Managing an agile workforce

Quick facts

Company: Cummins, Inc.

Industry: Manufacturing

Employees: Over 50,000 in 190 countries

Headquarters: Columbus, Indiana

ADP

Always Designing for People™

Ryan Tidd
Director of Service Capability

Cummins is the largest independent diesel engine manufacturer in the world, producing over 1.5 million engines in 2019. Cummins powers a world that is always on by providing power solutions as small as agriculture irrigation pumps, to over the road semi-trucks, to very complex generators that provide backup power to hospitals and data centers. Its service footprint consists of over 10,000 service centers in 190 countries.

Director of Service Capability, Ryan Tidd, shares how ADP® WorkMarket helps Cummins utilize the gig workforce to address an industry shortage of skilled technicians.

ADP: What were some of the business challenges Cummins experienced prior to implementing ADP WorkMarket?

Ryan: Our business continues to grow significantly, but like others in the industry, there are not enough skilled technicians to support this growth. The pipeline of new technicians isn't meeting the demand in the marketplace, so we're all fighting over the same employee base.

Macro and micro trends like hurricanes in the southeast and harvest season in the grain belt create fluctuating labor demands and staffing challenges. And then, there are also just day-to-day circumstances: three people in training, two called in sick and a customer just dropped off six trucks because they have an issue with the fuel supply causing their entire fleet to be disabled. No one staffs for this. ▶

Uptime is also an issue. Our customers are demanding it and will pay extra for it. Our problem was clear: to be number one, we must win at uptime. When we fail to meet our customers' expectations, 37 percent of the time it's because we don't have technicians available.

ADP: How did Cummins go about finding a solution to these challenges?

Ryan: We held an executive strategy session with business unit presidents and functional strategy leaders to identify top enterprise risk issues and discuss how they could be solved. We recognized we had a labor issue. Then I met with Vice President of Operations for our Rocky Mountain region and he had the same issue. He couldn't hire enough technicians to meet customer demand, which means he couldn't hit his numbers. He went on LinkedIn and asked if anyone crowdsources technicians and a technology company raised their hand for us to interview. A few months later, I attended an industry-led field service conference in Florida and met the WorkMarket team. They said, "We compliantly manage independent contractors," and that's how it began. Here we were with two options, but we didn't even know how to get started!

We needed a Proof of Concept (POC), so we established a small test with two retail stores comparing WorkMarket and the other vendor. We didn't go through procurement or have them evaluated by IT. We just rolled up our sleeves and began learning. We started in our Denver market. In two weeks, the WorkMarket team partnered with us and we had a recruiting strategy, landing page and our first job under our belt. In Phoenix, with our other vendor, we got stuck and couldn't even get off the launch pad. They didn't have processes for paying contractors, onboarding them or doing background checks, so we quickly realized that wouldn't work for us. We chose ADP's WorkMarket because it included the payment engine and the APIs for background and drug checks. That was the secret sauce that we needed. We killed the proof of concept pilot with the other vendor and got the WorkMarket Pilot off the ground in Denver.

ADP: What did you learn during your Proof of Concept pilot?

Ryan: The learning curve was steep! We hit every wall imaginable. There were easily 1,000 reasons to kill the POC. Our traditional recruiting strategy wasn't going to work. We needed ten times the number of people to put together an on-demand workforce. First, we had to figure out what type of work these contractors could do. We historically hired the best of the best, kind of like the brain surgeons of the diesel business. We had to figure out what we would do with a nurse practitioner or a medic.

We had five guys ready to work and taking a couple assignments when we paused to think, "whose insurance do these workers fall under?" We looked at our policy and realized they weren't covered so we had to stop.

We had a goal of getting 50 jobs through the platform during POC. Despite all the barriers, we stayed focused on what we wanted to learn. So, we set up one of our employees to simulate an independent contractor. We sent him some side jobs on the weekend to see how the process worked. He was covered by insurance, so we were able to run a test and customers didn't freak out because they knew him. ▸

At the end of 2019, we were able to demonstrate a 100 percent digital recruitment strategy that delivered 500 people in three cities in four months and we executed 200 assignments on the WorkMarket Application in three cities while adhering to company policies. We developed a comprehensive change management strategy for our employees, customers and industry.

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Shortly after our 50th assignment and realizing there was something here, we had a call with Cummins and WorkMarket's IT teams. Our cybersecurity director evaluating WorkMarket's infrastructure asked me, "How do we pay contractors?" I told him I was just using my corporate card through the WorkMarket platform. It was a stop the music moment. We just did everything we could to get these 50 jobs through the platform because we needed to know if it would work and we didn't allow the corporate rules to get in the way. In four months, we went from nothing to 50 jobs completed at one retail shop. The software worked, things went well, and we learned a ton.

ADP: How did you build a business case for your leadership team to begin a more formal pilot program?

Ryan: We learned during the POC that we needed a sustainable insurance approach. We do dangerous work. This is machinery that will kill you if you do something wrong. We wanted to make sure that people working were protected, our customers were protected, and our company was protected.

The WorkMarket team worked as a partner and advisor during our entire journey. They understood our struggle with insurance and introduced us to Bunker, a startup company focused on taking insurance as a barrier out of the gig economy. Bunker created a solution to allow workers to obtain insurance that met our minimum requirements.

Decomposing the work into assignments was also a big barrier for us. Our business is comprised of field service and in-shop technicians. Our field service business supports machines without wheels (think construction equipment, data centers, agriculture.) A typical play when we were behind schedule in the field was to steal guys from the shop and get the sale done. When we do this, there's a truck driver in our shop that gets deprioritized and has to wait. Our service manager in Salt Lake City was working on a generator installation at a data center and he decided to break that job into small tasks. This helped us realize we could use FlexTechs with different skill levels for smaller parts of the job like installing batteries and moving cables. That was huge for us. It kept us on schedule with the data center install, kept customers in our shops happy, and our technicians appreciated the relief and help they got.

We spent about four months learning and executing a POC. We deployed a 100 percent digital recruiting effort that added about seven to ten technicians into the top of our funnel per week, per city. In four months, we had over 500 technicians who wanted to work as independent contractors. We spent the next 9–12 months selling internally to gain support. The conversations touched all corners of our enterprise: corporate risk and insurance, legal, HR, IT, business operations, health and safety, commercial teams and our executive suite. We had tactical conversations about the "how" and philosophical conversations about the "why." After much discussion and debate, I was provided a small budget and a tight leash to move into a pilot in February 2019.

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ADP: Having gone through the process of implementing WorkMarket, what are some key takeaways you would share with other companies considering doing the same?

Ryan: The first thing would be to recognize that the gig economy is NOT a fad. People working in the gig economy are motivated by a variety of factors. What I found with the people working in our pilot program was that some wanted to augment their household income so a new mother could stay at home. Some wanted extra money to build hot rods during their time off from a rotational shift job. Some saw this program as filler work for an independent business they already had established. Flexibility is key.

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Finally, you can't have a conversation about the gig economy without discussing the regulatory landscape. Health and safety, insurance and labor compliance are complex. There is a lack of consistency in how government entities talk about this group of labor. Occupational Safety and Health Administration (OSHA) definitions doesn't match those of the IRS, and statutes vary by state. Platforms like WorkMarket make it easier for people to buy and sell labor compliantly.

ADP: What's next on your journey for continued improvement?

Ryan: We plan to scale from three cities to 37 by June 2020. We will continue to refine strategic alignment with core functions in our business (service operations, HR, legal, risk, insurance, finance, IT, health and safety.) The gig economy is very dynamic, and this dynamic will change what we historically thought we knew about a job. We'll have to rethink everything about health insurance, retirement, training, employment classification, access to work, financing and more to win talent.

We like the potential the gig economy has for our business. Our last 24 months of being a student of the subject has helped us understand the application, benefits and issues of engaging this workforce. While we continue to scale and gain more experience, I welcome the opportunity for others to start their journey so that we can get more people talking about the topic and building solutions that work for the buyers and sellers of labor.

For more information about ADP's WorkMarket solution, visit
adp.com/WorkMarket

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