



## Staffing Solutions:

### How Outsourcing Your Labor Management Operations Can Improve Culture and Deliver Bottom-Line Savings, Year-over-Year.

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A top challenge for businesses that experience unexpected or seasonal influxes in demand is properly staffing their operations to maximize efficiency and minimize labor costs. The management of customer orders, deliveries, and returns by a competent, well-managed workforce is a significant contributor to the satisfaction of a company's clientele. One frustrating experience with a poorly-handled order can result in the loss of a key customer, which can significantly hurt a business' bottom-line.

So how can companies effectively manage labor to avoid costly mistakes in customer service and supply chain execution as they work to accommodate fluctuations in demand? While many aspects of the supply chain contribute to achieving the "perfect order," labor management proves to be among the most critical in achieving a high performing supply chain.

Labor management is the organization of human capital within a supply chain. Companies that experience rapid growth or drastic fluctuations in production as a result of seasonal or circumstantial demand run the highest risk of poorly managed human capital. As a result, many companies choose to outsource their staffing functions to a third party logistics provider (3PL) experienced in the many facets of labor management. Companies that outsource their staffing operations are better able to focus on the core competencies of their business, leaving the 3PL to also do what it does best – manage your workforce.

There are countless areas in which a qualified 3PL can help maintain – and improve – your labor management operations. One key area is choosing and implementing the right technology solutions to streamline staffing operations. Many companies benefit from technology systems

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that manage the contract labor process, from requisition to submittal and hire. These solutions help companies find the right employees for the available positions, thereby minimizing turnover and other employee related issues.

Other businesses require systems that collect and analyze supply vs. demand data to create projections for the future. These projections help companies plan for increased staffing requirements which enables them to better meet customer demand. Accurate forecasting based on high-quality data can make the difference between delivering on your promise to your customers and coming up short in service and product quality. An experienced 3PL is able to not only identify the technologies that would deliver the most significant cost savings for your business, but also manage the implementation, training, and management associated with any new software product.

Visibility through technology systems is not a complete solution to staffing issues, however. Using best practices in pre- and post-selection processes is also a key element in managing a productive workforce. According to a 2008 benchmark study conducted by the Aberdeen Group, pre-employment screening of "past employment, credit worthiness, and criminal history" helps avoid many glaring labor problems. Post-employment monitoring ensures that "candidates are performing to a desired level and complying with government rules and regulations." Pre- and post-employment best-practices are often one of the first

things to slip by a company when business picks up. These companies would benefit greatly from the expertise of a qualified 3PL – in the right outsourcing relationship, the 3PL and the company both do what they do best, and the result is a streamlined operation that delivers bottom-line cost savings year-over-year.

While technology systems, screening, forecasting, and monitoring are all important buzzwords in good labor management, there is an essential element in creating and maintaining a productive workforce that has not yet been mentioned. A company's culture is a highly overlooked element in labor management that can make – or break – the success and sustainability of a business. The difference between companies that can weather an economic storm and those that cannot is a business model driven by values. Values-driven organizations ultimately achieve a higher level of performance that increases cost savings, improves service levels, and supports sustainability for continued business growth and success.

The most resilient companies display the following characteristics:

- Shared values
- Commitment to the common good
- Excellent staff engagement
- Shared goals for the future

Achieving a values-driven culture is the key to creating a successful and sustainable workforce. Every company has a culture – *If you don't devise the right corporate culture, one will be created for you.* Therefore, if you're going to have a culture, it is up to you to make sure it's the right one. A relationship with a good 3PL partner that is experienced in making cultural improvements for increased profitability can help in several ways. Your 3PL can train

your leadership team on how to achieve sustainability even in a challenging economy, encourage responsibility through employee engagement and leadership development, and increase operational efficiency while lowering costs.

A qualified 3PL can also assist in breaking down the organizational silos that cause decentralization of labor management and often lead to poor staffing practices and a negative corporate culture. Decentralization occurs when several departments – such as human resources, procurement, and/or general management – are responsible for different aspects of workforce management, and are not effectively communicating with one another. According to the Aberdeen Group's 2008 study, 41% of enterprises surveyed had decentralized programs in place for the management of staffing processes. A qualified 3PL can open the communication channels between HR, procurement, and C-level management and maintain those channels through a quarterly meeting rhythm – not just when problems arise.

While the benefits of outsourcing your staffing operations are clear, finding the right 3PL can be a challenge. When looking for a 3PL partner, it is important to look for the right qualities that will make your relationship a success. A good 3PL relationship should create a values-driven culture and workforce that conveys high expectations and implements incentives that drive behaviors. A good third party provider will also invest time and capital in technology solutions, procurement processes, and post-employment management for continuous improvement and cost savings. By finding a 3PL partner that thinks right to left, always keeps the end state in mind, and remembers that every business needs to focus on its core competencies to be successful, a company can feel in control, safe, and secure with its decision to outsource its labor management operations.

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