

Managing Contractor Workforces



A tier-one mining company engaged Concentis to better manage contractor workforce costs on a Queensland project, resulting in significant time and cost savings and improved staff morale.

Challenges Faced

The company initially engaged an external agency to manage a team of Project Leads on a contract basis. This included handling all contractor payroll, purchase orders and invoicing. It soon became clear the agency's system was not advanced enough to match the project's cost control and monitoring requirements.

Reoccurring challenges included an inability to provide multiple purchase orders per contractor, issues with timesheet management, incorrect or late payment to contractors and consistent errors in invoicing. The company's Superintendent of Electrical Services at the time, Michael Haynes, says 80% of invoices sent by the agency were incorrect.

The situation was affecting our ability to see, manage and control costs across the project and we were losing significant time and money correcting the mistakes."

The inefficiencies within the system resulted in:

- › 25% of a Senior Project Leader's time being spent each week correcting errors a cost of over \$50,000 per year
- › Each contractor spending up to 4 hours a week cross-checking invoices against their hours worked and payments made
- › A Project Controller being hired for a month to provide visibility on accurate costs across the project

Benefits Realised After Engaging Concentis

After failing to resolve the issues, the company engaged Concentis to take over management of part of the workforce.

"We were referred to Concentis by another team who had a fantastic experience. Their reputation for managing white-collar employees within mining gave us confidence," says Michael.

Concentis uses industry leading technology to streamline the management of contractor workforces. The automation of backend systems allows clients to efficiently approve timesheets, track balances on purchase orders and have accurate visibility of project costs relating to their contractor team.

The change delivered immediate results.

"Everything started to flow better. Invoices and timesheets were spot on. Approvals, payments and invoicing was on time and we started to see huge benefits across the project," says Michael.

"Previously we had no single point of contact. Here, one person was dedicated to looking after us and the slightest issues could be solved in minutes."

The benefits realised from Concentis' technology and contractor management process include:

- › Project delivered on time and budget
- › Additional projects were taken on, generating new revenue. This was made possible by recouping staff time previously spent correcting errors
- › A new project lead was hired to manage the additional work
- › Invoicing approval times dropped from hours to around 1 minute

"We also had a happier and more motivated staff because all of the tension points were removed and they knew they were going to be paid correctly. Our cost control and forecasting team were also thrilled because their jobs suddenly become so much easier," says Michael.

The team at Concentis are focused on working with each client to provide a contractor engagement and management service that meets their team and company needs.

Client

Tier-One Mining Company

Location

Queensland

Contract

Managing contractor workforce

Date

2017