selected based on common interests, location or skills who are potential targets for the sourcing of future candidates.

- **Talent Pool Management** is a proactive approach to registering and managing a group of passive and active candidates and organizing these into interest groups and creating communities of prospective candidates to support candidate interests and to meet client objectives (e.g. diversity, skills, location, seniority). Evidence of talent pool management would include metrics that monitor the size of the pool against pool targets, including new additions as well as how many drop out of the pools. The talent pool is actively managed through a communications plan (supported by candidate relationships management technology) and candidates are often given the opportunity to join a pool or unsubscribe after which they may or may not receive company updates or communications that relate to their area of interest or expertise.

- **Total Talent Acquisition** — A model for Talent Acquisition, subsumed within the concept of Total Talent Management and therefore encompassing the acquisition of all human talent in the broadest sense including "permanently hired" workers as well as all types and sources of "contingent" workers, as well as non-human talent including robots, bots, software and automation. Total Talent Acquisition (TTA) refers not only to the operational approaches to sourcing, recruiting, and engaging talent, but also to higher level strategic considerations of structuring or managing the talent supply chain (i.e., decision about outsourcing, sourcing geographies, etc.)

- **Total Talent Management (aka Total Workforce Management)** — A model of talent or workforce management that includes an organization's acquisition and management of all human talent in the broadest sense including "permanently hired" workers and all types and sources of "contingent"), as well as non-human talent including robots, bots, software and automation. Spurred by the rising importance and preferences of contingent workers, this model seeks to integrate the respective management of "permanent hire" and the "contingent" workforce by HR and Procurement functions.

- **Worker Tracking** is where contingent workers are logged and tracked (location, time) in the VMS, but billing/invoicing and supplier management is not in scope. The rationale is to increase visibility of contingent workers and support compliance for onboarding/off boarding processes, but invoicing may not be practical to include in scope because of other factors such as volumes, system capability or local regulations.

- **Vendor Management System (VMS)** is an Internet-enabled application that acts as a mechanism for business to manage and procure staffing services through third party staffing suppliers (temporary help as well as, in some cases, permanent placement services) as well as outside contract or contingent labor. Typical features of a VMS include supplier management, order distribution, consolidated billing, risk mitigation, headcount tracking and significant enhancements in reporting capability over manual systems and processes. VMS systems now often include the management of Statement of Work (SOW) consultants and outsourced services within their scope of coverage. Because of this broader scope of services, a number of VMS vendors have adopted the term Extended Workforce System or Extended Workforce Platform to describe their services.

About Staffing Industry Analysts

Founded in 1989, SIA is the global advisor on staffing and workforce solutions. Our proprietary research covers all categories of employed and non-employed work including temporary staffing, independent contracting and other types of contingent labor.

SIA's independent and objective analysis provides insights into the services and suppliers operating in the workforce solutions ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services. We also provide training and accreditation with our unique Certified Contingent Workforce Professional (CCWP) program.

Known for our award-winning content, data, support tools, publications, executive conferences and events, we help both suppliers and buyers of workforce solutions make better-informed decisions that improve business results and minimize risk. As a division of the international business media company, Crain Communications Inc., SIA is headquartered in Mountain View, California, with offices in London, England.

For more information: *www.staffingindustry.com*

Global coverage across the workforce solutions ecosystem, and latest SIA research and related news, follow us 🐦 @SIAnalysts, @SIAResearch and connect via