



# STAFFING INSIGHT

Valuable Insights into Current Staffing Issues

Nov/Dec 2008

## WHAT'S INSIDE?

- 'Tis The Season To Be ???
- Scale Back – Don't Cut
- ISU Holiday Catalog
- Inexpensive Perks

A bimonthly newsletter from International Staffing University, div. of Seminars By The Sea

## 'TIS THE SEASON TO BE .... ???

Fill in the blanks.

'Tis the season to be \_\_\_\_\_.

*Jolly, cheery, upbeat, generous and optimistic???*

Or *unhappy, glum, downbeat, uptight and negative???*

I was reading an article in a recent staffing industry trade publication the other day. Staffing executives were talking about what things that they plan to cut back on due to the current economic downturn.

Some said that they were cutting out 'employee perks' including *Holiday gifts, parties and bonuses*.

*Staff training* was also on the list of investments on the chopping block.

Call me crazy, but I don't think this is the time to CUT *holiday perks and training*. Employee morale can suffer when you eliminate these.

Nancy Rothbard, a Wharton professor, says that cutting out perks damages the "psychological contract" employees have with management.

No matter what shape your staffing company is in right now, this is no time to be *Scrooge* with your employees. If times are tough for your staffing company, you may want to think about SCALING BACK rather than "CUTTING OUT".

Cutting out perks and training can make employees feel undervalued and "checked out". When employees feel that way, it rubs off on customers, too.

Can you really afford diminished performance as a result of cutting out perks and training? I think not.

Here are some tips to inspire you to scale back rather than cut out.

### SCALING BACK WITHOUT CUTTING OUT HOLIDAY PERKS & TRAINING

#### (1) Trim Holiday Party Expenses:

According to a Survey by Battalia Winston Amrop, 81% of companies plan to have a holiday party for employees this year. That is the lowest percentage in 20 years. Losing a longtime holiday tradition can be a morale killer. If you usually spend several thousands of dollars on your employee party, look for ways to budget much lower. Instead of having a lavish party at a restaurant for employees /spouses, consider having an at-the-office catered luncheon for employees only. Or plan a "Pot Luck" with "Secret Santa" Gifts. Don't cut out the FUN and morale building element of a holiday celebration and the opportunity to say "Thank you" to your team during this time of year.

#### (2) Replace Holiday Bonus with "Time off" and/or Gift Card Bonuses

If you cannot afford to give big Holiday Cash Bonuses this year, explain that to your team but consider replacing the cash bonus with TIME OFF or Gift Cards to restaurants or gas stations.

#### (3) Be Creative!

On the next page, I listed some creative ideas for inexpensive perks to help keep employee morale up – maybe even soaring - during the holidays.

#### (4) Give your Staff the best holiday gift ever – TRAINING. Scale back – but don't 'cut out'.

Show your team that you are committed to investing in their future success. Replace expensive classroom training with GO GREEN videos OR interactive web class training available through ISU or other source.

International Staffing University, division of Seminars By The Sea

## 2008 Holiday Catalog

### Features:

- o Classes at ISU Campus in CA
- o Interactive Web Classes
- o Video/DVD Training including new *Go Green* Packages – Sales, Staffing, Recruiting, Management
- o CD Sets & Manuals
- o New 'On Demand' Training

### Special Offers:

- o 20% Discount Classes/Products
- o Free Shipping Through 12/25

Download ISU Holiday Catalog.pdf

[www.istaffingu.com](http://www.istaffingu.com)



*Happy Holidays from International Staffing University/ Seminars By The Sea*

**INEXPENSIVE HOLIDAY PERKS  
TO HELP KEEP SPIRITS HIGH!**

- The most important “perk” is to let your team know that they are VALUED. A simple, hand-written note from a top executive sent out during holiday time expressing *appreciation* may be the most meaningful “perk” of all.
- Don’t let the economic downturn dampen Holiday Spirit ... Give your team a budget to decorate the office and come up with low cost holiday cheer ideas.
- Have a festive office breakfast every Monday or Friday during the Holiday. Pastries & beverages welcome!
- Each week, have employees pick a bonus gift off the holiday tree.

Bonus gifts can consist of:

- ✓ Gas gift cards
  - ✓ Restaurant gift cards
  - ✓ Two bonus paid days off in December to shop, decorate, spend time with friends and relatives and/or do charity work during the holiday season
  - ✓ Two or three hour extended lunch break
  - ✓ Two hours a week off during the Holiday Season to spend time shopping or being involved in personal Holiday events
  - ✓ A training web class of their choice
- Set up a laptop(s) in the conference room. Give employees some free time to do online Holiday shopping. Or set aside an hour a day for employees to shop online at their desk.



**A NOT-SO-EXPENSIVE YET REGAL  
HOLIDAY PARTY SURPRISE IDEA**

One of my staffing company clients is sending out a notice to her 10-person team that there will be a mandatory lunch meeting on a mid-week day in December.

The team will be asked to report to the parking lot where a stretch limo will be waiting.

The staff will be treated to:

- Luxury limo ride around town
- Three hour lunch break
- Trip to an upscale mall where they will receive a Mall Gift Certificate of \$25.00 to spend
- Boxed gourmet lunch
- Non-alcohol champagne

Total Cost: Less than \$1,000

I love this idea so much I may borrow it myself for MY staff.

.....

I hope this has provided you with some important insight into how to build a stronger bond between management and team AND boost staff morale during these “wavy” economic times.

When times are tough –

*Be creative and get closer to your staff/team!*

*Happy Holidays!*

See you next newsletter!

Cathy Vee  
semsea@aol.com



**International Staffing University, div.  
of Seminars By The Sea**  
2120 Main Street, Ste 260  
Huntington Beach, CA 92648  
714-960-5992 ▲ Fax 714-960-6563  
istaffingu.com ▲ info@istaffingu.com



# STAFFING INSIGHT

Valuable Insights into Current Staffing Issues

A bimonthly newsletter from International Staffing University, div. of Seminars By The Sea

July/August 2008

## WHAT'S INSIDE?

- Clients LOVE You?
- 7 Survey Success Tips
- Survey Letter and Form
- CS Survey Insights

## Do Your Staffing Clients *LOVE* You?

How would your staffing clients RATE your customer service and staff? Do they LOVE you? In *this* economy, the answer should be "yes". *And this is no time to guess!*

Years back, when the "fish were jumping in the boat" due to strong economy/high demand for staffing services, many of our staffing clients were not particularly focused on surveying their customer satisfaction levels or delivering "amazing" service to anchor client loyalty. But now that the economy has presented challenges for customer retention, expansion and growth, we are getting more and more requests from our staffing company clients for CRM (Customer Relationship Management) consulting services. These clients realize that, more than ever, in soft markets, a staffing service must stand out above their competitors in delivering exactly what each client needs and wants.

We just completed a very successful Customer Satisfaction Survey for a staffing company. The Survey was created by *yours truly* ... me (Cathy Vee), It was sent out to 235 staffing customers and reaped a respectable 30% completion/return. The one page survey (front and back on one page) went out along with a letter.

On the next pages, I have included 1) an introductory letter, 2) copy of the survey, 3) what the staffing company's management learned 4) actions they will take/changes they plan to make.

It is copyrighted, but if you would like permission to use it, give me a call. Cathy Vee 714-960-5992 or email me with your request or input. If you plan to design your own Customer Satisfaction Survey to send to your clients, let me share with you a few Survey Success Tips to help maximize response.

### CUSTOMER SATISFACTION SURVEY SUCCESS TIPS

To maximize Survey response and effectiveness, here are 7 tips:

**(1) Start with an Up-to-Date Client/Contact list.**

One common mistake is to send a survey to a contact that is no longer with a client company or to an "old" address. You don't look very "on top" of things if a client returns your survey with "Anna Miller hasn't been with the company for two years." or "We haven't been at the Bell Street address for 10 months."

**(2) Depending upon the size of your Client/Contact List, do a full OR selective client survey.**

If you have thousands of clients, select those who make the most impact on your business to include in the survey. If your client list is 300 or less, you might want to include ALL your clients in the survey.

**(3) Include a letter from the president of the company with the survey.**

Explain (a) the purpose of the survey (b) the importance of your client's input (c) that comments will remain confidential and shared with management only.

**(4) Ask Questions that are Meaningful to both client and YOU.**

**(5) Be Brief – But Not Too Brief.**

To appear brief/but complete, use relatively small font and 2-sided paper.

**(6) Give a time limit for client to return survey & incentive to do so.**

**(7) Include a SASE (Self-Addressed Stamped Envelope).**

SEE SAMPLES ON FOLLOWING PAGES

Seminars By The Sea/ISU Consulting & Training products & services to help get your Customers to **LOVE** you more!

### Consulting Services

- CRM Program Consulting
- Client Retention/Loyalty
- Customer Satisfaction Survey
- Service Evaluation Audit
- Branch Turnaround
- Staff Evaluation Audit
- Mystery Shopping

Call (714) 960-5992 for information/availability and pricing. [www.semsea.com](http://www.semsea.com)

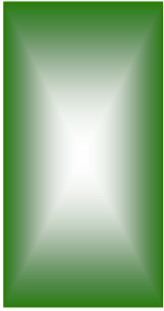
### Training

- Classroom and Web
- Customized – Your Site or Ours
- DVDs / CDs / Manuals

Download our Catalogs at [www.istaffingu.com](http://www.istaffingu.com)

Download our Product Catalog at [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

**WATCH**  
our weekly emails for savings specials on classes and staffing training products!



**ABC Staffing**

---

**Sample Introductory Letter**

July 29, 2008

Attn: Preston Smith  
PERFORMANCE BUSINESS

Dear Mr. Smith:

I am proud to be celebrating my 15<sup>th</sup> year involved in the staffing industry. My passion for customer service has never waned over these several years in the industry.

At ABC Staffing we *treasure* our valued customers and feel privileged that you have given us your business support. We never want to take your support for granted.

It is my personal goal to make sure that ABC Staffing and our team exceeds your expectations for service delivered.

We want to be your “dream team” as a staffing supplier.

To that end, I would like to ask you to complete the brief Customer Satisfaction Survey (enclosed) and return it in the self-addressed stamped envelop to my personal and confidential attention. I would appreciate it if you would return it me no later than \_\_\_\_\_. Your remarks will not be directly shared with our staff members but rather will be utilized by management to improve our services.

In gratitude for your taking the time to complete the Survey, I will send you two movie passes within 14 days of receiving your completed Survey.

I cannot express to you enough what an honor and privilege it is for us to have the opportunity to serve you – in the past, present and future.

Sincerely,

William Blake  
President  
ABC Staffing

# ABC STAFFING

## Customer Satisfaction Survey

1. How would you rate the overall quality of our staffing services?

- 5 - Excellent
- 4 - Very Good
- 3 - Good
- 2 - Fair
- 1 - Poor

Comments:

---

2. How would you RATE the quality of our temporaries/candidates sent to you?

- 5 - Excellent
- 4 - Very Good
- 3 - Good
- 2 - Fair
- 1 - Poor

Comments:

---

3. How would you RATE our staff on their response time to filling your orders?

- 5 - Excellent
- 4 - Very Good
- 3 - Good
- 2 - Fair
- 1 - Poor

Comments:

---

4. How would you RATE our staff as to their professionalism and problem resolution skills?

- 5 - Excellent
- 4 - Very Good
- 3 - Good
- 2 - Fair
- 1 - Poor

Comments:

---

5. What is MOST important to you in a staffing supplier?

---

---

6. What do you like BEST about ABC Staffing?

---

---

7. If you could make two (2) changes in the service you receive from ABC Staffing to make our service your "Dream Team" staffing supplier, what would the two changes be?

---

---

---

8. Have you used our staffing services within the last six months?

- Yes
- No

If "No", why not?

- No needs
- Using another staffing supplier
- Problem with the service
- Other reason

Comments:

---

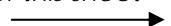
---

If you have not used us within the last six months because of a problem with our service or for some other reason, what can we do to earn back your business?

---

---

Complete the survey on the back of this sheet



9. Do you use ABC Staffing exclusively as your staffing supplier?

Yes

No

If "No", why not?

ABC Staffing does not submit candidates adequate to fill all my job orders.

We like to use more than one staffing supplier.

Other departments in the company use other supplier(s).

Other reason

Comments:

---

10. Are you solely responsible for the decision-making and order-placing pertaining to all the temporary help in your company?

Yes

No

What other persons in your company are involved in the decision-making and order-placing of temporary help in your company?

---

---

11. What service features do you see in other staffing suppliers that could be useful for ABC Staffing to consider implementing in order to serve you better?

---

---

12. Do you see the value in having our inside staff visit you and tour your facility?

Yes

No

Comments:

---

13. Do you see the value in our implementing an online/web invoice tracking and order paying system?

Yes

No

Comments:

---

14. Did you attend our Customer Appreciation Holiday Party this past year?

Yes

No

I didn't know about it.

Comments:

---

15. Do you think ABC Staffing does enough to show appreciation for you as a customer?

Yes

No

Comments:

---

THANK YOU FOR COMPLETING THE SURVEY!

Return it in the self-addressed stamped envelope to:

**ABC STAFFING**

Xvxxvxxvxxv

xvxxvxxvxxv

Attn: William Blakc

Personal & Confidential

.....

**YOUR NAME:**

---

**COMPANY NAME:**

---

## CUSTOMER SATISFACTION SURVEY INSIGHTS

The survey was a rousing success for several reasons:

1. ABC's clients were put on notice that they were *cared* about – their opinions mattered.
2. The survey functioned to favorably contrast ABC with competitors who don't survey.
3. The clients were able to connect directly with the *owner* of ABC staffing.
4. A customer service "ratings baseline" was established enabling future surveys to be compared and contrasted.
5. Answers to questions such as "What is most important to you in a staffing supplier?" reinforced the importance of urgency, quality, matching candidates and professional-level services - great for reinforcing in-house training.
6. Client comments in answer to "What could we change to be your Dream Team Staffing Supplier" provided excellent insight. ABC Staffing received answers including, "Bigger pool of candidates," "24/7 response," "more professional candidates," and so forth.
7. Answers to the question, "What other persons in your [client] company are involved in decision-making and order-placing" revealed additional decision-makers and opportunities to widen the breadth and scope of ABC's penetration into accounts.
8. The results of the survey indicated client "Very Good" to "Excellent" ratings of ABC's services, in general, including response time, professionalism and problem resolution. "Quality of Candidates" was judged just a tick lower than the other ratings. This information was helpful to reinforce best practices regarding candidate recruiting, selection and submittals.
9. ABC's internal staff was advised of the results in general. They were applauded, even bonused for their positive results while retrained in the areas found to be weaker or suspect.

**Let us help you** to learn from your clients what they like about your services and what they would change.

Take the time *now* to refresh your precious client relationships.

## SAMPLE ACTIONS IMPLEMENTED AS A RESULT OF THE CUSTOMER SERVICE SURVEY

- A) After hours phone numbers were distributed to clients wishing them
- B) Behavioral interviewing and upgraded candidate testing approaches under consideration
- C) Field Employee Benefits program researched and under consideration
- D) Internal staff focus on recruiting and submitting more candidates per order.
- E) Refocus on management field visits and usage of a client profile form
- F) Implementation of a one week QC follow-up program to ensure customer satisfaction
- G) Research into online timecard approval and invoice tracking/payment system.

I hope this has provided you with some important insight into how to build, strengthen and grow your precious client relationships.

When times are tough –

*Be creative and get closer  
to your clients!*

See you next newsletter!

Cathy Vee  
semsea@aol.com



**International Staffing University, div.  
of Seminars By The Sea**  
2120 Main Street, Ste 260  
Huntington Beach, CA 92648  
714-960-5992 ▲ Fax 714-960-6563  
istaffingu.com ▲ info@istaffingu.com



# STAFFING INSIGHT

Valuable Insights into Current Staffing Issues

May/June 2008

## WHAT'S INSIDE?

- Specialty Staffing
- Choosing a Niche
- Sample Staffing Niches

A bimonthly newsletter from International Staffing University, div. of Seminars By The Sea

## Spotlight on Specialty Staffing

I just returned from a consulting assignment working with a staffing company client whose business has been "soft" due to the current economy and other factors. With some fresh ideas and a little 'tweaking', we should be able to help this fine firm get back on track. On my flight back home, I was reading an interesting article in April's Inc. magazine about niche temporaries. <http://www.inc.com/magazine/20080401/tech-geeks-check-worker-bees-sure.html>

The author, Scott Wescott starts his story by asking the reader this question:

*"Remember when temp workers did little besides answering phones and keying in data? We don't, either."*

My guess is that Scott is a little bit younger than I am because, for sure, I do remember *when*. Back in 1976, the same year the floppy disk was invented (I bet Scott doesn't even know what a floppy disk is/was); my career began in the temporary help industry. Receptionists, keypunch operators, 10-key clerks, secretaries and general warehouse (*primarily day laborers*) were the skills I sold/placed.

Today, one is hard pressed to come up with a job classification that a temporary is not working in or a placement service does not specialize in.

*Executive temps ... spa staffing ... teacher temps ... automotive staffing ...* there is just no end to the staffing specialty companies and niches today.

There are staffing companies that *specialize in specialties* - offering an array of divisions that cover different industries or skill categories. Example: Lloyd Staffing <http://www.lloydstaffing.com/niches.asp>

By offering a boutique of niches, a staffing operation can diversify and take advantage of market strengths and skill shortages balancing out low margin or low profit staffing niches with high margins from "goldmine" specialties.

One of the advantages of specialization is that it can provide a staffing operation with what investment guru Warren Buffett calls an "**economic moat**".

"Economic moat is the competitive advantage that one company has over another in the same industry." (www.investopedia.com)

Other benefits of a specialty niche include: less competition, meeting client preferences for "expert" service and personnel sourcing, and higher gross profit margins which contributes to **increased company valuation**.

### SELECTING A SPECIALTY NICHE

So how does one determine what specialties make sense to start up *or* add to a staffing operation?

(1) For one, take a look at **what niches some of the largest staffing companies are entering** either through acquisition or organic start ups.

Example: *Kelly Services*. Their niches include: automotive, contact/ call center, education, electronic assembly, engineering, finance/ accounting, healthcare, information technology, legal, light industrial, office, scientific and their newest divisions: *marketing* (sales, conventions & special events) and *government staffing* (*FedSecure* - providing security clearance personnel and *Kelly Government Solutions*).

P.S. How long have I been talking about the vast opportunities for staffing companies to do business with the

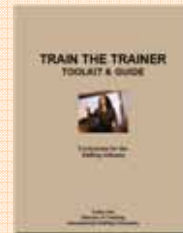
Business Consultation & Personalized Training Visit

[www.semsea.com](http://www.semsea.com) or Call (877) 473-6732



Train your people to take advantage of current business opportunities, and *new* niche business!

The latest manual by Cathy Vee, 32 Year Staffing Veteran and President of ISU and Seminars By the Sea;



Train The Trainer Toolkit & Guide Exclusively for the Staffing Industry

<http://www.istaffingu.com/index.php>

We offer over 30 Staffing Industry Training & Knowledge Products for Owners and/or Managers. Visit

<http://www.istaffingu.com/index.php?action=category&id=5>

and select your category of interest.

Download our Product Catalog at [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

## LIVE WEB TRAINING:

- Full Service Account Mgr, May 12, 13, 14
- Direct Hire Professional May 28, 29, 30
- Staffing Sales 101 June 2, 3, 4
- **Personalized classes available!**

For details visit [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

## Specialty Staffing Continued

government? I have written a manual, created CD/audio web programs and provide consulting/presentations on how staffing firms can leverage these highly lucrative opportunities. If you are interesting in exploring opportunities in providing staffing to the government or obtaining a coveted GSA Schedule award, you might want to get in touch with me. I have guided many clients through the process of setting up government divisions and obtaining multi-million dollars in government contracts. Call me --- let's talk (714) 960-5992.

(2) Another way to become inspired is to **research the skill shortages** for now and future.

The Bureau of Labor Statistics (bls.gov) is a great source of research on skill categories that now have and expect for future shortages of available personnel.

Healthcare, information technology, teachers – just to name three – have skill shortages that can be addressed by staffing firms.

(3) And finally, be creative and 'think outside the box'. Ask yourself: **What client needs (or potential needs) are not being fulfilled by other staffing services?** As Deepak Chopak would say, "find the gap".

Example: Back in the '80's, the staffing firms would get plenty of job orders for secretaries and administrative assistants with WordPerfect and PC skills. But when they received the occasional order requiring Mac (Apple) skills, many would turn those orders away. In 1986, three Harvard dorm buddies started MacTemps to fill those needs and that company (now Aquent) evolved to become "the world's leading marketing and creative staffing agency" with 72 global offices and over 3,000 clients.

The founders found the gap and leveraged the opportunities.

### **SAMPLES OF INTERESTING STAFFING NICHE COMPANIES/DIVISIONS**

**Five of the hottest niches in staffing include: government, educational, college students, mature temporaries and unique innovations.**

Examples:

#### Government Staffing

- o Kelly Government Staffing (brand new)  
www.staffdigest.com/happenings.htm
- o Kelly FedSecure (security clearance personnel GSA70 contract)  
www.kellyfedsecure.com



Doing business with the world's largest customer (Uncle Sam) can be a "recession proof" and profitable high volume niche for a staffing company in just about any market.

#### Educational Staffing

- o Teachers On Reserve www.teachersonreserve.com
- o Kelly Educational Staffing [www.kellyeducationalstaffing.com](http://www.kellyeducationalstaffing.com)

U.S. teacher shortages are now epidemic. Student enrollments are rising fast, and many teachers are leaving because of burn-out and retirement. Private, charter and independent schools are primary users of educational staffing services. This niche provides some of the higher gross profits, too.

#### College Students

- o Brill Street [www.brillstreet.com](http://www.brillstreet.com)
- o A+ Student Staffing [www.studentstaff.com](http://www.studentstaff.com)

Companies are seeking ways to tap into quality college students to hire and students are looking for efficient ways of finding meaningful, paid internships. A win-win is what makes this niche so successful.

#### Mature Workers

- o Mature Staffing  
<http://www.sarpc.org/maturestaffing.asp#whatis>
- o Mature Staffing Systems  
<http://matureservices.org/staffing.html>

More and more companies are seeing the benefit of hiring older workers and according to AARP, the great majority of "boomers" plan to work into their retirement years. Another win-win!

#### Innovative Staffing Services

- o Virtual Office Temps (VOT)  
[www.virtualassistantjobs.com](http://www.virtualassistantjobs.com)
- o Chrysalis Staffing (places homeless people)  
[www.changelives.org/laborconnection.html](http://www.changelives.org/laborconnection.html)

There simply is no end to the staffing niche opportunity!

Despite a "softer" economy than we have had in years, the staffing industry is alive and well and the future looks bright.

According the Bureau of Labor Statistics and other experts, **staffing is poised to grow by a near 20% over the next decade.**

No matter what niche(s) a staffing executive, entrepreneur or manager decides upon, the keys to business success lie in a **good business plan/model, management focus and a competent, well-trained staff.**

Teaming up with a good consulting and training company like ISU/Seminars By The Sea might well be one of the best investments you can make.

See you next newsletter!

Cathy Vee



**International Staffing University, div.  
of Seminars By The Sea**  
2120 Main Street, Ste 260  
Huntington Beach, CA 92648  
714-960-5992 ▲ Fax 714-960-6563  
istaffingu.com ▲ info@istaffingu.com



# STAFFING INSIGHT

Valuable Insights into Current Staffing Issues

A bimonthly newsletter from International Staffing University – Seminars By The Sea

March/April 2008

### WHAT'S INSIDE:

- Sweet Sixteen Celebration
- Cathy Vee's Smart Biz Tips
- Quiz: RU Staffing Survival Smart?

## We're Celebrating Our Sweet Sixteen!

It's hard to believe that it was sixteen years ago ... 1992 ... when I founded Seminars By The Sea / International Staffing University after having sold my 2<sup>nd</sup> staffing company to a 'national' and completing my three year employment contract. In these 16 years, my team of accomplished and sage staffing veterans and myself have trained thousands of staffing professionals from all parts of the world as far away as Poland, and from all staffing niches.

We have provided training and consulting services to more than 700 staffing companies. And we've helped 25+ staffing companies start up, three of whom went on to make the Inc 500 list. Over the years, we have seen many of our staffing company clients grow from start-ups to multi-million dollar regional and national firms.

Unfortunately, we have also seen some very smart entrepreneurs 'fold' because they couldn't adapt quickly enough to the meet the challenges of business survival.

Whether you are a manager trying to run a profit-center staffing operation or an entrepreneur trying to grow or survive, it's no easy feat to be successful. Like other aspects of our lives, success comes from know-how derived from experience.

Example: I am the mother of just one child. And frankly, in my view, I have made enough mistakes in this area to wallpaper four bedrooms in my home.

I often look to my friends and family members who have raised three or four children when I struggle as a "clueless" mother. Their experience and sage advice has been invaluable to me. I've got some great "consultants"!

Now, running a business fairly

'effortlessly' comes a lot easier to me than it did when I first started out.

Why? For one, I have more than three decades of experience at starting and growing *four* businesses (including three *staffing companies*) and learning from experience what "to do" and "not to do". And I have learned enormously from my vast consulting experiences. Again, I could wallpaper four bedrooms with the mistakes I made in business ... however; many of those errors were opportunities for growth and fortunately for me, non-fatal. Despite ups and downs/ebbs and flows, I have been fortunate to be a business survivor.

Let me share with you just three (3) of my **Smart Biz Survival Tips**:

### 1: Avoid Major Biz Killer Minefields:

Most of us go into business wanting to be successful. But the first order of business should be *survival*. I don't suggest that you should run your business or branch with a 'survival only' benchmark. But you cannot be successful if you don't survive. Most of the staffing firms that we have worked with that have NOT survived stepped on major minefields such as:

- \* IRS issues
- \* Major lawsuits
- \* Workers compensation fraud
- \* Major bad debt / collection problems
- \* Seriously poor hiring decisions
- \* Large security/fraud errors

I recall staffing companies that looked very successful to those of us on the outside - Entrepreneur of the Year, largest independent staffing company in a certain market – Inc 500 member – each brought down by a killer landmine – such as one listed above.

## Cathy's Client Appreciation Discount

**Take 20% Discount off your purchase of training product(s): Manuals, CD or DVD programs through March 7-31, 2008**

*Online Code: sweet16*



Download our Product Catalog at [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

### LIVE INSTRUCTOR WEB TRAINING:

- Staffing Acct Mgr Mar 26-28
- Advanced Sales Mar 31, Apr 1-2
- Staffing Sales 101 Apr 7-9
- Personalized classes available!

For details visit [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

## Sweet Sixteen Celebration (cont)

I had one of my largest staffing customers “fold” over a major lawsuit; another charged in a serious workers compensation indictment; one client “went under” owing so much in fines and penalties to the State due to ignorance about the escheat laws; and I need two hands to count the clients who have gone out of business because of major collections, embezzlements and security fraud issues. These are major events that can take down even the most “successful” staffing firm. In a webinar program that I presented (**21<sup>st</sup> Century Staffing & Operations**), I discussed the 10 major minefields (or train wrecks) that staffing companies must avoid in order to stay afloat. Personally, I think this CD Set should be in every staffing manager/executive’s library. Lots of good information in this product! **For information visit [www.istaffingu.com](http://www.istaffingu.com) and click on “CD ROM Training”.** You’ll see the CD program on this page. **Save 20% this mo!**

### 2: Show Me The Money:

According to the SBA and most experts, the #1 reason why businesses fail is they run out of money and/or money doesn’t flow in fast enough. The staffing industry is notorious for allowing clients to “fund their payroll” for 45-60 days making for slow cash flow, slow pay and potential “no pay” on large billings. Bad idea! My recommendation to clients is to tighten up credit terms/limits and implement common sense payment methods like credit card/EFT. One client who was a victim of Katrina got her clients to pay her in advance because she needed to in order to survive. It is also important to be diligent about checking client credit. *It’s not what you “sell” it’s what you collect!*

And mind those margins! It’s tough to survive in staffing if you are not making a profit. Don’t spend more than you make is a pretty simple adage but it requires focus to keep your financial health in balance. Sales revenues are important, but you need to pay attention to gross profits, GS&A/expenses and net return. **For excellent information on this subject see the [Growing Staffing Gross & Net Profits in an Uncertain Economy CD Program](#).** Visit [www.istaffingu.com](http://www.istaffingu.com) and click on “CD ROM Training”. You’ll see the CD program on this page. **Save 20% this mo!**

### 3: Find a good consultant or mentor:

**One of my regrets was NOT using a good consultant early on as an entrepreneur.** Doing so would have saved me from making many costly errors. One of the great benefits of a good consultant is that they can see what you are too close to AND they have the benefit of best practice metrics, knowledge and a vast source of experience including working with other companies like yours.

Do you ever watch Gordon Ramsay’s “Hells Kitchen” or “Kitchen Nightmares”? He goes into restaurant businesses that are failing and helps turn them around. Did you know that this very bright (and now excessively rich) man failed at his own restaurant start-up? That’s not such a bad thing because that agonizing experience of failure allows him to really ‘feel the pain’ of a business manager or owner who is struggling. (Love watching his shows, but I just wish he would clean up his language likes he wants his restaurateurs to clean up their kitchens.)

Do you know that we offer a wide range of management consulting services? We use the **Baldrige Criteria for Performance Excellence Framework** to approach our client’s challenges. We can audit operations, evaluate & train staff, help improve operations, assist with sales/profit/niche development and provide ‘turn-around’ programs, too. Annette Clancy and myself *each* have more than thirty years of staffing management experience and have provided consulting services to hundreds of clients. Jonathan Paul has fifteen years of staffing experience. A business manager/executive can come to us – or we can go to them – or we can do phone or virtual consulting. (I love our new live web consultations – allowing for face-to-face discussions.)

**For more information on our consulting services: visit [www.istaffingu.com](http://www.istaffingu.com) and click on the “Consulting/Private Training” button.**

**Thanks to all our clients – past, present & future – for giving us 16 good years+!**

**I hope that I have helped you --- talk with you again! – Cathy Vee**

### Quiz:

## How Staffing Survival Smart Are You?

1. According to GOV study, what % of start-up businesses survive at least two years?
2. According to that same GOV study, what % of start-up businesses are still in existence at their 4<sup>th</sup> year?
3. What % of businesses get to celebrate their 7<sup>th</sup> anniversary?
4. What % of businesses get to celebrate their Sweet 16 anniversary?
5. What State is #1 entrepreneur-friendly and small business survival according to a GOV study?
6. What State is the least friendly to entrepreneurs and business survival?
7. Where do you think your State ranks for entrepreneur friendliness/business survival?

Answers:

1. 67%
2. 44%
3. 31% (less than 1/3<sup>rd</sup>)
4. No studies found but it is cause for celebration
5. South Dakota
6. New Jersey (and D.C.)
7. Check in this report:  
[http://www.sbsc.org/Media/pdf/SBSI\\_2007.pdf](http://www.sbsc.org/Media/pdf/SBSI_2007.pdf)  
BLS report on Business Survival:  
<http://www.bls.gov/opub/mlr/2007/09/art1full.pdf> fess failure?

**International Staffing University**  
2120 Main Street, Ste 260  
Huntington Beach, CA 92648  
714-960-5992 ▲ Fax 714-960-6563  
[istaffingu.com](http://istaffingu.com) ▲ [info@istaffingu.com](mailto:info@istaffingu.com)



# STAFFING INSIGHT

Valuable Insights into Current Staffing Issues

February 2008

### WHAT'S INSIDE:

- Want to Join My "R" Party?
- Cost Cutting Worksheet
- Live Web Training Schedule

A bimonthly newsletter from **International Staffing University – Seminars By The Sea**

## Want to Join My "Recession" Party?

On January 2nd, as I combed through my first large stack of 2008 business bills, I glanced at a business commentator on CNN. He was reporting that most economists are now saying that the U.S. will have a recession this year (and some of them are saying that we are already in one).

Of course, there is a *possibility* that we are not heading for (nor are we in) a recession. Zig Ziglar once said: "Economists have predicted 36 of the last two recessions."

So there is that...

But according to Citrin Cooperman & Co. and published on [workforce.com](http://workforce.com), more than 70% of staffing company executives polled say that they do expect growth to be at a lower rate than last year and 21% expect their business to be stagnant or to decline.

Only 14% of staffing industry executives reported that "their firms are currently in good financial shape".

As a 32 year entrepreneur/business manager veteran, I have weathered at least five recessions that I can recall and ended up landing on my feet just fine. **One of the beauties of an economic slow-down is that it forces a business owner/executive into a "survival mode" mentality – and to get smart and be creative.** Most of us don't think about cutting expenses until economic forecasts turn downward or times get tough.

Right now, business is pretty good for our firm (and possibly fine for your staffing company, too), but I like to plan ahead for the worst case market scenario and approach the situation conservatively.

The first bill that I opened was my

Pitney Bowes and I'm thought: "What am I spending this much on postage meter equipment for? Isn't there a more cost-efficient way to send mail?" "Sure there is" I told myself "and I'm going to figure out a cheaper way to go."

"As a matter of fact, I'm going to look everywhere for ways to cut expenses this year and become miserly in holding on to my cash."

Gosh, this thought made me feel downright giddy. To see the smile on my face, you'd think I was drinking some 'bubbly'.

I sense that sales and growth realities for this year are full of uncertainty and possibly out of my control entirely. So rather than project lofty sales/growth goals, on my list of Business "Things To Do" for 2008, I put cutting expenses at the very top.

Want to join my "possible recession party"?

Here is a little bit of inspiration for you on cutting expenses.

First, look at your last quarter's income statement. Scrutinize all categories of your operating expense. Consider everything that you spend money on – big (example: salaries, insurances) and small (example: bank fees, postage) - and see what you can do without, purchase differently or spend less money on this year.

Here are just a few ideas that come to my mind:

### 1) Staff/ Salaries/ Payroll Process/ Insurances/ Benefits:

These are the some of the biggies.

You cannot afford "dead wood" performing employees ever - especially not in softening markets.

*Continued on page 2*

## Cost Cutting Ideas For My Company:

Make yourself a Worksheet including these business areas to find cost cutters!

**Internal Staff**

**Recruiting and Advertising Costs**

**Unemployment**

**Insurance**

**Office Supplies**

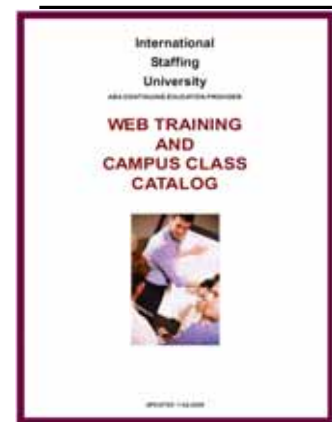
**Phone**

**Subscriptions/Organizations**

**Lunch expenses**

**Workers Comp**

**Other**



Download our 2008 Class Catalog at [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

## LIVE INSTRUCTOR LED WEB TRAINING:

- Sales 101, Feb 27-29
- Placement Consultant Mar 3-5
- Home Care Staffing Mar 26-28
- Advanced Sales Mar 31, Apr 1-2
- Personalized classes available!

For details visit [www.istaffingu.com/index.php](http://www.istaffingu.com/index.php)

## Recession Party (cont)

Calculate how much revenue you project for the year – and how much revenue and gross profit you need to generate in order to support each current and projected new staff member. On average, a temporary operation needs \$250,000 in gross profit to comfortably support \$40,000 in salary/compensation. Either motivate/train each person to “carry their weight” / pay their way or eliminate. Rather than hiring additional full-time staff, consider using part-time temporary help where possible.

Consider the cost-efficiency of paying employees (especially temporaries) via “plastic cards” and/or direct deposit (debit pay cards) versus paper checks. For some staffing companies, insurance expenses have become second or third to salary expenses and costs keep growing. And clients & candidates are demanding medical insurance coverage. In the Citrin study mentioned earlier, nearly half of staffing industry executives say that insurance “is a major concern”. This is a good year to have a heart-to-heart with your insurance representative about reducing the costs of your coverage – for both the business and medical insurance.

While not many owners or executives like the idea of cutting health insurance benefits for their employees, there are ways to do so without too much pain.

For one, Health Savings Accounts (H.S.A.) can lower your premiums and offer substantial advantages for your employees. You can also save money by joining a health purchasing alliance; increasing deductibles and medical visit and/or prescription co-pays; or by increasing your employees’ contributions to medical benefit coverage.

### 2) Watch Workers Comp:

Workers compensation insurance is a lofty expense for the majority of our staffing company clients. But don’t let it be any more expensive than it needs to be.

For some of you, self-funded or cooperative/captured funds can be the cost savings ‘ticket’, but neither approach is right for every staffing company. Many of our clients are in assigned risk pool / ‘State Fund’.

It has been my experience that workers comp carrier underwriters (especially

those working for State assigned pools) can make some huge mistakes (most often in their favor, of course) in assigning temp rates. Check their work and don’t be intimidated by them. Speak up if a mistake has been made. Dispute any unfair codes/classifications assigned on your clients/job orders/temp assigned – even if it means going above the underwriter’s head to their supervisor and all the way to the insurance commissioner. In the past, I have done that quite successfully and saved big money. (Check their audit results, too. Tens of thousands of dollars in errors I have caught in both my own staffing companies and for our clients.)

### 3) Trim Telephones/Internet Expense:

Have you reviewed your phone plan lately? There is so much competition with long distance suppliers that you might save serious dollars by changing vendors or plans.

Do you really need those “800” numbers? Does everybody in the company need a cell phone? Do you have tight controls on employee outbound phone calls? What about your internet ISP? Google “affordable ISP” and you might find one that can save you money.

### 4) “De-fluff” dues, subscriptions and other “stuff”:

What magazine / newspaper subscriptions can you do without? Is there a club, organization or assoc. you can delete? You can always re-up in 2009. And cut back on “small stuff” like employee lunches, free coffee / bottle water and the like. Even little expenses add up. **Ask your staff for help in finding ways to cut costs; have a contest for best ideas and give out (small) bonuses.**

### 5) Negotiate everything:

2008 is a great year to “cry poverty” with your suppliers – even your landlord! When negotiating a contract, procurement or office lease, the first statement out of your mouth should be: “It looks like it’s going to be a tough year. What can you do for us?”

*Can you lower that price/rate/rent?”*

### 6) Invest in Effective Training – but do so cost-efficiently:

Did you know that companies that invest \$500/year more per employee than average companies achieve (on average) a 24% greater gross profit and 218% higher income than average firms? And corporations that spend \$680 more in training per employee achieve a 6% higher TSR (total stockholder return) the following year? These statistics were found in a four year ASTD.ORG study.

You cannot afford NOT to invest in effective staff training – especially during softer times. Train your staff – that’s an essential - but spend your money wisely.

Consider saving the travel/hotel/meal expense of sending your managers and staff to classes when you can provide exceptional training for your managers, sales associates and staffing consultants/recruiters via **International Staffing University’s live instructor lead web class training**. The experience is like being in a dynamic classroom setting – minus the lofty cost! For information about our live web classes at International Staffing University and to view some great testimonials from our students, visit [www.istaffingu.com](http://www.istaffingu.com)

Why do some staffing companies fail during tough times and others survive and thrive?

The people at the helm of the thriving companies have “an attitude of prosperity” and find the “silver lining” in every type of economic market.

Bring out the champagne – pop the cork – and let’s get this “party” started!

Whether a recession shows up to our “party” or not, who cares? Let’s just have some fun managing our businesses for optimal success and learn a few things along the way.

Cathy Vee  
President, ISU

**International Staffing University**  
2120 Main Street, Ste 260  
Huntington Beach, CA 92648  
714-960-5992 ▲ Fax 714-960-6563  
[istaffingu.com](http://istaffingu.com) ▲ [info@istaffingu.com](mailto:info@istaffingu.com)