





REALIGNING TIME-INTELLIGENCE METRICS VIA BUSINESS ANALYTICS

CLIENT PROFILE

IT client

CHALLENGE

Conflicting time-intelligence metrics caused by inconsistent KPIs across different geographies.

CHALLENGE

At the start of 2016, our IT client received a new shareholder for their managed services program's (MSP) non-US countries/regions (Canada, EMEA, and India). Given the new shareholder now sat at the same location as the US-based shareholder, Allegis Global Solutions (AGS) began working with both shareholders to review and better align key performance indicators (KPIs), with the goal of creating reporting metrics that could be streamlined across the program.

As a result, one major difference that was identified was the use of business days versus calendar days when tracking performance metrics, including timeto- source, time-to-fill, and time-to-decide. Given the US was using business days while all other countries were using calendar days for time-intelligence metrics, the US MSP program appeared to have better average cycle times than other countries (sometimes by more than three days). This not only served to inflate timeintelligence metrics for the US program and create issues with supplier scorecards, but greatly impacted AGS' ability to provide accurate speed metrics for our clients via our data intelligence solution program, ACUMEN. Thus, AGS needed to adopt a one-size-fitsall approach for reporting these metrics.

SOLUTION

One main area of concern for adopting the US' methodology globally was the fact that the program office locations' time zones did not align with the vendor management system's (VMS). In order to provide the best recommendations to our client, AGS' business analytics (BA) team conducted an analysis regarding the use of business days versus calendar days by collecting raw data from the VMS from the past several years. In



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order to effectively evaluate the data, our BA team captured supplier and program release dates with time stamps for candidate submittal and offer acceptance dates. The time stamps were evaluated on three key criteria: rather or not the time stamp fell between 8am – 5pm in the same time zone as corporate headquarters and the VMS, if the time stamp fell between headquarters' work week, and if the time stamp met both the previously-mentioned criteria.

In one instance, they found that one US supplier was averaging a time-to-source of about nine business days (which fell within the set criteria of 8 to 12 days). However, when measuring the same data point in calendar days, it was revealed that the supplier's time-to-source was actually 13 business days, which exceeded the threshold of allowable days. The difference in business days versus calendar days also significantly impacted scorecard totals, with the US supplier receiving a 77 percent when using business days, but only 70 percent when going by calendar days.

Additionally, in 2016, more than 14 suppliers received a passing score for time-to-source as a result of basing their data on business days instead of calendar days. Given the negative trend, the issue also raised the question of rather or not the time-to-source scorecard goal of eight days was reasonable for our client's US suppliers.

Globally, the analyzed data revealed that of the 5,500 instances collected across our client's non-US regions, nearly 75 percent of them did not fall within business days, with most of the failures occurring as a result of the time of day. Additionally, offeracceptance data collected on the non-US regions revealed that 70 percent of records occurred outside of business hours.

After the analysis, AGS recommended that our client's US program change their methodology to match that of the rest of the globe in order to make equal and accurate comparisons against other countries for the same metrics, and allow AGS to provide accurate time-intelligence metrics for our client.

THE RESULTS

Ultimately, our client decided to implement the recommendation made by AGS to convert their metrics from business to calendar days. Not only had the change provided a much clearer picture of US cycle times, but it has also allowed our client to compare cycle times more comprehensively across different countries. AGS has since been able to compare cycle-time results at a global level within the program, as well as adding the ability to employ ACUMEN data for benchmarking and comparative analysis across industries and geographies. Currently, supplier scorecard goals are being reevaluated with the hope of seeing more consistency in this area moving forward and better alignment with program standards.

