Case Study: Staffing Process Automation

The pressure on companies to become ever 'leaner' and optimize the business processes is at its highest. While the focus on streamlining the logistic and production processes remains strong, optimization of administrative costs also need attention. To become ever leaner and more flexible, companies must streamline and automate business processes throughout the organization, which includes administrative functions.

This case study highlights how one company reaped the benefits of optimizing and automating one of their key business processes. The company is a staffing organization that specializes in placing contractors in projects that their clients are executing in the high-tech industry.
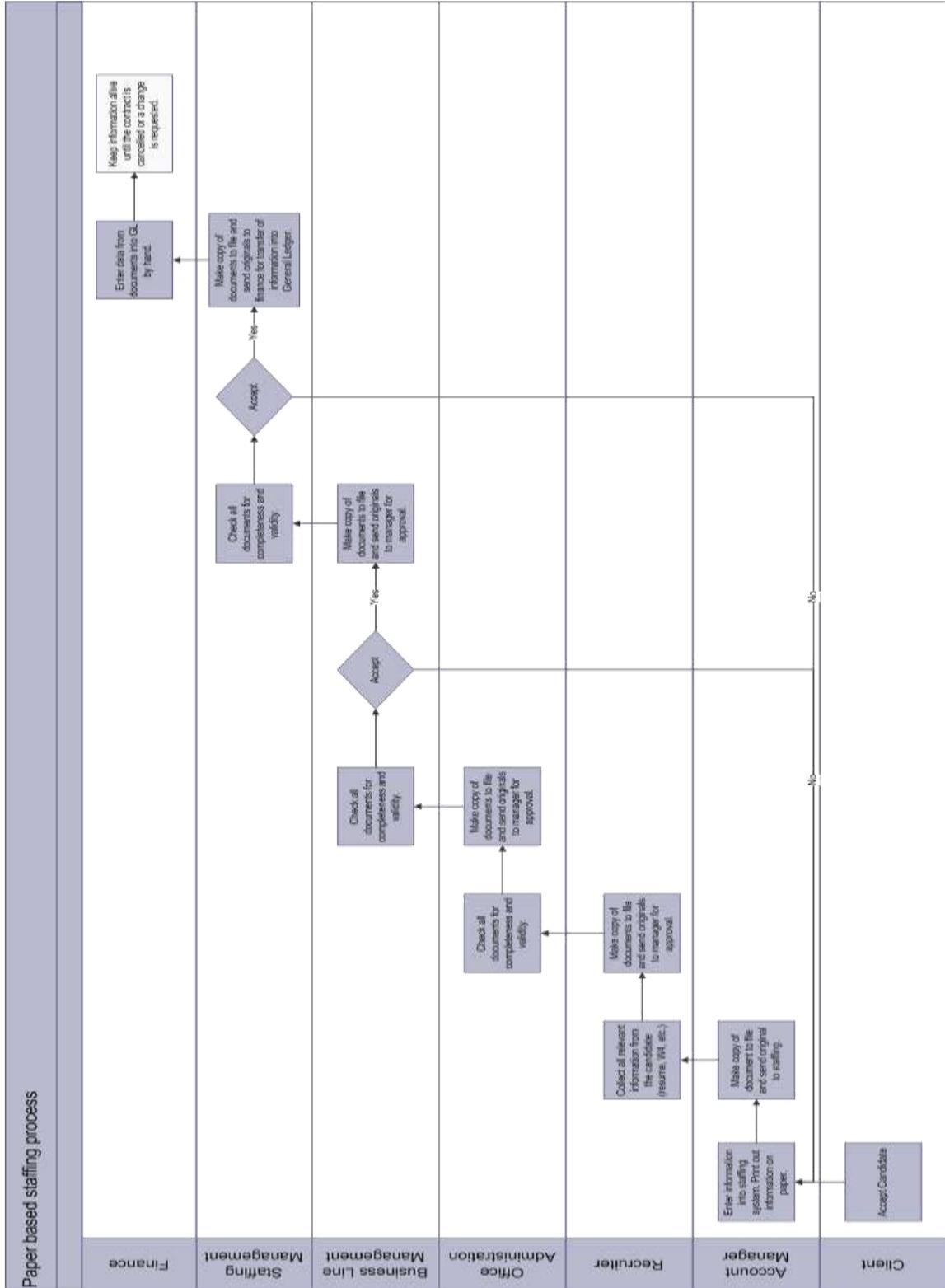
This case study shows how the customer was able to save $ 100,000 per year by switching to an automated staffing process. The cost to implement the solution was $ 80,000. Following is a description of the old process, the automated process, future developments, and a benefits analysis of the solution.

Paper based Staffing Process

The business process in use before automation is shown in the first diagram below. The process itself was paper based and during the lifecycle of the placement, several copies were made and archived. In the best case with all the documentation at hand, six employees had to look through, verify, photocopy and file each placement order before it could be executed. In the end, several copies were placed in different folders with different content while the original copy was updated along the business process. Controls and verifications of the information all were performed by hand.

Paper based staffing process

Swimlanes: Finance, Staffing Management, Business Line Management, Office Administration, Recruiter, Account Manager, Client

- Keep information alive until the contract is cancelled or a change is requested.
- Enter data from documents into GL by hand.
- Make copy of documents to file and send originals to finance for transfer of information into General Ledger.
- Accept — Yes
- Check all documents for completeness and validity.
- Make copy of documents to file and send originals to manager for approval.
- Accept — Yes
- Check all documents for completeness and validity.
- Make copy of documents to file and send originals to manager for approval.
- Check all documents for completeness and validity.
- Make copy of documents to file and send originals to manager for approval.
- Collect all relevant information from the candidate (resume, W4, etc.)
- Make copy of document to file and send original to staffing.
- Enter information into staffing system. Print out information on paper.
- Accept Candidate
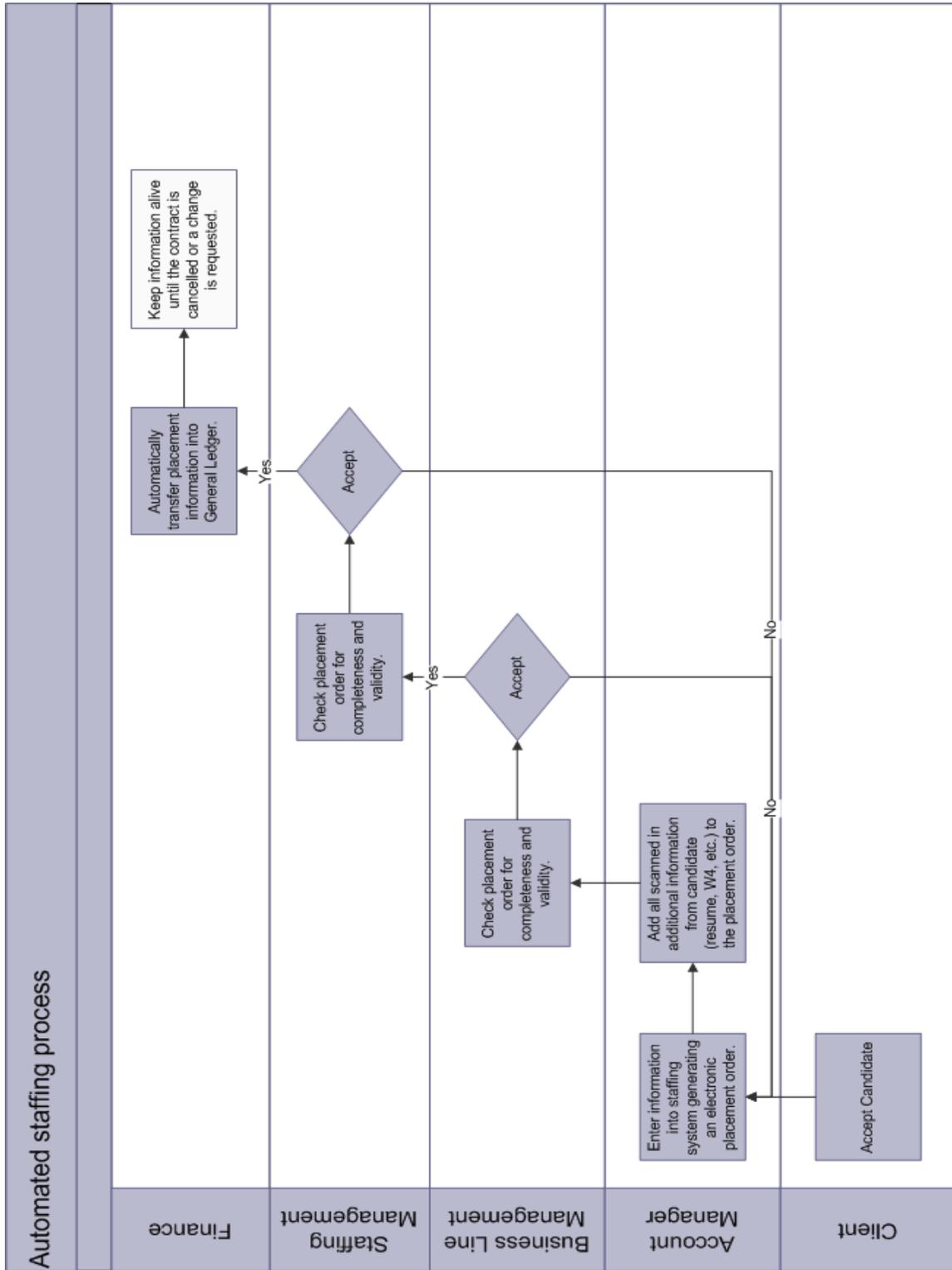- No / No

Automated Staffing Process

The customer decided to switch to a newly designed and automated process that is executed using an internet portal. The solution was implemented using Microsoft .net with Oracle as the data repository. Oracle was chosen as the database because the staffing system in place as well as the General Ledger application both use Oracle. The portal itself is web based and can be extended by simply adding modules for specific functionality that will be required in the future.

The solution runs the optimized business process that is shown below without printing a single sheet of paper. It uses a built-in workflow system that can be easily changed and adapted. This guarantees that the investment in the portal can be used in the future with minimal changes.

Using the layout of the former paper form as the user interface allows users to switch seamlessly to the new automated process. To reduce the manual verification needs, the solution also has many of the verifications built in. This prevents the account manager from submitting the placement order before it is complete and reduces the acceptance from management to a mere acknowledgement. The solution allows attachment of the scanned documents to the placement order. As an example, a contractor placed at a client needs to provide a W-9 form. The form can be scanned and attached to the placement order. It is then available for each manager involved in the process. The system will not allow approval of the placement order with no W-9 attached.

Automated staffing process

Finance	Staffing Management	Business Line Management	Account Manager	Client
Automatically transfer placement information into General Ledger.				
Keep information alive until the contract is cancelled or a change is requested.				
	Accept			
	Check placement order for completeness and validity.			
		Accept		
		Check placement order for completeness and validity.		
			Add all scanned in additional information from candidate (resume, W4, etc.) to the placement order.	
			Enter information into staffing system generating an electronic placement order.	
				Accept Candidate

Yes · Yes · No · No

Planned Extensions

To further optimize the processing of placement orders in the future and to achieve a tighter connection between the company, its clients and the contractors, several extensions are planned. The system in its current state only allows employees of the company to gain access and process placement orders, and maintain client and contractor information. In the future the system will be opened up to allow contractors to update their own information, upload the necessary documentation to process a placement order (e.g. upload the W-9 document by the contractor instead of an employee of the company), search for projects and submit timesheets and expenses.

The clients will also be able to access the portal and search through the contractor database, view and accept timesheets and expenses, view and process invoices and submit new projects. Another extension in the planning stage will offer extensive reporting capabilities to the client which allows them to retrieve real-time metrics over all their projects.

These extensions not only will reduce the workload of any employee of the customer, but also reduce processing time, which in turn will increase customer and contractor satisfaction. It strengthens the relationship between the customer and its clients, and the customer and its contractors leading additional business opportunities.

Benefits

The introduction of an automated staffing process offered the customer the advantage of several direct and indirect benefits. A major direct benefit was the elimination of a full-time employee responsible for processing of a staffing order since the system checks the completeness and validity of a placement order.

This estimated in direct savings of approximately $ 50,000 per year. Integrating the staffing process directly into the General Ledger system reduced the finance department workload by 50%, resulting in savings of $ 25,000 per year. The automation process also removed the need to produce five paper copies of a placement order. At approximately 1,000 placements per year, direct costs for creating and filing the copies including copier costs, were reduced by another $25,000 per year.

Removing the need to create the original paper based placement order from the account manager, reduced the workload of each account manager and freed them for developing business. The overall processing time for an order was reduced from two days to four hours, allowing the customer faster reaction time, thereby improving customer satisfaction.

Adding the direct savings from above, the customer saves $ 100,000 per year by streamlining and automating one business process. In addition, processing times are dramatically reduced and essential key personnel off-loaded from performing administrative tasks. This time can be used to actively acquire more business.

The cost of the solution for the customer was a fixed price of $ 80,000 for the current functionality. After only 10 months the solution paid for itself

About gekima Solutions LLC

gekima Solutions LLC specializes in delivering solutions for the optimization and automation of administrative business processes. gekima offers consulting and implementation services to help achieve a rapid ROI on your IS Implementation Initiatives.