

# shaping the world of life sciences



## cost savings case study

### The Business Need

A large medical devices company engaged Randstad to be the main supplier for temporary staffing in Europe. This company is looking for all kinds of cost savings realized on a local level, reported on a central level.

### The Solution

After identifying the use of temporary staffing within the different sites, Randstad made proposals to deliver a comprehensive cost saving program based on an efficiency scan for the large production sites, using mainly blue collar temporary workers.

Several interviews have been planned and executed in order to have full insight into all aspects regarding the use of flex workers. From these interviews, Randstad made proposals to work together with the client on how cost savings are measured and delivered.

Examples of cost saving areas are: reduction of absenteeism, optimizing the flexible population, reduction of turn-over, time savings, etc. These are all defined as indirect cost savings.

By comparing all commercial conditions agreed in the contract, Randstad made it possible to calculate the direct cost savings after signing the new contract. These savings are also reported on a periodic base within the same format as the indirect savings as mentioned above. Examples of these savings are: change in multiplier, change in payment terms, etc.

A third important category Randstad defined to report cost savings on, is more project related. By using different services provided by Randstad, the client has been able to receive additional cost savings for specific projects.

Examples of these savings are: using Randstad for permanent placement instead of high end recruitment companies for a specific project, using Randstad to deliver legal support on local legislation instead of using an external lawyer. These areas of savings are also incorporated into the same cost savings file.

All local Randstad entities involved have been asked to deliver these local realized cost savings periodically. Randstad Global Client Solutions Life Sciences sends a consolidated report to central procurement and HR.

After the first contract year, Randstad defined together with the client which cost saving items became cost avoidance items and these continue to be reported as well as the new detected cost saving items.

### Results:

During the first contract year, Randstad has been able to provide cost savings that have exceeded the targets of the client: more than 5% of total spend.

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