

# CONTINGENT WORKFORCE MANAGEMENT IN FINANCIAL SERVICES: ACHIEVING COMPLIANCE, ENGAGING QUALITY TALENT



Financial Services organizations like yours are increasing their use of contingent labor. At the same time, you're struggling to **fill critical skillsets** and **meet growing compliance demands**. The result? Limited control, exposure to risk, poor contractor quality, excessive costs, security breaches, regulatory fines, legal fees and more. An end-to-end vendor management system (VMS) platform with automated workflows and controls can help Financial Services companies mitigate contingent workforce risk, source scarce resources, control costs and optimize your investment in contingent labor.



**80%**

Financial Services organizations are enlisting the services of contingent workers



**89%**

Financial Services executives reported recruiting difficulties



**83%**

Concerned about losing top performers to other opportunities

## Controlling Risk, Costs and Your Contingent Workforce

Banks, investment firms, insurance agencies and other Financial Services organizations are facing tough challenges. You're dealing with risk management considerations, regulatory reform, and heightened reporting demands. You're also facing more intense capital requirements, low interest rates, and disruptive technologies. To address these challenges and return to growth, Financial Services organizations must look for ways to do things better. This means you must be able to quickly scale your teams to meet these business objectives.

Enter the contingent workforce. **They make up approximately 20% of the average enterprise's workforce. That number is predicted to reach up to 50% by 2020.** Non-employees help you reduce labor costs, fill skill gaps unique to Financial Services such as regulatory consultants, and meet aggressive project timelines.

But do you have the right **visibility and controls** in place to manage contingent workers effectively and meet related compliance demands?



### Financial Service organizations that use a VMS

**80%** more compliant

**70%** more efficient

**53%** more likely to meet or exceed goals

*“As the use of third parties has grown,*

*so have the number and severity of publicized security breaches, compliance issues, and service interruptions traceable to them.”*

» PricewaterhouseCoopers

The average enterprise only maintains visibility into 45% of its overall contingent labor and nearly 60% of contingent labor is unaccounted for in financial planning, forecasting and budgeting. If you lack end-to-end visibility and control around this vital workforce, you’re exposed to security and compliance risks, excessive contingent labor spend, talent sourcing challenges, and more.

## Compliance and Corporate Governance

### Growing Regulatory Challenges

According to a recent Accenture study, **80% of Financial Services organizations are enlisting the services of contingent workers.** You’re also facing unprecedented regulatory challenges from a host of new regulations, oversights and accounting standards. Where contingent workforce management (CWM) is concerned, this presents a dilemma for the Financial Services industry.

Growing risk factors can sharply undermine the value of your contingent

workforce. And your risk multiplies in the absence of automated, integrated workflows with the right controls and security measures in place for managing them. Here’s a sampling of what’s at stake:

- › **Noncompliance** – with corporate policies, tax rules and government regulations such as the Dodd-Frank Act, Bank Secrecy Act, and Federal Deposit Insurance Act
- › **Security breaches** – from former contractors having remote access to systems that contain sensitive data or using badges that provide access to your facilities
- › **Significant costs** – millions of dollars in back wages, benefits, taxes, penalties and legal fees from recent worker classification violations
- › **Compromised projects** – inconsistent background checks for new contractors, a lack of supplier oversight, and contingent talent lacking the right Financial Services skillsets

### Consider the following:

- Can you track and report on your contingent workers globally to meet FINRA, Federal Reserve, SEC and other compliance objectives?
- Do you know which contingent workers have access to which systems and buildings?
- How many individuals make up your global non-employee workforce?
- Do you know what each contingent worker is doing on a day-to-day basis?
- How much are you spending globally on contingent labor?



## Compliance and Corporate Governance *continued*

### Controls, Reporting and Auditability

IQNavigator (IQN) can help you effectively plan, manage and govern your CWM program with innovative VMS technology and best-practices guidance. We'll partner with you right from the start to help you mitigate program risk across diverse business units, multiple regions and your varied mix of suppliers. Most important, our VMS platform provides the necessary controls, reporting and auditability—from sourcing and onboarding through management, invoicing and offboarding—to ensure corporate and regulatory compliance.

## Procuring and Managing Your Extended Workforce

### A Shortage of Skilled Resources

A contingent workforce can enable you to ramp up your staff cost-effectively for special projects and to source critical skillsets like tax compliance, financial analysis, AML compliance, and mortgage underwriting. But recruiting the best and brightest talent is no small task. In fact, PricewaterhouseCoopers reports that **talent supply problems are particularly acute in the Financial Services sector**, where 25% of CEOs surveyed say they've had to cancel or delay strategic initiatives in the past year because the right people weren't available to execute them.

Do you have the technology and centralized processes to bring in high-quality contingent workers with the right skillsets quickly and at the right price? If not, you're decreasing the value of your contingent workforce and opening up your Financial Services organization to a variety of risks:



**Missing project deadlines** – due to lengthy onboarding cycles



**Excessive costs** – engaging contingent resources at a higher than market rate



**Shortage of skilled contingent workers globally** – from separately managing dozens or hundreds of suppliers and not having access to proven talent in your contractor alumni talent pool



**Noncompliance** – with internal policies around services spend, project budgets, tenure rules and contractual requirements, and external regulations such as worker classification



**Security and privacy risks** – from not properly vetting or effectively offboarding contingent workers



## Winning the War for Talent

Your contingent talent is critical to helping you operate competitively. It's no surprise that **85% of enterprises say that sourcing the right skillsets is the #1 reason for leveraging contingent labor.**

IQN's VMS platform gives you quick access to quality talent, centralized management, and the processes and controls to mitigate onboarding and offboarding risk. A more strategic, cost-effective approach to engaging Financial Services contingent talent helps you optimize your investment in this vital workforce. Our platform helps ensure that:

- › You're hiring the right contingent talent at the right price.
- › You have direct access to your contractor alumni talent pool.
- › Your suppliers are delivering quality services.
- › Your contingent workers are competitively skilled and performing at required levels.
- › Your SOW projects—staffed by quality contingent labor—are delivered on time and on budget.
- › Your contingent workforce, processes and contracts are compliant.

## Taking Your Program to the Next Level

Your contingent workforce brings significant value to your Financial Services organization by filling critical skill gaps, reducing costs, and allowing you to better meet changing market demands. And with the right technology, processes and controls, you can avoid the legal, compliance, operational and financial risks inherent in leveraging a contingent workforce. You can also source high-quality talent at the right price.

The IQN VMS Platform automates your CWM workflows and the process of sourcing, onboarding, managing, invoicing and offboarding contingent labor. IQN gives you end-to-end visibility into your contingent workforce along with important controls throughout the CWM lifecycle. Most important, IQN empowers you to optimize your contingent workforce to meet critical business goals, helping you compete more effectively in the Financial Services marketplace.



TALK WITH  
**AN EXPERT**  
ON HOW IQN CAN HELP  
YOU GET CONTROL OF  
YOUR CONTINGENT  
WORKFORCE  
ENVIRONMENT AND  
RELATED RISKS AND COST.

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