



A Complete Guide to Staffing Managed Service Providers

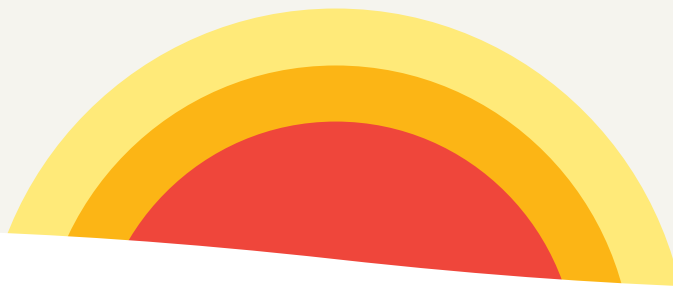


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What is an MSP?

In today's competitive workplace environment, having a strong workforce is more important than ever. But finding, hiring, and managing the right contingent talent can be daunting as organizations work to navigate the evolving landscape of staffing. That's where staffing managed service providers, also known as MSPs, can step in to help.

MSPs are companies that specialize in providing staffing solutions to organizations of all sizes. They can help you with everything from finding the right candidates to onboarding and managing them once they are part of your team. MSPs can also provide a variety of other services, such as managing staffing from multiple vendors, handling compliance, and providing reporting and analytics. Traditionally, MSPs have been most utilized in sectors like IT and manufacturing, however in recent years

other sectors like the healthcare and the education industries have also adopted MSPs to help with management of their labor force.

By handling these staffing related services, MSPs allow organizations the ability to save time, money, and stress, which in turn can give them the ability to focus on what matters most – providing a high level of care to patients and students.

If you're considering using an MSP, this white paper will provide you with everything you need to know, including the outlook of the MSP market, key components of an MSP, and how working with an MSP can benefit your organization.



MSP Market Outlook

The MSP market has been growing rapidly due to the evolving landscape of staffing. According to a report from Staffing Industry Analysts, in 2021 the total market spend for MSPs was valued at \$194 billion, which was a 30% increase from 2020 when the market spend was valued at \$149 billion. The report from SIA also points out that the growth of the MSP market is expected to continue, pointing to data that shows 63% of MSP contracts in 2021 were signed by clients that previously had no MSP model in place. This growth is being driven by a number of factors, including:

Demand for Contingent Labor

As the gig economy grows rapidly, many organizations are increasingly turning to contingent workers to meet their evolving staffing needs.

Cost of Hiring Full-Time Employees

The cost of hiring and retaining full-time employees is increasing, making contingent labor a more attractive option for organizations in need of staffing.

Contingent Workforce Management Complexity

The laws and regulations governing contingent labor are complex and ever-changing, making it difficult for organizations to manage their contingent workforce on their own.

Key Components of an MSP

As an organization considering using an MSP to help find and manage contingent staffing, understanding the services MSPs provide is important. MSPs streamline staffing recruitment, hiring, and management through five key functions, allowing your organization to focus more time and attention on the functions that matter most to your success.

These are the five key components of an MSP:

1. Consolidated Invoicing

MSPs provide a centralized billing process with customized rates and act as a single point of contact for all invoices and payments. This means employers will only have to deal with one invoice, rather than having to track and manage invoices from multiple staffing agencies. MSPs also give employers a comprehensive view of all their spending to help them identify areas where they can make money saving cuts.

By acting as a one-stop shop for all things invoicing, MSPs also save employers time that they can instead focus on other strategic functions. Additionally, as part of providing consolidated invoicing, MSPs can help negotiate better bill rates with staffing agencies, when possible, to help employers save money.

2. Reporting and Analytics

MSPs play a crucial role in enhancing reporting and analytics within organizations by providing specialized expertise and technology solutions, like a vendor management system (VMS). MSPs excel in streamlining and centralizing the management of a company's contingent workforce, ensuring that data related to staffing, performance, and costs are efficiently collected and integrated. They utilize automated tools, such as a VMS, to generate reports that offer valuable insights into workforce trends, compliance, and cost optimization opportunities.

By leveraging their expertise and technology, MSPs enable organizations to make data-driven decisions, improve workforce planning, and identify areas for efficiency enhancement. This ultimately helps organizations strategically manage their contingent workforce, reduce operational costs, and enhance overall workforce performance through informed decision-making.

3. Compliance

One of the more vital components of an MSP is orchestrating compliance requirements for an organization's contractual contingent workforce by providing specialized expertise and comprehensive solutions. MSPs are well-versed in the complex landscape of labor laws, industry-specific regulations, and ever-evolving compliance standards.

They assist in compliance management by contractually requiring vetting and managing contingent workers, including, but not limited to, orchestrating processes to ensure necessary background checks, certifications, and licensing requirements are met. MSPs also maintain accurate records of work hours, wage rates, and contractual agreements, which is vital for compliance with labor laws and employment regulations.

Another way MSPs help with compliance is by offering guidance on workforce diversity and inclusion initiatives aiding companies in meeting diversity compliance requirements. Furthermore, MSPs leverage technology and data analytics to monitor and report compliance metrics that give organizations the ability to identify and address potential issues proactively. For example, MSPs may store credential information for your contingent workforce in a secure repository, such as a VMS, which saves organizations time on gathering these credentials when they need to be presented to a regulatory agency. MSPs also periodically update this stored credential information, allowing an organization the ability to securely access the most up-to-date credential information during an audit. Additionally, MSPs also allow employers to set alerts about credential expirations so that all their agency employees remain compliant.

4. Supplier Engagement

MSPs are experienced in helping organizations enhance supplier engagement by acting as intermediaries between your organization and its contingent workforce suppliers, also known as staffing companies. MSPs streamline and optimize the procurement process, ensuring that workers provided through suppliers are efficiently onboarded, managed, and evaluated. They establish clear communication channels and foster strong relationships with suppliers through regular feedback and performance reviews. Additionally, MSPs can negotiate pricing with suppliers which helps organizations who are in need of cost savings, while also ensuring that the suppliers are aligned with the organization's goals and values. The VMS provides transparency into supplier performance helping organizations make data-driven decisions. Through their facilitation of a more efficient and collaborative relationship with suppliers, MSPs contribute to the overall success of contingent workforce programs while also ensuring they maintain a productive and mutually beneficial engagement with their supplier network.

5. Program Management

MSPs help your organization with program management by offering comprehensive oversight and coordination of your contingent workforce. They establish standardized processes and best practices, which not only enhance efficiency, but also promote compliance with labor laws and industry regulations. In addition, MSPs will assign your organization a dedicated in-market program manager who will regularly meet with you and your team to understand and meet your organization's staffing goals, while also continuously monitoring the performance of your suppliers. Program managers are responsible for overseeing the planning, execution, and delivery of programs, such as filling openings in your contingent workforce. By providing a dedicated program manager, MSPs give organizations the tools they need to strategize and implement effective staffing solutions. These program management services allow for greater efficiency, cost savings, and strategic alignment, ultimately helping your organization focus more time on successfully running your organization.



Challenges of Implementing an MSP

When thinking about implementing an MSP, it is important for organizations to consider both the challenges of working with an MSP and the challenges of utilizing a contingent workforce. Before considering the implementation of an MSP, assessing whether utilizing a contingent workforce is the right solution to meet your staffing needs is a good idea. As part of that assessment, your organization should keep in mind that there are a number of challenges associated with contingent labor staffing. Here is a breakdown of some of those challenges:

Compliance: Contingent workers are subject to different regulations than full-time employees, meaning employers must be careful to ensure that they are compliant with all applicable laws, such as those related to wage and hour, tax withholding, and benefits.

Risk: Temporary staff are typically not covered by the same benefits as full-time employees, such as health insurance and paid time off. This can create risks for employers, such as the potential for liability if a contingent worker is injured on the job.

Cost: While implementing an MSP and staffing contingent workers can help a company save money in the long run, it can at times be more expensive than hiring full-time employees on your own.

Communication: It can be difficult to communicate with contingent workers, as they may not be as familiar with your company's culture or procedures, which can sometimes help lead to misunderstandings and missed deadlines.

Integration: Integrating contingent workers seamlessly into the existing team can be a challenge caused by factors like the need for various trainings and the difference in onboarding requirements.

Retention: Due to the nature of temporary work, contingent staff may be more likely to leave their jobs than full-time employees, making it difficult to maintain a consistent workforce when departures happen.

However, these challenges have not hindered the growth of the contingent staffing market. According to a report from Staffing Industry Analysts, the temporary staffing industry experienced a 33% growth in 2021 and a 17% growth in 2022. The report adds that this growth will continue through 2024 as the temporary staffing industry revenue is expected to jump from \$211.8 billion to \$216.9 billion.

Once your organization has considered the challenges associated with the use of a contingent labor force, it is important to also think about some of the obstacles involved with implementing an MSP. While an MSP offers resources that can help your organization operate more smoothly in the long run, their implementation may bring about change to your current processes. These changes can seem like obstacles for an organization, so it is important to understand them prior to beginning implementation of an MSP. Here are some of the most common challenges with implementing an MSP:



Resistance to Change

Employees and suppliers may be resistant to changes in their established processes or systems. Implementing an MSP often requires a cultural shift and can face pushback from internal staff or external vendors who are used to working in a certain way. To ensure a smooth transition, organizations may need to implement effective change management strategies.

Integration with Existing Systems

Integrating the MSP's technology and processes with existing HR, procurement, and vendor management systems can be complex and time-consuming, which means your organization will have to adequately plan for this migration and any issues that may arise during the process.

Managing Expectations

Managing expectations from the start when implementing an MSP is important. Be clear with your employees about what the MSP can and cannot do, and make sure you clearly communicate your expectations with your MSP.

Supplier Relations Management

Maintaining positive relationships with existing suppliers while introducing an MSP can be challenging, as suppliers may perceive the MSP as a threat to their business or may be hesitant to adapt to new processes.

Customization

Off-the-shelf MSP solutions may not always align perfectly with an organization's unique needs, so you may need to be prepared to work with the MSP to find a customized solution that effectively meets your business and financial goals.

Monitoring Performance

It's important to monitor the performance of the MSP on a regular basis, especially during your initial implementation of their services. This will help you to identify any areas where the MSP is not meeting your expectations.

Security

Security is a major concern when it comes to outsourcing your contingent workforce management since employers often store sensitive information about their employees. When working with an MSP it is important for your organization to ensure they have strong security measures in place to protect your data.

Benefits of Implementing Sunburst as Your MSP

Benefits of Implementing Sunburst as Your MSP Partnering with Sunburst Workforce Advisors offers a multitude of advantages for organizations in the healthcare or education industries who are seeking to optimize their workforce management and gain a competitive edge. In today's ever-evolving workplace landscape, where healthcare and educational organizations are faced with constant change, Sunburst plays a pivotal role in helping them remain flexible and efficient. From cost savings and improved communication to access to top talent and rigorous compliance management - the benefits of partnering with an MSP extend across various dimensions of workforce management. Let's take a closer look at some of these benefits, and how a partnership between your organization and Sunburst can positively impact operational excellence, financial health, and overall competitiveness.

Cost Management

Sunburst can help organizations manage their costs and save money. We achieve this by negotiating competitive rates with staffing suppliers, standardizing processes to eliminate redundancies, and leveraging the VMS, to reduce administrative overhead. Moreover, we can help identify cost-effective staffing solutions for specific projects, avoiding unnecessary long-term commitments.

Compliance

Sunburst specializes in navigating the complex landscape of labor laws and regulations. We oversee contractual compliance requirements for contingent workers, legal requirements, and processes for necessary background checks and credentialing. By meticulously managing compliance, Sunburst can mitigate the risk of costly legal disputes, fines, and reputation damage, providing peace of mind to organizations.

Time Saving

Time is a valuable resource, and Sunburst can significantly save your organization time spent on various workforce management tasks. We handle the end-to-end process of recruiting, onboarding, and managing contingent workers, allowing internal teams to focus on more strategic activities. This streamlined approach not only saves time but also ensures a quicker response to staffing needs, especially in fast-paced industries.

Increased Flexibility

Sunburst provides organizations with the flexibility to scale their workforce up or down as needed. Whether it's responding to seasonal demand fluctuations or project-specific requirements, Sunburst has a network of resources that can help us quickly adapt to your changing needs. This flexibility ensures that organizations can maintain an agile and responsive workforce.

Improved Quality

Working with Sunburst gives organizations access to a broader and more diverse pool of talent than trying to find contingent talent on their own. This means organizations can identify and secure top-quality candidates with the required skills and expertise in a timely manner. By consistently delivering high-quality talent, we enhance the overall performance and output of your organization, contributing to better project outcomes and success.

Let Sunburst Ease Your Workforce Management

Sunburst Workforce Advisors has the experience and resources necessary to help meet all of your organization's healthcare or educational staffing needs. Sunburst offers integrated vendor strategic solutions to solve your unique problems and meet your evolving needs, while also giving you full transparency into communications with all your vendors. Through our consultative approach, we evaluate customer needs by combining technology, leadership, and talent, to build specific recruitment programs to meet industry challenges. We work to create genuine partnerships with strategic vendors that allow us to deliver cost-effective and secure workforce solutions across the healthcare and education industries.

Sunburst takes the time to fully understand your organization, your staffing pain points, as well as your long-term goals to help you project what is coming in the future. Knowing your goals, our team will work with you to find you the optimal staffing solutions, including making recommendations on how our vendor strategic technology can help your organization grow and thrive. We will then connect you with our in-house implementation team to get everything up and running and make your recommended healthcare or educational staffing solution a reality.

Contact Sunburst Workforce Advisors to learn more about our services and how we can help your organization with its unique staffing needs.

Citation

https://www2.staffingindustry.com/site_member/Research/Research-Reports/Americas/MSP-Global-Landscape

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