



Compliance, Efficiency & Cost Control:

A Light Industrial Workforce Evolution With VectorVMS

One leading supplier of construction materials supports job sites across the United States and Canada with efficient delivery and bulk procurement services. Operating in over 500 locations, the organization employs a blend of permanent and contingent workers to meet the demands of its rapidly evolving business.

To streamline contingent workforce management, enhance compliance, and control costs, this industrial organization turned to [VectorVMS](#), forming a partnership that has transformed its operations since 2021.

THE CHALLENGE

Before implementing VectorVMS, the company faced significant hurdles in managing its contingent workforce:

- **Lack of a system:** The organization had no vendor management system (VMS) to track its contingent workforce. The absence of centralized data and tools led to inefficiencies in managing roles such as warehouse associates, forklift drivers, and corporate staff in accounts payable and administration.
- **Rogue spend:** Without robust oversight, 40% of contingent labor spend occurred outside approved channels, leading to significant financial leakage.
- **Compliance gaps:** Ensuring compliance with Environment, Health and Safety (EHS) and other legal requirements meant that branch managers often had to spend hours training new hires on-site, delaying productivity.
- **Seasonal demands:** Scaling the workforce during peak periods required faster, more flexible onboarding processes.

The supplier needed a solution to centralize workforce data, ensure health and safety compliance, and enable smarter resource allocation across its operations.





Not having a centralized system made things really difficult. We couldn't properly track contingent labor or enforce compliance, which led to financial leakage and inefficiencies. Branch managers often had to spend hours handling tasks like safety training on-site, taking time away from other priorities. – Sydney Ray, Sourcing Manager

THE SOLUTION

The company partnered with VectorVMS to implement a flexible, feature-rich platform that addressed its specific needs. This included:

1. Shared Managed Services (SMS)

VectorVMS's hybrid approach allowed them to maintain full ownership of its contingent workforce program while benefiting from expert guidance and operational support. A dedicated program manager, acting as an extension of their team, ensured compliance and provided tailored solutions to address specific needs.

2. Customizable Platform

The VectorVMS team tailored its platform to meet the company's needs, creating a centralized hub for workforce management. VectorVMS also customized the dashboard to host company-specific content, such as training videos and policies. Pre-built compliance packages automated onboarding for specific roles, including Department of Transportation (DOT) requirements for drivers.

3. Enhanced Reporting

VectorVMS introduced advanced reporting capabilities, enabling the company to monitor workforce data through weekly and monthly reports. These tools

provided managers with actionable insights into budgets, resource allocation, and program adherence. HR teams also benefited from reports designed to track workforce distribution, helping to improve workforce planning and benefits administration.

4. Improved Vendor Management

The platform streamlined vendor onboarding processes, ensuring all suppliers met the company's compliance requirements. VectorVMS also simplified administrative tasks by introducing Consolidated Invoicing and Payments (CIP), reducing the complexity of handling multiple invoices and allowing accounts payable teams to focus on higher-priority activities.

5. Pre-Engagement Training

The platform supported the supplier in implementing pre-engagement training for contingent workers. Environment, Health and Safety (EHS) requirements and other mandatory onboarding processes were completed before workers' first day, ensuring they were prepared to start immediately and eliminating the need for on-site training sessions.



Consolidated billing is one of the top five improvements we've seen since implementing VectorVMS. Previously, noncompliant spend was invoiced weekly to branch managers, who then sent it to the AP team for individual processing. Now, by funneling everything through the VMS, we've significantly reduced the workload, providing better visibility and saving valuable time. – Sydney Ray, Sourcing Manager

THE RESULTS

Since implementing VectorVMS, the company has achieved remarkable improvements across key areas:

1. Compliance Gains

Initially, compliance rates rose to approximately 45%. With additional supplier adoption of the program August 2024, these rates further increased from 68% to 82% within just two months. The automation of compliance for roles such as drivers ensures strict adherence to national DOT standards. Additionally, EHS pre-engagement training has significantly streamlined processes, saving managers up to eight hours for every new hire.

2. Cost Savings

With weekly labor expenditures averaging between \$150,000 and \$200,000, transitioning 40% of off-contract spending into VectorVMS improved financial tracking and unlocked a significant 15% cost reduction opportunity. This shift has optimized resource allocation and improved financial management across the organization.

3. Operational Efficiency

Consolidated billing has revolutionized operational workflows, saving time and reducing administrative burdens in accounts payable. Managers now have instant access to critical policies, detailed reports, and workforce insights through centralized dashboards. This centralized access has empowered leaders to make more informed and timely decisions.

4. Scalable Workforce Management

Managing seasonal surges, which once posed a logistical challenge, is now seamless. With pre-loaded training materials and a streamlined onboarding process, the company has successfully scaled its workforce to meet demand spikes without compromising compliance or operational efficiency.

5. Safety and Credibility:

VectorVMS has bolstered safety and credibility for the company by ensuring that temporary workers arrive trained and ready to contribute from their first day. This preparedness not only reduces liability risks but also enhances the company's reputation among stakeholders, reinforcing trust and reliability.

LOOKING AHEAD

The construction supplier's partnership with VectorVMS has transformed its approach to contingent workforce management, providing the tools, insights, and support needed to drive long-term success. As compliance rates approach 95% and rogue spend continues to decline, the company is setting new standards for efficiency and effectiveness in contingent labor management.



Having a partner like VectorVMS has made a huge difference. For example, when branch managers need to be added or have questions about temp labor, I can simply CC the team and say, 'Please, handle this one.' VectorVMS has essentially taken over managing the temp labor space, which has been phenomenal and has taken a great deal off my plate."

Sydney Ray, Sourcing Manager