



The Procurement  
**business**  
**case**  
playbook + template

How to Build a Clear, Executive-Ready Case for  
Workforce Governance, Compliance & Cost Control





# Introduction

## Why Procurement Conversations Have Changed

Five years ago, contingent workforce discussions were largely operational. Today they are strategic.

Procurement teams are now expected to balance:

- Cost control
- Supplier governance
- Compliance risk
- Workforce scalability
- Vendor rationalisation
- Audit readiness
- Visibility across global workforce spend

At the same time, contingent workforce programs have become larger, more fragmented, and increasingly complex across regions.

Many organisations now operate with:

- Multiple staffing vendors
- Inconsistent contractor rates
- Limited spend visibility
- Decentralised onboarding processes
- Increased compliance exposure

This is no longer just an HR issue. It is an enterprise governance issue.

If the conversation focuses only on hiring support, it will struggle to gain traction.

If it is framed around:

- Supplier consolidation
- Operational efficiency
- Workforce governance
- Risk mitigation
- Cost visibility
- Compliance assurance

Procurement leaders will engage.

# Part One

## The Hidden Cost of Workforce Fragmentation

Most contingent workforce problems do not appear overnight.

They accumulate quietly through...

Uncontrolled  
**supplier  
growth**




Inconsistent  
**contractor  
engagement**



Manual  
**administration**

**Poor visibility**  
across regions

**Compliance**  
gaps



**Rate**  
inconsistency



## Vendor Sprawl Creates Operational Complexity

As contingent workforce programs grow, supplier ecosystems often expand without central governance.

The result:

- Duplicate suppliers
- Inconsistent pricing
- Reduced leverage
- Increased administrative burden
- Limited accountability

If five or more suppliers are operating independently across regions, inefficiency typically follows.

## Rate Inconsistency Increases Spend Leakage

Without standardised governance, organisations frequently pay materially different rates for similar contractor roles across business units or geographies.

Example:

- Contractor A: \$65/hr
- Contractor B: \$90/hr
- Same role. Same market. Different supplier.

Across large contractor populations, these inconsistencies compound quickly.

## Compliance Exposure Is Increasing

Global labour regulations continue to tighten.

Misclassification risk now includes:

- Back taxes
- Social contributions
- Regulatory fines
- Legal costs
- Reputational damage

The more fragmented the workforce model, the harder compliance becomes to monitor consistently.

## Manual Processes Slow the Business Down

Disconnected onboarding, invoicing, approvals, and payroll administration create operational drag across Procurement, HR, Finance, and Legal teams.

The hidden costs include:

- Slower contractor onboarding
- Increased internal admin hours
- Delayed project delivery
- Reduced workforce visibility
- Increased audit pressure



# Part Two

## Establishing a Procurement Baseline

Before recommending a workforce solution, establish the current operational reality.

Executives challenge proposals that lack measurable context.  
Go beyond activity metrics.

Show structural inefficiency.

## Questions Procurement Should Be Asking

### Supplier Landscape

- How many contingent workforce suppliers operate across the organisation?
- Are supplier agreements standardised?
- Is supplier performance measured consistently?

### Workforce Visibility

- Do we have central visibility across contractor populations globally?
- Can Finance accurately track total contingent workforce spend?

### Compliance & Governance

- Who owns worker classification oversight?
- Are onboarding and engagement processes consistent across regions?

### Operational Efficiency

- How many internal hours are spent managing contractors manually?
- How many approvals, invoices, or systems are involved?

# Part Three

## Choosing the Right Workforce Structure

Not every contingent workforce challenge requires the same solution.

The right model depends on the organisation's primary operational constraint.





# Section A

## The Case for MSP

Many organisations begin with decentralised contingent workforce management.

This works, until scale exposes the weaknesses.

Common tipping points:

- Contractor population exceeds 75–100 workers
- Procurement lacks spend visibility
- Business units engage suppliers independently
- Audit pressure increases
- Supplier numbers continue growing

At this stage, governance becomes critical.

**MSP introduces:**

- Central oversight
- Supplier governance
- Workforce reporting
- Standardised onboarding
- Compliance controls
- Vendor performance management

Learn how Boeing improved contractor governance, reduced compliance risk, and gained greater workforce visibility across eight countries with CXC's MSP solution.

[Read the story](#)



## Financial Impact

Savings typically come from:

- Vendor rationalisation
- Reduced tail spend
- Rate standardisation
- Improved supplier leverage
- Reduced administration time

Even modest improvements across large contractor populations can create significant annual savings.



## Procurement Maturity

MSP is not simply operational outsourcing.

It is workforce governance infrastructure.

It provides:

- Consolidated reporting
- Standardised contractor engagement
- Defined approval workflows
- Compliance oversight
- Improved supplier accountability

As contingent workforce programs scale, Procurement requires this level of operational control.



# Section B

## The Case for EOR / AOR

International workforce expansion creates significant compliance complexity.

Hiring contractors in countries without local entities introduces:

- Payroll risk
- Employment law exposure
- Tax complications
- Misclassification concerns

Employer of Record (EOR) solutions centralise employment responsibility through compliant local infrastructure.

This reduces:

- Regulatory uncertainty
- Entity setup costs
- Administrative burden
- Legal exposure during market expansion

Discover how organisations use CXC's EOR solutions to **accelerate international hiring, reduce compliance complexity, and enter new markets without establishing local entities.**

[Read the story](#)





# Section C

## The Case for Direct Sourcing

Heavy agency reliance often creates unnecessary spend leakage.

If the same roles are repeatedly sourced through external agencies, organisations are paying recurring fees for talent they could access directly.

Direct sourcing helps organisations:

- Build private contractor talent pools
- Reduce agency dependency
- Improve redeployment rates
- Strengthen workforce forecasting
- Improve contractor experience

This shifts contingent hiring from reactive procurement to strategic workforce planning.

See how Medtronic improved access to specialised talent while reducing reliance on traditional agency models through a strategic direct sourcing approach.

Read the story





# Part Four

## Matching the Model to the Real Constraint

Workforce models should not be selected by trend or preference.

They should respond to the dominant constraint inside your organisation.

**Start by asking: What is actually limiting us?**

Here is an expanded view of common primary constraints and the model most likely to address them.

Primary Constraint	What It Looks Like	Likely Solution
Vendor sprawl	Multiple unmanaged suppliers	MSP
No spend visibility	Finance cannot track contractor spend	MSP
Rate inconsistency	Same roles priced differently	MSP
Global expansion	Hiring in countries without entities	EOR
Compliance exposure	Worker classification concerns	EOR / MSP
High recurring agency spend	Repeated external recruitment fees	Direct Sourcing
Weak talent pipeline control	No contractor redeployment strategy	Direct Sourcing



# Part Five

## Internal Stakeholder Alignment

Every workforce transformation involves multiple stakeholders.

Procurement often becomes the central coordinator between:

- Finance
- HR
- Legal
- Regional leaders
- IT

Understanding stakeholder concerns improves approval success.

## What Stakeholders Are Really Asking

Stakeholder	What They're Thinking	What You Must Prove
Finance	"Show me measurable ROI."	Cost reduction, spend visibility, efficiency
Legal	"Where does liability sit?"	Compliance controls, audit readiness
HR	"Will this slow hiring?"	Operational efficiency, workforce experience
Regional Leaders	"Do we lose flexibility?"	Local responsiveness remains intact
IT	"How difficult is implementation?"	Minimal disruption, integration clarity



# Workforce Business Case Template

## Structure Your Procurement Proposal

### SECTION 1: Executive Summary

#### The Problem

- What operational issue exists today?

Example framing:  
"Our current contingent workforce program lacks central governance across regions, resulting in supplier fragmentation, inconsistent contractor rates, limited spend visibility, and increased compliance exposure."



## SECTION 2: Financial & Operational Impact

### Current State

- Annual contingent workforce spend: \$ \_\_\_\_\_
- Number of suppliers: \_\_\_\_\_
- Estimated spend leakage: \$ \_\_\_\_\_
- Internal admin hours monthly: \_\_\_\_\_

### Projected Outcomes

- Vendor reduction from \_\_\_ to \_\_\_
- Estimated annual savings: \$ \_\_\_\_\_
- Compliance improvements across \_\_\_ regions
- Reduction in onboarding/admin time: \_\_\_%

## SECTION 3: Risk & Governance

Current Risk	Proposed Mitigation
Supplier inconsistency	Central governance
Rate variability	Standardised pricing structures
Compliance exposure	Structured oversight
Limited visibility	Centralised reporting

Include:

- Audit readiness improvements
- Compliance framework overview
- Liability allocation clarity

## SECTION 4: Implementation Plan

### Phase 1: Assessment & Governance Design

Timeline: \_\_\_\_\_

### Phase 2: Supplier Consolidation & Transition

Timeline: \_\_\_\_\_

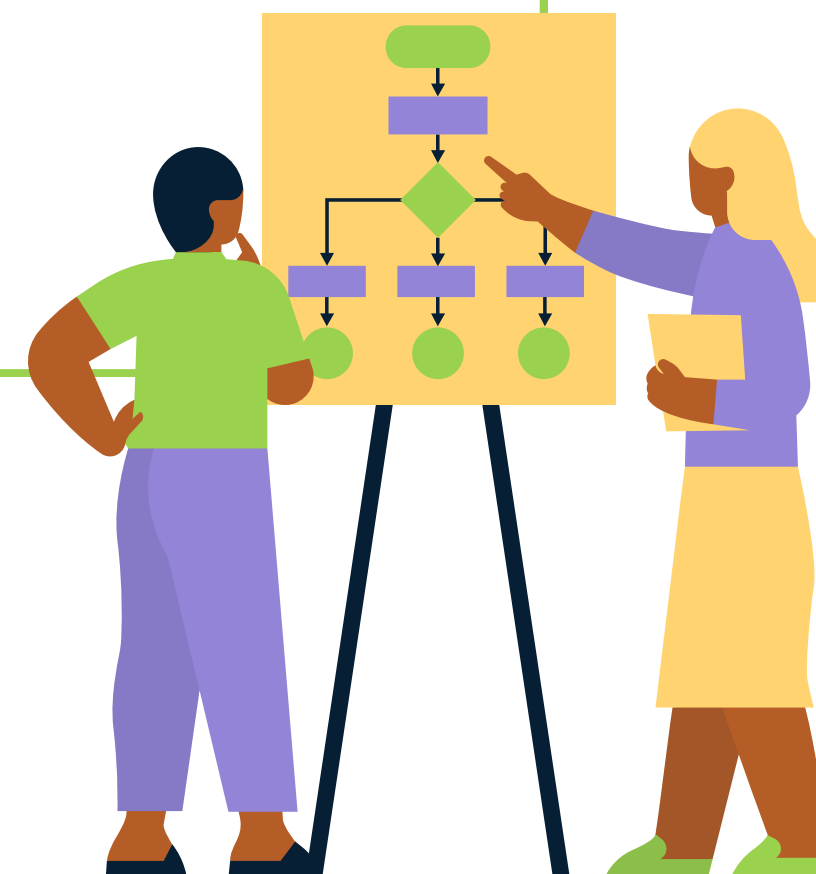
### Phase 3: Operational Stabilisation & Reporting

Timeline: \_\_\_\_\_



#### Executives want to see:

- Clear ownership
- Minimal disruption
- Defined timelines
- Stakeholder alignment



# The Decision Ahead

Contingent workforce management is no longer just operational administration.

It directly impacts:

- Cost efficiency
- Compliance exposure
- Workforce agility
- Supplier governance
- Business scalability

The question is no longer whether workforce governance matters.

It is whether the current structure can support the next stage of growth.

## **Ready to simplify contingent workforce management?**

**Whether your organisation is looking to reduce supplier complexity, improve workforce governance, or strengthen compliance oversight globally, CXC helps Procurement teams build scalable, compliant, and operationally efficient workforce programs.**

**GET IN TOUCH**



