HCM STRATEGIES HELPS A LEADING GLOBAL IT ORGANIZATION GENERATE COST SAVINGS ACROSS THEIR CONTINGENT WORKFORCE PROGRAM.

Our analytics delivery team continues to deliver MoM cost savings by leveraging our proprietary market-rate technology (Arch AI) to identify areas of opportunity.

⬆ **$1.7M**
COST SAVINGS

⬇ **2.3%**
ATTRITION RATE

⬇ **7DAYS**
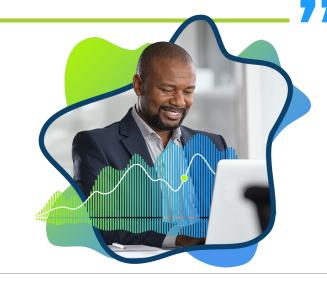**TIME TO FILL**

THE STORY

A global Information Technology organization tabbed HCM Strategies to better identify cost-saving opportunities across their contingent workforce program. Leveraging Arch AI ® – our proprietary market rate technology – our compensation analysts were able to provide realized cost savings of $1.7 million over two years by optimizing just one of their existing job categories. The process began by analyzing the entire program and identifying several areas that could provide cost-saving opportunities. Based on those insights, our team developed a well-balanced approach to ensure that positions were "right-fit" to market rates and avoid over or underpaying their contingent workers.

> " **HCM STRATEGIES IDENTIFIED TRUE COST SAVINGS OPPORTUNITIES, CREATED AN APPROACH TO ACHIEVE SAVINGS, AND PROVIDED CONCRETE PROOF SAVINGS WERE REALIZED. THIS PARTNERSHIP DELIVERED HIGH VALUE FOR OUR ORGANIZATION.** "

THE GOAL

Cost containment for a contingent workforce program begins with an optimized job catalog. Identifying job titles with abnormal rate variability is one way to identify cost savings opportunities. A high-rate variability indicates job titles are not skill-specific, thus allowing positions to be filled significantly above or below established market rates. HCM Strategies conducted a targeted exercise for our client to shrink rate ranges and right fit rates to market skills and experience.

THE STRATEGY

HCM Strategies leveraged two Arch AI ® modules to realize cost savings for our client, Job Catalog Optimization, and NLP Job Classification.

Job Catalog Optimization

The Job Catalog Optimization Module identifies job titles with a high rate of variability; *see Figure 1*. **The Variability Index for Business Analyst roles was 66%; anything over 20% is considered a cost savings opportunity.** This, combined with a broad bill rate range, indicated optimizing the job title would yield significant savings.

FIGURE 1

Variability Index	Lower Range	Upper Range
66%	$19.74	$174.32

EXTREMELY HIGH VARIABILITY INDEX EVIDENCED BY A WIDE BILL RATE LOWER AND UPPER RANGE

Job Catalog Optimization

Client Job Title	Assignments	P10	Median	P
Business Analyst	161	$21.43	$55.00	$15

Job Catalog Optimization: Outlier Analysis

	Business Analyst
Median	$55
LAV	$20
UAV	$174
Outliers	7

FIGURE 2

$1.7M

Job Title Optimization Cost Savings: Business Analyst

Job Classification (NLP)

Arch AI's ® NLP Job Classification Module leverages Natural Language Processing to deconstruct job description attributes and provide market aligned recommendations. Job description attributes include skills, education, experience level, and role context. Role context, for example, differentiates between a developer that codes requirements vs. a developer that works with the business to create and code requirements.

The Arch AI ® NLP Job Classification Module recommended four new job titles, Business Intelligence Developer, Data Warehouse Architect, IT Project Manager, and Procurement Analyst.

Creating market aligned job titles that are right fit for future fills and ensuring rates were aligned with the market.

THE RESULTS

Our client decided to implement the refined job taxonomy and rates through new and replacement requisitions rather than assume the risk of converting existing workers. New positions were filled leveraging the updated strategy, thus incrementally increasing the number of active workers in the savings population. As shown above *(See Figure 2)*, you can view the monthly savings realization results for the first two years.