

Supplier Optimisation/Rationalisation: What to Consider

Insights from CWS Summit Roundtable Discussion, London 2025

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Discover key insights from the 2025 CWS Summit roundtable, hosted by Indotronix Avani UK, on supplier optimisation / rationalisation in contingent workforce management including the benefits, risks, and strategic trade-offs faced by recruitment and procurement leaders in staffing supply chains.

Event Overview

The 2025 CWS Summit in London brought together over 600 delegates from across the UK, Europe, USA, Egypt, Israel, Algeria, and Singapore, representing over 300 global organisations in the contingent workforce industry. We connected with other program leaders in the Talent Acquisition space and had the opportunity to showcase how [Indotronix Avani UK](#) can help elevate workforce planning strategies. The event was sponsored by MSPs, Global Payroll providers, VMS, and Staffing Suppliers. As one of the proud Summit Sponsors, I had the privilege of hosting a Round Table discussion, on 'Supplier Optimisation/Rationalisation: What to Consider'. The format featured three 20-minute discussion rounds, with a new group of corporate participants joining each session to explore this topic from diverse perspectives. Think 'speed dating for Contingent Worker procurement' and you get the idea!

What Emerged from Our Roundtable Discussions?

Key Challenge

Balancing cost, efficiency, compliance, and talent strategy remains the primary challenge. Organisations that excel and build recruitment supply chain resilience treat this as an integrated challenge rather than prioritising one dimension over others.

Benefits of Supplier Rationalisation

Clear advantages can be realised by streamlining the supplier base across key areas of procurement and operations:

- **Organisations can achieve higher cost savings via volume from a smaller number of vendors:** Consolidating suppliers enables businesses to leverage greater purchasing power, negotiate better pricing structures, and reduce administrative overheads, leading to tangible financial benefits.
- **Streamlined management and supply of contingent workers:** With fewer suppliers managing temporary or contract labour, businesses can achieve more consistent onboarding, performance monitoring, and resource allocation across projects.
- **Effective compliance and governance management and control:** Rationalisation simplifies audit trails and policy enforcement, making it easier to implement uniform compliance measures and manage supplier risk across the enterprise.

- **Easier adoption of technology platforms:** A reduced vendor landscape facilitates faster integration with internal systems such as VMS, ERP, and compliance tools, ensuring more reliable data flows and improved operational transparency.
- **Clients can build deeper partnerships with fewer suppliers/vendors:** Strategic supplier relationships are strengthened, enabling better alignment on business goals, innovation initiatives, and long-term service quality.

Risks of Supplier Rationalisation

Despite the benefits, vendor optimisation introduces several critical risks that must be managed carefully:

- **Niche skillset suppliers may be lost:** Specialist vendors offering rare or highly technical capabilities may be excluded, limiting access to talent pools critical for innovation or niche project delivery.
- **Healthy competition amongst suppliers is reduced:** A smaller vendor pool can impact performance, leading to complacency, pricing rigidity, and less incentive to maintain high service standards.
- **Existing suppliers get overloaded leading to a reduction in quality:** The increased volume of work placed on fewer suppliers can strain resources, resulting in delays, reduced responsiveness, or a decline in deliverable quality.
- **Transitioning to a reduced supplier base is risky as loyalty of contingent workers to smaller suppliers is often overlooked:** Contingent workers often have strong affiliations with smaller agencies, and may be unwilling to transfer to larger providers, risking resource attrition and delivery continuity.
- **Regional capabilities are often overlooked:** Local vendors with unique knowledge of regional markets or regulatory environments may be displaced, leading to reduced geographic agility and service reach.
- **The drive to encourage diversity of SME and MBE suppliers is lost:** A focus on consolidation can inadvertently sideline supplier diversity programmes, undermining broader ESG goals and the inclusion of underrepresented business groups.

Areas of Industry Consensus

Insights drawn from all three roundtable sessions revealed clear alignment on four critical priorities:

- **Supplier capabilities must be evaluated fully:** Organisations agreed that beyond cost and scale, a thorough understanding of suppliers' technical strengths, delivery track record, and capacity for innovation is essential to effective sourcing.
- **Diversity and Inclusion organisational objectives cannot be ignored:** There was strong consensus that supplier strategies must align with internal D&I goals, ensuring that procurement actively supports representation and equity across the value chain.
- **Change Management is essential:** Participants emphasised that successful transformation—whether in systems, supplier models, or processes—depends on structured change management to gain buy-in and sustain momentum.

- **Data is the key to support decision making:** Reliable, real-time data emerged as a foundational requirement, enabling better forecasting, risk management, supplier performance evaluation, and strategic planning.

Key Takeaways

- **Supplier Optimisation Does Not Equal Rationalisation:** Strategic sourcing can help build a strong tiered supply chain whether this is by geography, industry classification, or skills. These strategic decisions must be supported through effective data.
- **Agility of contingent worker supply may be compromised:** Accessing candidate pools is not always going to be possible through a smaller number of suppliers.
- **[Contingent Worker Experience](#) Impacts [Employer Brand](#):** The end-to-end experience of contingent workers from initial sourcing to offboarding directly shapes a client's employer brand. A seamless, respectful, and transparent journey not only boosts retention but also enhances how an organisation is perceived in the talent marketplace.

These takeaways highlight that successful [supplier optimisation](#) requires careful consideration of multiple factors beyond simple cost reduction. Organisations must evaluate the full spectrum of benefits and risks while maintaining focus on data-driven decision making, effective change management, and preservation of supplier diversity and workforce agility.

The discussion reinforced that there is no one-size-fits-all approach to supplier optimisation. Each organisation must carefully assess their specific requirements, market conditions, and strategic objectives to determine the optimal supplier structure for their contingent workforce needs.