



## Regain control, reduce risk and cost, solve the contractor challenge.

A growing global company used contract, consultant and interim workers extensively throughout its organisation. But when numbers exceeded 300, a lack of contract control management threatened to escalate costs and put the company at risk in many areas.

### The challenge

The case study company engaged around 300 interim and contract staff. With little process or guidance in existence, managers routinely engaged freelance staff direct. This resulted in huge disparities in terms of agency and contractor fees, high costs and with no control over the duration of assignments. Some had been in existence for years creating major tax, NI and employment law risks.

Following a large acquisition, costs were under pressure and concerns were expressed about the contractor budget running out of control. In addition, there were fears over a potential loss of intellectual property and critical knowledge, with no proper performance controls in terms of contractor contribution. Meanwhile, the large number of contractors on site had led to a lack of office space and parking and complaints from employees.

An HR and Finance 'spot check' revealed contractors working in a way consistent with employed status. With an Inland Revenue audit imminent, there were serious concerns about substantial fines and penalties being levied against the company. Added to this, the company - which prided itself on its ethical approach - could be accused of flouting its tax and national insurance responsibilities.

### Solution and benefits

The company's CFO and Head of HR assigned Insync consultants to engineer and deliver new practices and processes, their task, to build in compliance and introduce an end-to-end business process to regain control of the contractor workforce.

Working closely with the organisations IT, Legal, Finance, Procurement and HR teams and the company's established Interim suppliers, the following was introduced to resolve the problem.

- An end-to-end, documented and e-enabled business processes with training where needed. This was particularly helpful for Line Management.
- An electronic reporting system to track all temporary staff and to enable effective management of their contracts.
- Contractor numbers and contractual arrangements established for all 300 workers. Each investigated and, where appropriate, disclosure to tax agencies with back-tax and national insurance paid.
- The renegotiation and standardisation of all contracts for the engagement of temporary workers. Preferred supplier arrangements with Interim suppliers were established and rates and approach agreed.
- The refinement of HR/Legal/Finance/Facilities and Procurement processes, reducing both work load and cost while increasing the quality of contribution from these functions.
- The ability to plan and use the contract workforce strategically.