

Case Study: Jeppesen Gains Agility With Contingent Workforce Management

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This Case Study describes in detail why an organization tackled contingent workforce management process improvement and what made the initiative successful.

Key Findings

- Contingent workforce management solutions deliver return on investment through cycle time reduction, consistent competitive bidding of requirements and invoice error-rate reductions.

Recommendations

- Establish executive support prior to undertaking a contingent workforce management technology initiative.
- Recruit key contributors representing HR, finance, IT, procurement and line-employee areas of the business to shepherd and oversee the project.
- Establish metrics, and hold regular team meetings while the solution is being rolled out, to communicate changes, track improvements and refine the approach.

WHAT YOU NEED TO KNOW

Executives at every level of the business can gain insight into how to manage complex infrastructure issues for contingent workers by learning from Jeppesen's on-time and on-budget, seven-week solution rollout. Contingent workforce management solutions deliver return on investment through cycle time reduction; consistent, competitive requirements bidding; and invoice error-rate reductions.

CASE STUDY

Introduction

Jeppesen began operations in 1934 in Salt Lake City, in the basement workshop of Captain E. B. Jeppesen. There, Jeppesen designed and produced the first instrument flying charts. During the next few years, the company broadened its business, supplying flight information publications to the U.S. Navy and to pilots flying commercial aircraft. The company opened its first European office in Frankfurt, Germany, in 1957 to serve the needs of European and Eastern Hemisphere operators.

Today, Jeppesen is a subsidiary of the Boeing Company and serves the aviation, marine and rail markets with information solutions that make it possible every day for people around the world to safely and efficiently reach their destinations. Jeppesen employs approximately 3,200 people worldwide, monitors and manages source information from more than 220 countries, maintains a worldwide library of aviation and marine data, and prints more than 1 billion navigation charts each year.

The Challenge

Jeppesen leverages hundreds of contingent workers, the majority of whom work in technology-related positions in a given year. The largely manual processes that Jeppesen used to requisition, source, onboard and manage the resources were problematic for everyone involved — suppliers, procurement, accounts payable and the requisitioners. The original process required requestors to go through the time-intensive process of obtaining signatures from multiple individuals, and then submit the signed requisition to HR for sourcing. Productivity was negatively affected due to the lack of an end-to-end system for tracking and managing these requisitions. The lack of a system also made it difficult to baseline the process cycle time to make improvements.

Additional inefficiencies extended from the onboarding process to payment for services rendered. Purchase orders documenting approved hours and agreed-to pay rates were opened manually in Jeppesen's ERP system, while time was recorded and approved in another application. Matching invoices and time required significant effort.

Approach

Early in 2007, Jeppesen formed a cross-functional steering committee of key stakeholders to identify suitable contingent technology workforce management solutions. The team included the CFO, the CIO, the vice president of HR and leaders from the procurement team. Each member had a different responsibility and was selected to fill a particular role. Including the CIO was critical, since a large percentage of the contract resources were technical; HR was interested in workforce management functionality to support improved planning and decision making; and the CFO was interested in cost mitigation.

Jeppesen also formed a user-based team, which sent out an RFP in June 2007. This team evaluated a variety of options — nine solutions altogether — including those from Jeppesen's ERP provider, vendor managed service companies, staffing firms and several best-of-breed software vendors. Above all, the chosen vendor had to offer global support, because Jeppesen had been aggressively expanding its geographic presence and needed to support contingent resources in different countries. The RFP team members were responsible for maintaining an open line of communication with key stakeholders to support essential cultural and process change.

After evaluating the options, Jeppesen determined that a vendor-neutral model would be in the organization's best interest. This meant choosing a vendor that would be focused on finding the best resources to fill Jeppesen's requirements, regardless of which staffing firm represented it. Additionally, Jeppesen decided it would maintain a direct relationship with multiple staffing agencies. IQNavigator appeared to offer the best functional fit, because it offered a hosted solution and a managed service with an on-site employee to ensure that the program ran effectively. Jeppesen researched IQNavigator's customer references and found that its current clients were impressed with the vendor's configurable, robust solution and reporting capabilities. Jeppesen awarded the business to IQNavigator in August 2007.

IQNavigator kicked off Jeppesen's implementation through a series of "discovery meetings," during which configuration details were settled upon. IQNavigator assisted Jeppesen in hosting a supplier summit and produced a webinar to educate the suppliers on the benefits and use of the system. The scope of implementation included integration with Jeppesen's timekeeping system. IQNavigator handled this phase of the project by setting up periodic batch file uploads. Jeppesen utilized IQNavigator for on-site training of all Jeppesen managers and the production of Web conferences for international and virtual managers. The rollout took only seven weeks — and the solution went live in November 2007.

Overall, Jeppesen was delighted with the rollout, because long-standing process issues were resolved immediately. For example, the process of getting requisitions "out on the street" to multiple staffing agencies, which had taken weeks, was now accomplished by 10 a.m. the next day. Although the rollout was initially designed to cover only technology-related resources, Jeppesen quickly expanded the project's scope to include administrative temporary staffing. It was clear within the first week after implementation that the project was a success.

Results

Accelerating the end-to-end process was a major deliverable. Filling a requisition previously had taken up to three weeks; Jeppesen now fills resource requirements in a matter of days. Additional benefits include:

- Contingent workers and staffing companies interact directly with the solution, which reduces the administrative work for Jeppesen employees.
- Using the solution's built-in workflow, proper approvals are obtained before a requisition is issued. Jeppesen uses a combination of reporting hierarchy and budget-level authority to route requisitions.
- Preferred suppliers can be given access to opportunities ahead of other staffing agencies, based on the solution's support of supplier tiering.
- Competitive bid functionality ensures that market rates are paid.
- Jeppesen has visibility into the performance of suppliers and the program, to identify issues and further improve productivity.

- The solution alerts managers when a work order is due to expire, so appropriate action can be taken.

Issues with timecard entry and invoice matching have been eliminated. Jeppesen no longer creates purchase orders in its ERP system for this category of spending, and it no longer receives hundreds of invoices each month from each contingent resource. Instead, it gets a consolidated bill twice per month from IQNavigator. Since IQNavigator generates payment amounts to the staffing firms directly from Jeppesen-approved timecards, there are no longer issues with matching timecards to purchase orders.

Jeppesen uploads its consolidated invoices in flat file format into its ERP system. Each record in the consolidated invoice indicates the account number that is to be charged. Account numbers are captured in the requisition. Hours can be tagged to different projects as a result of functionality in the IQNavigator and Jeppesen's timekeeping systems.

Critical Success Factors

- Address contingent workforce management issues with technology and services.
- Obtain executive support prior to undertaking a contingent workforce management initiative.
- Establish a cross-functional team to work through strategy, selection and implementation.
- Appoint an on-site representative to manage the day-to-day program activities.

Lessons Learned

- Make sure timekeeping processes yield accurate data, because these records will serve as the basis for payment.
- Monitor processes on an ongoing basis to ensure that they are working efficiently and effectively.

RECOMMENDED READING

"Hype Cycle for Procurement Applications, 2009"

"Key Issues for Enterprise Contract Management and Procurement Applications, 2009"

"Hype Cycle for Human Capital Management Software, 2009"

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