

WHITEPAPER

FUTUREPROOF SOURCING & CONTRACTING OF CONTINGENT WORKERS

An attempt to demystify contingent (external) workforce sourcing and to provide a guide that can be used to implement or tweak your contingent workforce sourcing strategy.

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My name is Peter De Buck and I position myself as an HR Tech entrepreneur with a background in Sales & Procurement. During the last 20 years, I co-created different companies together with my partner in crime, Patrick Verrept. Our initiatives help companies in their challenges attracting, finding and managing (mainly external) workers.

Companies that we work with are among others: bpost, ING, Belfius, Engie, Equans, Flemish Government, Axa, BASF, Daikin, Inetum, Pluxee, Ores, Fluvius, FSMA, Swift, BMW, Brussels Airport Company, DHL, Manuchar, Orange, Total, Umicore, VRT and Ypto.

We help these companies with improving their compliancy, reducing spend, decreasing workload, increasing inflow of (qualitative) talent and providing them with insights on the performance of the suppliers that they work with.

For the Outsourced Sourcing models described in this document: we have collaboration agreements in place with most of the leading players in the market.

On top of the joy of collaborating with our partners and clients, our team has been recognized by the market on several occasions: 4 x Deloitte Fast 50 nominee, 3 x finalist and 1 x winner of the Supply Chain Awards, Ecovadis Silver Medal, pilot project Flemish Government for student certificates ...

I'm happy to share my expertise with you in this whitepaper. In the next pages, you'll find practical tips, strategies, and some lessons learned to help you 'futureproof' the way you source and manage your external workforce. Enjoy the read and feel free to reach out if you want to exchange ideas!

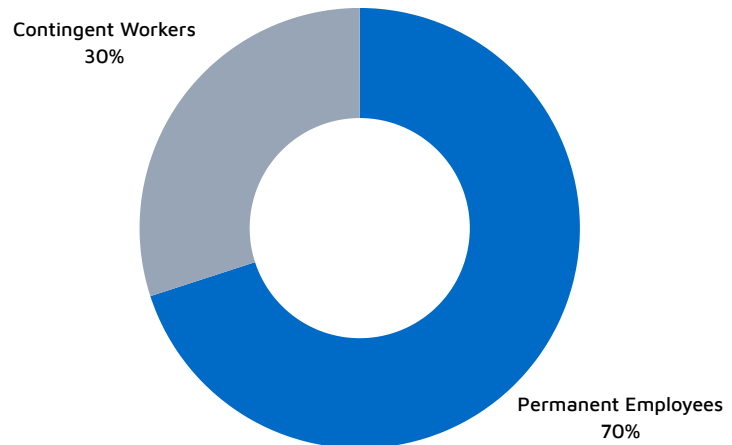
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Introduction

The ways to attract, source, manage and keep (or dismiss) external workers have evolved significantly during the last 10 years. There are lots of parameters such as tooling, sourcing models, different contract types, internal & external compliancy constraints, legal constraints, administrative steps... to keep in mind.

The goal of this document is to help you see the trees through the forest and to give you an overview on the different possibilities, possible combinations and best practices. The average external workforce (anno 2025) in a company is 30%. This means that if your company counts 250 people, 75 of them are contingent workers.



When I started my career 30+ years ago (uhu, time flies when you are having fun...), the general feedback of companies was like: "yeah, we are going to reduce the number of contingent workers in our company...."

The reality however is that the contingent workforce is growing double digits on a yearly basis, so if you want to access talent, the contingent workforce population is a group to take into account, like it or not.

They are here, they are growing and you will need them if you want to stay in business.

What Is a Contingent Worker?

A contingent worker is every person in your company with a non-permanent contract. We are talking about consultants, contractors, interim managers, temp labor people (blue & white color), students, interns, people that are working for you via service contracts, freelancers and so on.



Why do Companies Work with Contingent Workers?

Companies work with contingent workers for several reasons like:

- Creating flexibility in scaling up/down the workforce
- Temporary filling in the open positions
- Bringing in the expertise if you do not have it
- Budgetary reasons
- Alternative way to hire people
- ...

Adapt workforce size
based on demand

Specialised skills brought
in for short-term needs

Non-traditional hiring
method to access talent



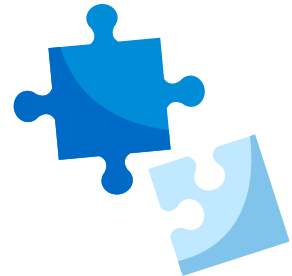
Cover vacancies quickly
without long-term
commitment

Cost-effective solution
for short-term needs

However...

Working with contingent workers comes with some challenges:

- Legal constraints (Limosa law, social security, contractual risks...)
- Impact on the operational workload to find, onboard, contract and pay these resources
- Impact on the budget
- Impact on ESG/CSR(D)
- Supplier/contractor (performance) management
- Knowledge management (retention)
- Total Workforce/Talent Management
- No centralized processes
- War for talent impacting talent acquisition and retention
- Labor Union relationships
- Maverick spend (transactions made outside a company's predefined spending rules)
- ...



To make it more complex, it is often a process that impacts different departments in your company:

- HR is in general more involved for the temp labor contracts, students & internships
- procurement is in general more involved for the time & means / project sourcing contracts (consultants, contractors, freelancers)
- and of course, the different business stakeholders have their own ideas and needs in this process

Next to that, Finance needs to be able to validate budgets and process payments and legal should be involved to mitigate risks...

And to make it worse, the sources and suppliers where you can find these contingent workers vary per contract type....

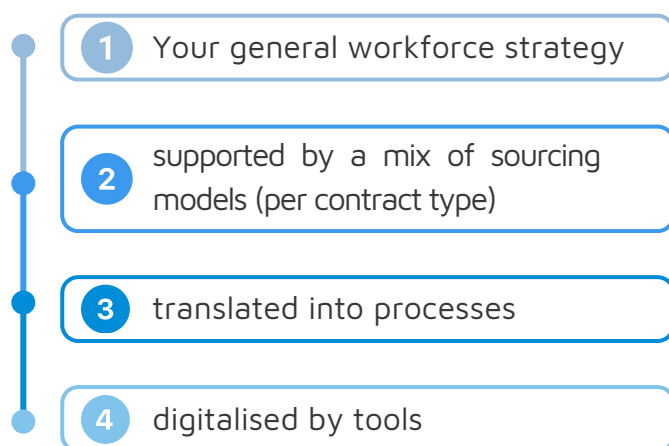
So now the big question: what are your options if you want to get a grip on this process and what are best practices on the market?

General Strategy

As companies strongly depend on (internal and external) talent, it should not be a surprise that a lot of companies are reflecting on a workforce strategy that covers the internal as well as the external talent acquisition process.

This is referred to as a **Total Talent Management (TTM) strategy**.

To set up a TTM strategy, there is a need to think about:



The focus of this paper is the contingent part of TTM, and as I'm not a strategic consultant (drop me a message if you would be looking for an expert) my further focus in this document will be on the tactical, technical and operational aspects of the story.

Make no mistake, if you want to tackle the contingent workforce challenges your company is faced with, you are in for a journey. As with any journey, it starts with setting a goal, and identifying different milestones. But as with any journey, you will hit unexpected scenarios and situations, requiring flexibility and agility to move quicker, slower, go back and adapt your strategy.

Depending on the type of worker, different contract forms can be used.
The common contract forms are:



Classical employee contracts processed by a Payroll specialist (SD Worx, Securex, Attentia, Liantis, Partena ...). The cost is expressed by a monthly salary defined in the contract for a definite or indefinite duration.

Temp Labor contracts that are a 3 party contract between the worker, the temp labor specialist (RGF, Randstad, Manpower, Accent, Hays, Adecco, Itzu, Konvert...). Temp labor contracts offer the possibility to hire the worker as an internal employee after a defined number of days/hours worked.



The cost is expressed by a salary defined in the daily/weekly contracts. A multiplier (coefficient) is applied to the brut salary of the worker to calculate the cost of the Temp Labor contract.



Flexi-Job workers working a limited and additional number of hours next to their existing job. These contracts can be processed by the Temp labor or Payroll specialist. The cost is based on a salary increased with a margin.

Job student contracts processed by the Payroll specialists or the temp labor specialists. Internships in Belgium are a result of contract between the school and the hiring company and are unpaid.



Contractors, consultants & freelancers working via Time & Means (agreement on time spent without an obligation to deliver a specific deliverable) contracts that are set-up directly between you and the staffing

company or freelancer delivering these services. Staffing companies often subcontract these services if the required expertise can not be provided by somebody on the payroll of the staffing company. Some of the staffing companies only work with subcontractors and/or freelancers. The cost is expressed by an hourly or daily fee, typically invoiced on a monthly basis based on an approved timesheet.

Consultants working via a SoW (Statement of Work) contract which is a contract that guarantees a specific service/deliverable for a specific (often fixed) fee.



Teams containing multiple persons or different types of specialists that are hired via Time & Means or SoW contracts.

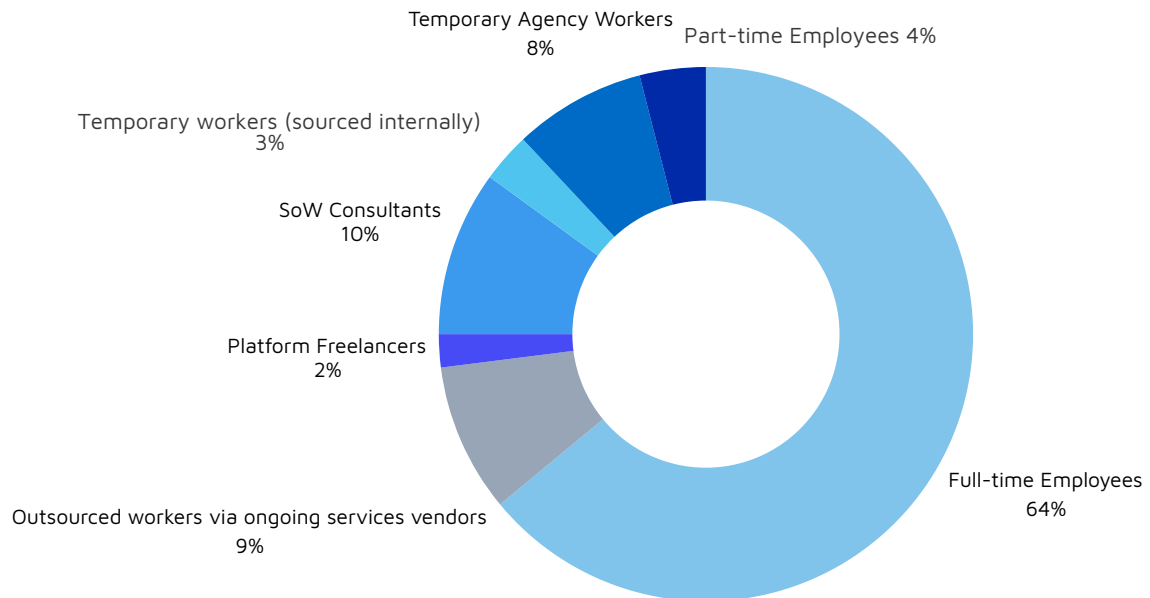
Platform workers delivering their services via a dedicated platform like Upwork, Fiverr... In the private sector they are well known through services delivered by Deliveroo, Uber...



On a European level the average mix at a company looks as follows:

Workforce Mix

Average percentage of types of workers within workforce (large employers) 2024

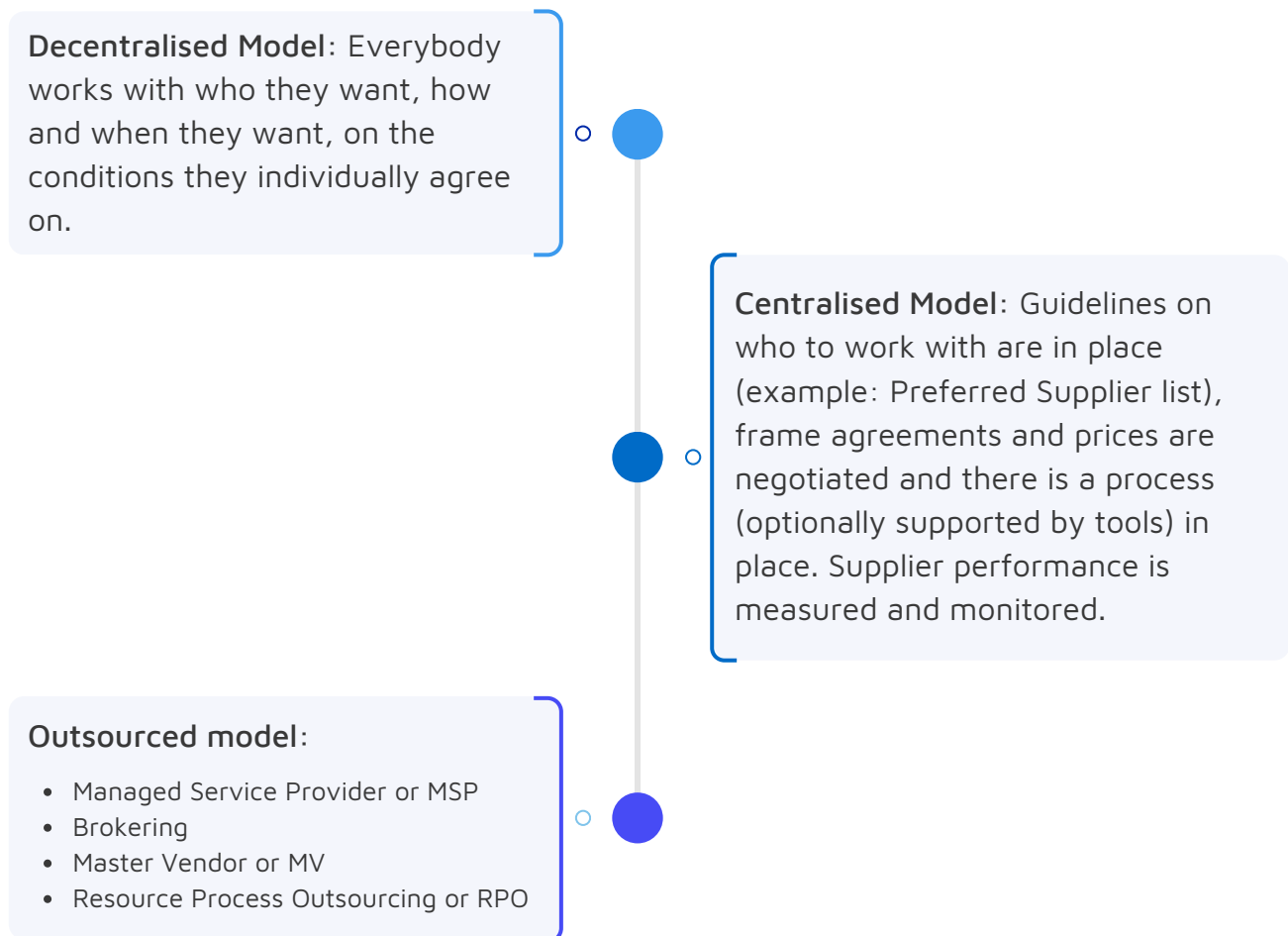


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Source: SIA Workforce Solutions Buyer Survey

What Are the Possible Sourcing Models on the Market?

The sourcing model that you can implement can be different per contract type. As a best practice, the combination of different models (depending on your strategy and challenges) should be considered. The popular models are:



Managed Service Provider or MSP: the practice of transferring day-to-day related management responsibility as a strategic method to reduce risks, spend and workload and to improve efficiency and compliancy, to a specialised internal (central hiring desk) or external partner. This service combines Screening & Selection, with Vendor Management and the administrative processing of the selected resources. The services of an MSP are supported via a specialised software platform called a Vendor Management System or VMS.

Belgium Market players: Solvus, Randstad SourceRight, Tapfin, Hays, Public-Sourcing, Pontoon, Brainbridge, ProUnity (combines MSP service with VMS & Marketplace)...

In most of the cases, the focus of the MSP is linked to Time & Means or Project Sourcing contracts (consultants/contractors/freelancers in the domain of ICT, Engineering, HR, Finance, Legal, Logistics...).

The fee that an MSP specialist charges is often a % of the spend or a cost per contract per day. This cost can be client or supplier funded, or hybrid... depending on your sourcing strategy.

Brokering: the practice of transferring the contractual administration and follow-up as a tactical method to reduce risk and workload and to improve efficiency and compliancy to a specialized (optional neutral) external partner. So it does not involve screening & selection of the candidates nor supplier management.

Belgium Market players: next to the above mentioned MSP specialists, this service is also offered by some of the staffing players like Flex-Connect, Brunel, Ausy, Harvey Nash, Pauwels Consulting, Bainbridge, United Consulting, Connecting-Expertise (only in combination with the usage of the CE Marketplace)...

Most of the broker specialists use their own back-office systems to process the timesheets, contracts & invoices. The disadvantage of this approach is that the client has another system to monitor, and that some of the contractors are reluctant to share information on a system managed by a competitor. Ideally, this is also covered by a VMS.

The broker is working on the Time & Means contracts only.

The contract that the broker uses toward the involved supplier or freelancer should be set-up as a back-to-back contract.

The fee that a broker charges is often a fee on top of the daily fee of the proposed contractor. This cost can be client or supplier funded, or hybrid... depending on your sourcing strategy.

Master Vendor or MV: The term Master Vendor is used in the temp labor market for more or less the same services that an MSP specialist provides for Time & Means contracts. In Belgium however, it is legally not allowed that a company contracts a temp labor staffing specialist, that subcontracts this service to another temp labor staffing specialist, who contracts the temp labor worker. As a result, there is the possibility to have a multi-vendor environment where one staffing company (the master) does the coordination towards the other temp labor specialists, that have direct contracts with the hiring company.

Belgium Market players: Randstad, RGF, Hays, Adecco, Manpower, Accent, Itzu, Konvert, Synergie...

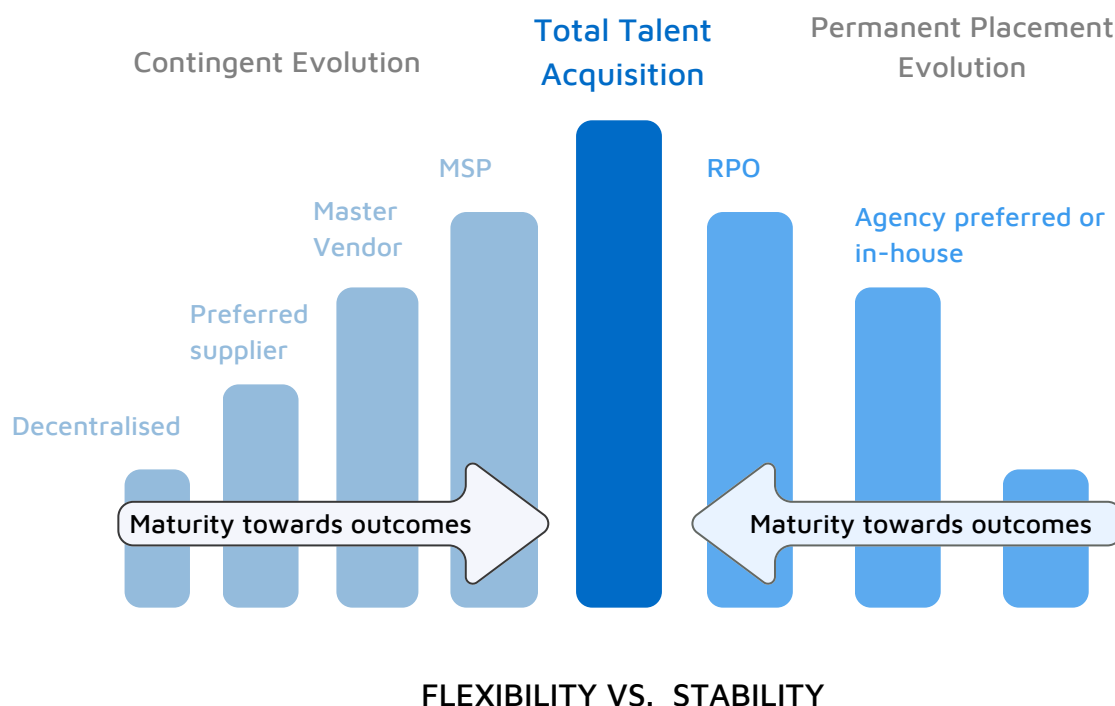
A VMS solution is often introduced to guarantee transparency, objective and neutrality between the different involved players. In sectors that require extensive planning of the resources, a VMS can be combined with a Planning Software.

Resource Process Outsourcing of RPO: practice of transferring all or part of the permanent recruitment to an external provider. An RPO provider can act as an extension of a company's HR function.

Belgium Market players: Randstad SourceRight, RGF (Solvus), Pontoon, Hays, Manpower (Tapfin) ...

Summarised: your ideal Sourcing model should be a translation of your needs, company maturity and strategy. This does not mean that everybody should move to the middle of course...

Evolution of Procurement Models Supporting Talent Outcomes



Source: SIA

Note 1: Not every company with a specific model has the same maturity using that specific model. Combinations of different models, with a potential difference per contract type are possible.

Note 2: A 'new' tendency on the market is 'Direct Sourcing'. Direct Sourcing helps organisations attract, curate, and engage groups of talent by activating their employee brand. Direct Sourcing is vital for companies that have repeatable hiring needs as they are able to find talent with the skills that they need, and who are engaged by the brand. Free translation: for most of the companies in the market, 'direct sourcing' is the standard way of working...

Tools That Can Support Your Sourcing Strategy?

It is of course possible to manage your contingent workforce via phone, mail, Excel and Word documents. Heck, if you want, you could even do it via smoke signals and post pigeons...

However, as you can imagine, this will not have a very positive impact on the challenges described earlier in this document...

Luckily, the tooling market is quite mature and there are some basic tools to consider:

Applicant Tracking System or ATS: software application that helps companies manage the recruitment process of employees.

Some Market players: Carerix, SAP Success Factors, Recrutee, Bullhorn, CVWarehouse, BambooHR, Workable, Zoho Recruit.

Vendor Management System or VMS: web-based application that acts as a mechanism to source and manage Contingent Workers. Typical features include sourcing, onboarding, contract management, ordering, billing and significant enhancements in reporting capabilities outperforming manual systems and processes.

Belgium Market players: SAP FieldGlass, Connecting-Expertise, Beeline/IQN, Pixid VMS, Nétive, ProUnity ...

Possible add-ons:

+ Marketplaces: virtual marketplaces allowing buyers and sellers to connect and trade goods and/or services

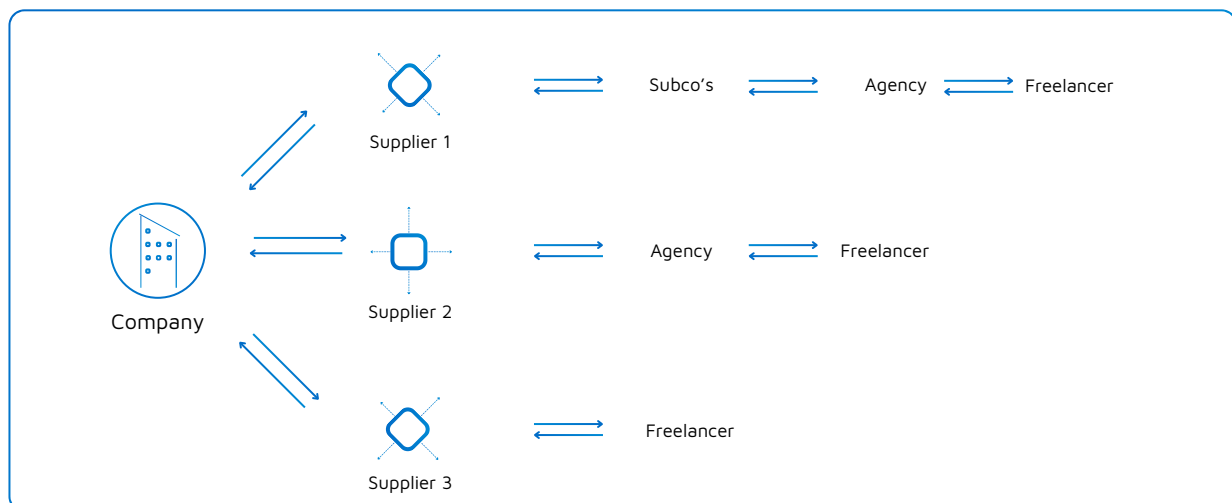
Belgium Market players: Connecting-Expertise, ProUnity, Creative Designers, classical jobboards...

+ Freelance Management System or FMS: a cloud-based workforce solution that empowers businesses to manage independent contractors or freelancers via a single platform. Belgium Market players: Malt, Gighouse, Toptal, Upwork, Guru, Fiverr... (check out our [whitepaper on FMS & VMS!](#))

Case Study

Companies relying on external workforce suppliers often face inefficiencies when suppliers do not have a candidate readily available. In such cases, suppliers reach out to subcontractors, agencies, or other freelancers. Each intermediary adds their own commission, resulting in a significant cost build-up.

For example, a freelancer initially asking €600 per day might end up costing the company over €800 after commissions from the subcontractor(s), agency, and supplier. This chain not only inflates the final price but also increases the risk of losing candidates due to pricing misalignment and slow processes. This multi-layered sourcing approach is not only costly but also time-consuming, reducing agility and efficiency in talent acquisition. There is hence a direct impact on cost, speed to fill, retention and compliancy (contractual differences between the subcontractors)



Implementing a Vendor Management System (VMS) combined with a Marketplace allows companies to centralize and simplify their external workforce procurement. Through the VMS, all suppliers operate in a transparent and structured environment, ensuring clear visibility into candidate sourcing, rates, and performance. The Marketplace allows direct access to a broader pool of freelancers and agencies, cutting out unnecessary layers.

Benefits include:

- Faster sourcing and hiring processes
- Lower costs by reducing or eliminating unnecessary commissions
- Improved transparency into who is providing talent and at what rate
- Better quality and compliance through data and performance tracking

The following case study demonstrates how companies can regain control, speed, and cost-efficiency in managing their external workforce, by using a combination of a VMS and a Marketplace approach.

How ABC Inc. Can Save Over €1M by Optimizing External Workforce Management

Overview of the Challenge

Company ABC Inc. currently has an annual spend of € 15 400 000, on external workers. The spend is calculated based on the number of the contractors ABC Inc. has, an average number of days each contractor works, and an average daily rate of each contractor.

The calculation is done as follows:

$$100 \text{ contractors} \times 220 \text{ days} \times €700/\text{day} = €15,400,000$$

In addition to the financial spend, statistics indicate that, on average, 1/3 of contractors leave annually, meaning that ABC Inc. needs to find a replacement for approximately 33 contractors on a yearly basis if the total workforce remains stable. However, replacements typically go through multi-layered sourcing chains, resulting in markups from brokers, agencies, and subcontractors. Given the significant annual spend on external contractors and the additional challenges related to frequent turnover and costly replacement processes, ABC Inc. needs to find a more efficient and scalable way to optimize its sourcing strategy, reduce unnecessary costs, and streamline contractor management.

The Solution

ABC Inc. has a strategic sourcing option combining a VMS and Marketplace. This option will allow ABC INC. to get the best of both worlds working with preferred suppliers using the VMS for stable, ongoing needs while publishing demands (ad hoc) to the Marketplace for urgent, niche, or highly competitive sourcing requirements. This strategy offers the most flexible and scalable approach available.

Benefits of Using a VMS



Build long-term, trusted supplier relationships (if this is already the case so you can manage them via VMS).



Increase transparency using VMS.



Savings potential: **3–6% annually.**



Reduced admin workload due to simplified processes (all in one place).

Benefits of Using a Marketplace



Access a broad pool of freelancers and (specialised) suppliers.



Introduce rate competition.



Can still include some commissions, but more flexible pricing.



Savings potential: **5–15% annually.**



Potential for direct freelancer hires.

Conclusion

By implementing a combined VMS and Marketplace approach, ABC Inc. can significantly reduce the financial burden associated with contractor turnover, agency markups, and sourcing inefficiencies. Leveraging preferred suppliers for stable needs while utilizing the Marketplace for urgent or niche roles enables smarter, faster, and more cost-effective hiring decisions. As a result, the company not only optimizes its external workforce management but also drives substantial cost savings year over year.

Best of Both Worlds | Most Flexible & Scalable Approach



Use preferred suppliers for stable needs.



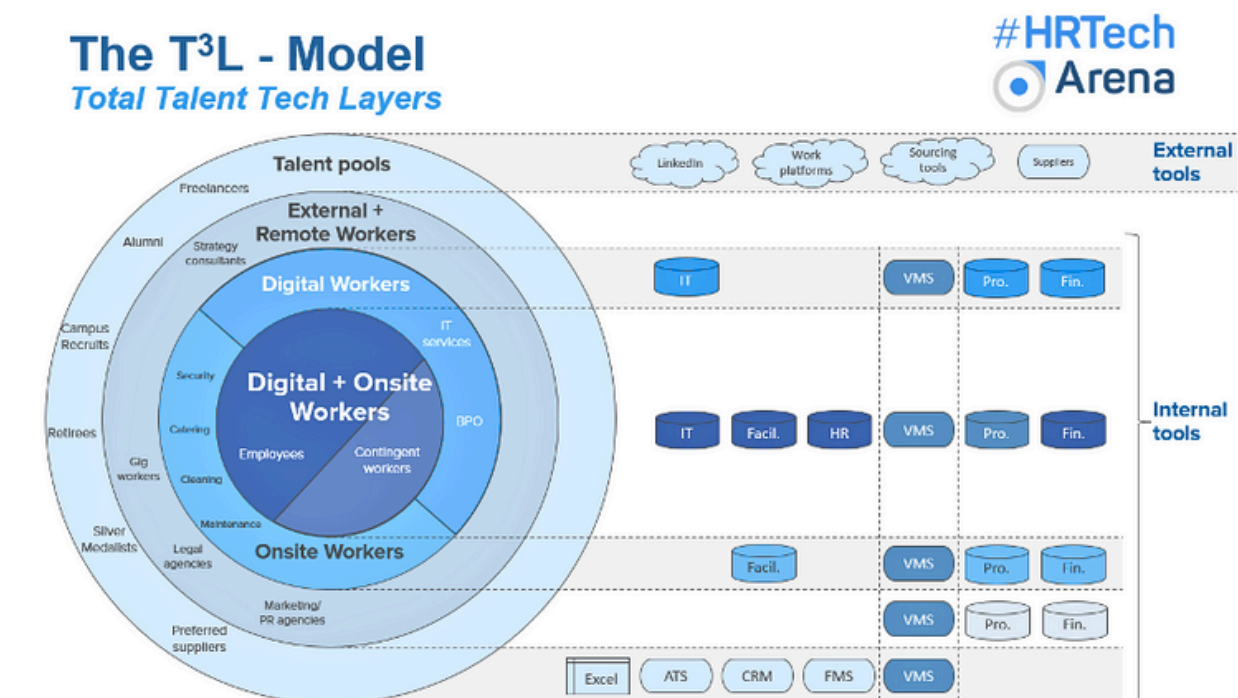
Use Marketplace for urgent, niche, or competitive sourcing.

VMS as an Essential Component in Your HR Strategy

We refer to the T3L model of Mark Van Assema (HR Tech specialist and co-writer of the book: Don't miss any talent) if you want to translate this to your tooling strategy:

In the T3L model, the Vendor Management System (VMS) is positioned as the central tool for managing all types of external workforce engagements and talent pools/FMS/CRM, ensuring that you have visibility at the individual level of who is connected to your organisation. This model provides a leading framework for corporates seeking a complete architecture.

Furthermore, it is advised to connect your VMS system not only to your HR system but also to your IT and Facilities systems to manage both digital and physical access. This way, your HR system remains clean — without being overloaded by external workers who are not meant to be managed through core HR processes — while ensuring that only those externals who truly contribute structurally to your organisational goals are integrated into your strategic workforce planning.



Inspired? Discover Your Possibilities

3 options:

Contact me directly if you want to exchange ideas and discuss your challenges.

[Book a Call](#)



If you want to discover the maturity of your organisation, there is an option to schedule a free Quick Scan to determine your improvement areas and the current maturity of your organisation.

[Quick Scan](#)



If, however, you need a more independent expert that can guide you through the 'minefield', then drop me a message, I will gladly introduce you to some of the independent experts on the market so that you can contact (and contract ;-)) them directly!

Next to These Options, You Might Get Inspired via the Following Resources:

SIA
STAFFING INDUSTRY ANALYSTS

Network
for work
Federgon

ZiPconomy
(eigen)zinnig & onafhankelijk

Nextconomy

connectingexpertise »X«


LANCR


dibbs

flex
connect

#ZigZagHR
rethink | reboot | retool

Our Initiatives

All our initiatives can be combined or used separately.



Connecting-Expertise (connecting-expertise.com)

Connecting-Expertise is part of the Pixid Group. We automate the hiring and administrative process of external workers via our CE VMS solution. Our CE Marketplace can be used to find new suppliers and freelancers that can optionally be contracted via our Brokering services. We have more than 22.000 contingent workers delivering services via our solutions on a daily basis.

Dibbs (dibbs.be)

Our fast growing student community of 100.000+ students wants to close the gap between companies and students through student jobs, internship, student deals, giveaways and learning opportunities. We support companies in the search for jobs students and interns, their employer branding and compliancy improvements working and communicating with students.



Lancr (lancr.eu)

Lancr can be used as a white label Talent Pool app that allows companies to build a freelance community to support your direct sourcing strategy. As a result, the hiring cost of freelancers is reduced, the compliancy is increased and the speed to fill and fill rate is improved.

Flex-Connect (flex-connect.nl)

Flex-Connect takes over the administration of your Time & Means contracts via a brokering service. As a result, compliancy is improved and workload is reduced.



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