



# STAFFING INSIGHT



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Staffing Issues

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## WHAT'S INSIDE?

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- New Webinar!

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



\*\*\* NEW Webinar \*\*\*

**Become an Alpha Company by adding New Profit-Generating Staffing Specialty Niche Division(s)**

Build revenues, take advantage of capacity and generate additional gross and net profits that lead to expansion and increasing the value of your staffing business!

On June 26, 2008, Jonathan Paul and Cathy Vee will lead a powerful and interactive webinar that will provide you with inspiration, ideas and a blueprint designed to teach you how to effectively plan and execute the creation of a profitable specialty niche division(s) for your staffing business.

Join Us! Early Bird Sign up! Details at <http://www.istaffingu.com/index.php?action=category&id=21>

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



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