nextSource

Next Generation MSP: Optimizing Contingent Talent Strategies

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Next Generation MSP: Optimizing Contingent Talent Strategies vendor assessment for nextSource is a comprehensive assessment of nextSource's MSP/contingent worker solutions (CWS) offering and capabilities, designed for:

- Sourcing managers investigating sourcing developments within MSP/CWS

- HR decision makers exploring the benefits and inhibitors of MSP/CWS as evidenced by the clients and vendor capability

- Vendor marketing, sales and business managers developing strategies to identify developments and target opportunities within MSP/CWS

- Financial analysts and investors specializing in or covering the HR outsourcing industry and suppliers.

Key Findings & Highlights

nextSource is a privately-held, women-owned enterprise, established in 1998, with its headquarters in New York, NY. It currently operates in the U.S.

nextSource provides mid-sized organizations (with ~$1.0b spend and ~1,000 employees) with integrated talent acquisition solutions such as MSP, EOR, Services Procurement/SOW, and Compliance.

The majority of nextSource's MSP programs are vendor-neutral.

nextSource undertakes a more consultative approach when working with its clients. It takes great pleasure in helping them to understand the challenges around a complex contingent talent market. Part of nextSource's consulting approach includes an 18-month review of a client's program, to take it through its next stage of evolution.

nextSource evolved its service models in 2019, aligned to broader market changes and its target audience of first- and second-generation outsourcing organizations.

It introduced its nextSourcing™ model, a genuine "source-neutral" approach to implementing enterprise-wide workforce solutions. nextSourcing is very similar to a private cloud, importing, and exporting workers (including referrals from clients, from other human clouds, etc.) based on fitting the motivation factors of the client and the talent. It uses sophisticated AI (algorithms) to identify the right skills, experience, and probability of which candidate is going to be successful in the job.

In 2019, nextSource saw an uptick in demand for its Services Procurement/SOW offering. Clients want to ensure their teams are configured optimally, and they can add value by leveraging the right supplier/sourcing channel.

nextSource's Keystone Supplier program reviews/assesses suppliers (and the candidates provided by the suppliers) using a scorecard system. The data is visible to the suppliers, the clients, and the client-facing resourcing teams. Clients can assign weightings to criteria of greater/ lesser importance to them from a menu of options to determine the most suitable suppliers for their needs.

nextSource's first-hand experience of change management in migrating from a proprietary system (TAMS VMS) to using better third-party tools/technologies, and reskilling its employees accordingly, has brought positive benefits for nextSource. It can show its clients/potential clients that it has "walked the talk" of talent transformation.

nextSource has partnerships with many third-party providers. The platform layer that brings the various technologies/tools together is nextSource's talent cloud platform, built on the Logi embedded analytics development platform. The integration layer enables access to multiple data sources and offers predictive analytics capability.

In 2019, nextSource also invested in automation and chatbot solutions for its clients and itself (automated ticketing system, 24/7 chat, etc.).

In 2020, nextSource will complete work on the development of a diagnostic tool that evaluates the effectiveness of the contingent labor against a client's objectives around its strategy for contingent labor (and broader total talent needs).

nextSource manages many MSP/CWS clients.

nextSource's more recent client wins include automotive, cosmetics, and e-commerce.

In 2020 nextSource will focus on innovating and evolving its technology and tools (enabling clients to make incremental improvements over time), expand into new geographies (via organic growth of existing clients and maybe by acquisition), and promote its enhanced contingent worker solutions. It will likely see growth in its legacy industries as well as new industry sectors.

Scope of the Report

The report provides a comprehensive and objective analysis of nextSource's MSP/CWS offering, capabilities, and market and financial strength, including:

- Identification of the company's strategy, emphasis, and new developments in both its service and technology

- Analysis of the company's strengths, challenges, and outlook

- Revenue

- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts

- Analysis of the company's key offerings (service model and service components)

- Analysis of the company's delivery capability (including the location, size, and scale of delivery operations; and delivery via technology).

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