

HUDSON RPO

Understanding the role of an MSP in optimizing your contractor workforce



WHAT IS A MANAGED SERVICES PROGRAM (MSP)?

MSP stands for Managed Services Program. It is a business model where a company outsources the management of its contingent (or contractor) workforce to a third-party expert. MSP partnerships drive cost savings, process efficiencies, and reduced risk through compliance. In our experience, an MSP partnership can deliver on average between 10-20% cost savings in the first year.

WHAT DOES AN MSP PROVIDE?

A managed services program provider takes care of your contingent workforce recruitment process, from recruitment of contractors to process optimization.

Different models exist, and which one is right for you depends on your unique talent requirements and goals.

Direct Sourcing MSP Model

In the Direct Sourcing Model one provider takes care of contingent workforce management and directly sources a percentage of the temporary workers. In this case, the MSP takes care of payroll with a single invoice for the client, and a single time-sheeting process for hiring managers and contractors.

Master Vendor Model

The Master Vendor Model involves one provider who is responsible for sourcing and placing candidates. The provider is also responsible for the contract management and payrolling of the contingent workers, including invoicing.

Vendor Neutral Model

In the Vendor Neutral Model, one provider manages the contingent workforce but via third-party agency suppliers who continue to payroll their own contractors.



Cultivating seamless contingent workforce solutions that drive exceptional results – that’s the essence of our role as a Managed Services Program provider.”

Nicki McCulloch
Regional Director of
Client Solutions, APAC

HOW ARE MSP SOLUTIONS CUSTOMIZED?

As customized solutions, you decide the level of involvement you require from your MSP partner and depending on your solution and service level agreement, a managed service partnership can include the following:

- Customized contingent workforce strategies based on industry insights
- Implementation of contractor management technology
- Streamlined onboarding and off-boarding
- Regional and multi-national labor law compliance



WHEN SHOULD YOU CONSIDER AN MSP PARTNER?

A Managed Services Program (MSP) is the right choice when you lack visibility, control and cohesion across your contingent workforce.

In our experience, these are the most common issues experienced by companies seeking the benefits of an MSP solution:

- Lack of talent vendor visibility, control, and oversight.
- Rising flexible workforce costs regionally or globally.
- Labor law and regulatory compliance.
- Fluctuating contingent talent needs.

Is MSP right for you?

Hudson RPO has been a successful provider of MSP solutions for many organizations. We saved over 380k AUD in the first 6 months of partnering with Australia's biggest gambling entertainment company. [Learn more about our MSP solution](#) or [speak to one of our talent experts today.](#)