Broadleaf

Successful MSP Program Improves Supplier Engagement and Quality of Candidate Submittals

The Client

A leading provider of training and simulation solutions, our Client's 1,500+ employees and 35+ sites across the U.S. help defense and security professionals prepare for operations and maintain mission readiness.

The Situation

After implementing a markup rate reduction in 2020, The Client experienced a steady decline in supplier participation, difficulty attracting new suppliers, changing labor market conditions, statutory burden increases, and rising inflation. Upon divesting from its parent company at the beginning of 2022, The Client looked to Broadleaf's team for assistance with attracting top talent and increasing their time-to-fill rate.

> " We are delighted that Broadleaf won the bid to continue as our preferred MSP partner. We continue to see an increase in the quality of candidates applying for open positions and supplier engagement. "

— Human Resources Manager

The Challenge

To be successful, the Broadleaf team would need to overcome the following obstacles:

The Client was now operating in a candidate-driven labor market in which jobs are abundant and top-tier candidates are scarce—resulting in a decreased candidate pool.

Suppliers were disengaging from the MSP program and partnering with customers that paid higher markup rates.

The volume of supplier candidate submittals was low and the time-to-fill rate was high.

The quality of candidates presented by suppliers to the Client's hiring managers was steadily declining.

RESULTS SUMMARY

32% to 55%	**2 days to 1 day**	**7.4% to 18.8%**
increase in candidate submittals	decrease in candidate submittal time	increase in candidate hire rate

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The Solution

Broadleaf realized the Client's immediate need to review all current rate structures and models being used within its contingent workforce population. Our team got to work—using our suite of technology platforms—performing rate and market benchmarking analyses tailored to the Client's job types including software engineers, systems engineers, assemblers, and welders. Suppliers were asked to provide feedback regarding their experience participating in the Client's MSP program and the challenges they were facing when filling positions.

The Results

After sharing the results of our benchmarking analyses, the Client took Broadleaf's advice and implemented higher markup rates to meet current market demands.

	Admin/Clerical	Information Technology	Technical Professional	Light Industrial	Heavy Industrial
Markup prior to 2022	32.5–33.5%	29.5–30.5%	29.5–30.5%	32.5–33.5%	38.0%
Broadleaf recommentation	35.0%	43.0%	45.0%	40.0%	60.0%
Markup rate implemented	34.6%	40.0%	40.0%	37.0%	48.0%

After modifying markup rates, the Client has benefited from increased supplier engagement and overall program performance:

- Candidate submittal rate: Increased from 3.2 (32%) to 5.5 (55%)
- Candidate submittal time: Decreased from 2 days to 1 day
- Candidate hire rate: Increased from 7.4% to 18.8%

Broadleaf

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