

Microsoft Procurement



Recognizing, not Resisting Change

How Microsoft is navigating the Gig Economy to engage external talent and increase productivity

About Microsoft:

Founded in 1975, Microsoft enables digital transformation for the era of an intelligent cloud and an intelligent edge. Our mission is to empower every person and every organization on the planet to achieve more.

With over 130,000 employees and revenue exceeding \$100 billion, Microsoft is headquartered in Redmond, Washington.

The Microsoft Procurement organization is led by a Chief Procurement Officer (CPO) who reports to the CVP of Finance and Administration. Microsoft Procurement delivers business value through proactive, innovative, compliant, and cost effective global solutions that include engagement of suppliers that are compliant, capable, and competitive.

The Case for Change: Engaging Digital Talent Platforms at Microsoft

Much like the Industrial Revolution, technological innovations are now transforming traditional models of work. This transformation presents tremendous potential benefits: A modern, cloud-supported user interface offering unprecedented transparency and access to global talent markets.

The notion of an on-demand talent cloud enable great agility for Microsoft.

Capturing the Opportunity: Proving the Case by Executing a Pilot Program

A cross-functional team including Procurement, Legal, HR, Corporate Strategy, and leadership from key product groups was established. Through a multi-disciplinary evaluation, a full risk assessment was developed and mitigated through contractual terms, employee training, process controls, and engagement policy. A research project was also conducted to gain external perspective from both providers and consumers in the Gig Economy.

With a full understanding of the landscape, an enterprise-wide pilot was launched in the U.S. with a single freelance platform provider.

Key pilot objectives:

- Provide employees direct access to quality talent across a broad range of disciplines
 - Deliver a modern, digital user experience for sourcing and engaging talent
 - Validate speed, quality, and ROI compared to conventional models.
 - Manage risk and compliance, ensuring responsible, dignified use of freelance talent.
 - Identify scenario-based best practices for engaging on-demand talent.
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Based on six months of activity and hundreds of projects executed on the platform, Procurement conducted a comprehensive analysis revealing key insights pertaining to utilization behaviors, trends, and program performance. Following are some of the key findings:

KPI Results: Providing transparency and access to quality talent was a premise of the pilot. Therefore, two of the Key Performance Indicators (KPIs) were Speed and Quality.



Increased Speed:

Most of the projects began within 2-3 days after requisition—nearly 80% faster than onboarding external talent via alternative



High Quality:

- 93% of survey respondents were able to consume work produced by the freelancers with little to no modification.
- 100% said they would use the program again.
- Freelancers on the platform received average 4.9/5 star ratings from Microsoft users.

Survey Feedback: Most pilot participants reported that the greatest benefit came in the form of increase in productivity—the ability to get more work done in less time. Other significant benefits reported include cost savings and access to specific talent or skillsets.

Sustaining Results: Managing talent cloud quality is key to long-term success. As the program scales, Microsoft will work with its supplier partner to enable automated management of the talent cloud. Secondly, ongoing user education is imperative, because effective navigation and “job post” quality drive better results. Thus, we have implemented a white-glove onboarding process emphasizing user education and onboarding assistance.

In Summary: The outcomes and mindset of the gig economy are not an incremental change, but rather a true step change that empowers users to achieve more. Because this is a cross-industry, macro trend in the “world of work”, our effort and data-supported results have been received with great interest at the company. Quality, speed, and cost benefits have been proven while balancing a responsible and compliant use of freelance talent.

Keys to Success: How did Microsoft enable a successful pilot?

Simply extending access to a freelance platform would not have been effective. While the Gig Economy and the presence of freelance platforms are growing rapidly, enterprise-grade offerings are still relatively new for both suppliers and consumers and pose unique challenges.

Following are some of the key components that led to a successful pilot program at Microsoft:

A growth mindset: Digital talent platforms require a new way of working – one that would present a learning journey for the organization and rely on a growth mindset. Our story is one of recognizing, not resisting change; a foundational commitment to learning.

Process Excellence: Defining appropriate use cases, policies, and best practices was essential. To do this, the project team relied heavily on its research, including hands-on experimental use across many freelance platforms. A great platform operated by a strong supplier is not enough. First, employees needed to understand both when and how to use the freelance platform, as well as how to brief in work in a way that outputs quality work.

Effective Training: To join the pilot, users watched a training video, completed a knowledge check, and then submitted a project application for review by the pilot program management team. This created an early checkpoint to ensure user readiness and compliance. The platform provider monitored active projects carefully, providing high-touch service for new users.

Driving Awareness: Procurement Engagement Managers (PEMs) served as the conduit to business groups across the company. Leveraging an opportunity analysis dashboard specifically built to support the program, PEMs were able to easily gauge potential opportunity along with a communications toolkit to help present the program.

Powerful Tools: Microsoft made full use of its Office 365 lineup to power the program. Here are just a few of the key programs relied upon:



Microsoft Power BI enabled full visibility to target opportunities, program activity, adoption, spend data, project data, and program performance.



Microsoft Teams served as a forum for pilot participants to share experiences and ask questions.



Microsoft Flow enabled easy automation of process steps, ushering participants through the experience from training to platform onboarding.