

STRATEGIES TO Recession Proof Your Staffing Company

TIPS FROM THE
HALEY MARKETING
ARCHIVE



Strategies to Recession Proof Your Staffing Company Tips From the Haley Marketing Archive

This document contains reprints of old issues of our email newsletter and blog posts from before and during the Great Recession. While some of the marketing advice has become a bit dated, most is highly relevant as you look to craft strategies to drive sales growth for your company. Regardless of the direction the economy heads, these tips will help you stay ahead of your competitors.

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Surviving the 2007 Recession

10 strategies for recession-proofing your firm.

NOTE:

Turns out we were really ahead of the game! This article was originally written in September 2006. While we were a little early on our forecast, the ideas are just as relevant (and maybe more so) today.

Paul Ashworth, senior international economist at Capital Economics Ltd in London, has written a new report, titled "The coming U.S. recession" which lays out the case for a long and deep downturn here in the States.

Billionaire speculator George Soros said he did not expect the United States to fall into recession in 2006 - but he does the following year.

And according to the blog "Bubble Meter" that tracks trends in the U.S. housing market, here are the factors that will contribute to a future recession:

- High Energy Costs
- Federal Debt & Deficit
- Continuing Housing Bust
- High Consumer Debt
- Large Trade Deficit
- Continued Offshoring
- Security Costs
- Rising Interest Rates

So, is a recession coming?

DEFINITELY! But no one really knows when. Predicting the exact timing of a recession is a fool's game. The only real question is: Will you be prepared?

What to Do...NOW

A friend told me that nearly 40% of staffing firms did NOT survive the 2001 – 2003 recession. Want to ensure your success? There's no better time to prepare for the worst than when things are at their best.

In fact, just thinking about how you would manage your business during a downturn will give you lots of ideas to make your firm even more profitable today.

With that in mind, here are 10 ideas to recession-proof your staffing firm:

1. Lock in clients.

Nothing will give you more peace of mind during a downturn than guaranteed revenue. While you may not be able to control how much staffing your clients use if their business slows, you can make sure your firm is the first call they make for all their staffing needs. How?

- **First call agreements.** Provide your clients with an incentive (e.g., a discount on your services) in exchange for calling you first for all temporary staffing requirements.
- **Volume purchase agreements.** Offer incentives, in the form of declining markups or favorable conversion policies based on the volume of business you do and or the length of individual assignments.
- **Single source agreements.** Negotiate with clients to become their single source. In exchange for this benefit, you agree to assume the costs of managing their temporary staffing procurement, negotiating with other staffing vendors, and providing guaranteed levels of service.
- **On-site agreements.** The best way to lock in clients is to become an indispensable part of their organization. On-site agreements give you the opportunity to sign a long-term contract to take over complete responsibility for the management of your client's temporary staffing function. This relationship maximizes your value to the client and minimizes the chance of being replaced.

2. Expand client relationships.

Think about your client relationships like a spider's web. If you're dependent on a single strand (i.e., a relationship with one person), the web won't be very strong. But if you have a well-developed network of relationships, like an intricate spider's web, your dependence on any one relationship becomes negligible. That way, when a new HR manager comes in or a department head is replaced, you are still the staffing vendor most people know and recommend.

3. Look for opportunities to reduce cost (without damaging service).

Sam Bowers, a consultant who specializes in solutions to commodity pressures (and a former Division President for Norrell), advises his clients to remove the excess "strings" in their business. What are these strings? Sam recommends that you think about your services like the core of a golf ball. At the very center of a golf ball is a small rubber ball. That's your core service, providing people. Surrounding that ball are hundreds of bands tightly wrapped around the core. These are the extras and value-adds you've added to your core service over the years, such as assessment testing, reference checking, background checks, paycheck deliveries, etc.

While some of these "strings" are essential to your services (e.g., assessment testing) others add a significant amount of cost without a corresponding increase in value to the client. In order to reduce cost without impacting the quality of your service, seek to remove every string that doesn't add value for the client.

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To evaluate your strings, develop a list of every extra service you provide, then sit down with your clients and ask them, “Which of these services would you be willing to pay extra to receive?” Anything your clients won’t pay for isn’t a valuable service.

4. Investigate diversification opportunities.

During the last recession, a lot of companies jumped into medical staffing. Why? Because hospitals need nurses—regardless of the economy. To survive a recession, consider diversifying your services in one of the following ways:

- Service line extension. Expand into a new discipline that continues to thrive during a recession. Possible examples include: nursing, allied health, credit and collections, mortgage, and government staffing.
- Market expansion. Some cities are simply more vulnerable to a recession than others. To reduce your risk, consider opening new offices in areas that are more resistant to a downturn.
- Product line extension. Sometimes, the best strategy for beating a downturn is to offer radically new services. By moving up the value chain, you make your firm harder to replace. Opportunities may exist in outsourcing recruiting or other parts of the HR function, outsourcing administrative, creative or technical services, managing projects, outplacement and consulting.

Of course, as many of the companies that went into medical staffing during the last recession found out, diversification is a risky strategy. In fact, most diversification efforts fail.

5. Invest in smart marketing.

Virtually every management consultant advises clients experiencing a slowdown to invest more in marketing. Yet, what’s the first expense to get cut when business slows? You guessed it, marketing.

The reality is smart investments in marketing can expand your reach into the market, enable your sales force to better leverage their time, keep your firm top-of-mind, sell new services (and educate clients and prospects on new ways to use your existing services), and lower your selling and recruiting costs.

So, what is smart marketing?

Smart marketing tactics are the actions that drive more sales inquiries while lowering costs. Smart marketing strengthens client relationships and gives your sales team more opportunities to sell. Smart marketing is completely measurable. Here are a few examples of smart marketing:

- Using an integrated process of email, direct mail and telephone follow-up to expand your sales capacity—without hiring.
- Using e-newsletters, postcards and other low-cost direct mail to keep your firm top-of-mind with a broad audience.

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- Targeted email promotions to drive immediate response, such as candidate marketing.
- Conducting educational workshops (in person and on the web) to teach prospects ways to use your services more strategically.
- Developing broad and deep candidate networks so you can use email as a very low cost way to seek referrals for open orders.
- Investing in your website to automate services to clients and candidates.
- Repackaging your services into new solutions (e.g., selling a business development package where you supply a team of telemarketers to make prospecting or data verification calls).
- Bringing your sales and service team to meet with existing clients to develop custom-tailored plans for their staffing needs.
- Community involvement that increases your opportunities to network with executives from successful businesses.
- Doing research that gives you more insight into your clients businesses; then using the knowledge you gain as the basis for writing articles, speaking and scheduling meetings with decision makers.

6. Broaden your client base.

How dependent is your firm on a few key accounts? What would happen if those firms eliminated their use of staffing?

If more than 10% of your business comes from any account, your firm is severely at risk. Right now, while business remains strong, is the time to invest heavily in new sales and marketing efforts to expand your client base, and reduce your dependence on your key accounts.

7. Help your clients to plan ahead.

This may sound obvious, but recessions don't just affect the staffing industry. Every one of your clients will be affected—and that presents a tremendous opportunity to you.

Schedule meetings with each of your existing clients. Interview them to learn more about the potential impact of a recession on their businesses, and then help them develop the best staffing plans. You may have some clients who want to mitigate risk by using more temps now, while others may want to give their businesses more flexibility by implementing planned staffing. Some firms may even want to use a downturn as an opportunity to top-grade their staff. These companies will need you to help them gain better access to talent.

8. Manage financials more aggressively.

When business is slow, every dollar counts. And during a recession, you're more likely to have clients who stretch their payments...or don't pay at all. One key to keeping your business profitable is aggressive cash management. Consider offering more incentives to encourage clients to pay in less than 30 days. Be very proactive in following up with any accounts that go beyond your allowed days to pay. And double your efforts to do credit checks, so you minimize bad debt.

One other strategy for managing during a recession is to look at new payment terms. You may be able to extend the payment time on a direct placement or reduce your conversion fees to make your services more affordable to smaller clients and those with tighter cash flow.

9. Upgrade technology.

One way to survive a recession is to run your firm more efficiently than the competition. By getting better productivity out of the people and other assets in your firm, you improve your firm's ability to beat the competition in a downturn.

This may be an ideal time to invest in training for your staff to help them better use the software you currently have. It may be a time to purchase new modules or that upgrade you've been putting off. Or it may be time to shop around and look for a technology solution that can truly help you manage your business more effectively.

If you do look at new software, be sure to look for solutions that can help you improve efficiency in sales, client relationship management, service / operations and your financial management.

10. Make the economy "the other guy's problem."

My Dad, who has successfully navigated every staffing downturn since the early 70s, always used to say, "We have to make the recession 'the other guys problem'." What he meant by this was that during every downturn, there was still enough business out there for our firm to thrive. Our job was to become more focused on sales and marketing, so everyone in our firm was doing everything they could to capture the business that remained.

So, what can you do to make the next downturn "the other guys problem?" Here are a few ideas:

- Target weaker competitors. Determine who their clients are and aggressively sell to those firms offering incentives to switch.
- Increase sales activity quotas. Require everyone on your team to make more calls to prospects and schedule more time with clients.
- Hire away top employees. Recruit the best sales and service people in your market.
- Recruit more. Improve your ability to locate hard-to-find talent and ensure you can fill every order you get.

Time to Get Started?

Do you really have to worry about planning for a recession right now? Of course not. You could wait, and just enjoy the current boom in the industry. After all, you're probably too busy right now anyway.

Of course, if you wait, you won't have time to react once a downturn really starts, and that could put you out of business. Besides, by working to recession-proof your business today, you will discover new ways to make your firm more profitable and successful right now.

And isn't that the best alternative?

Recession 2008: Five things to do RIGHT NOW

Okay, the debate is over. No doubt, we are currently in a recession, and labor experts are forecasting everything from mild to very severe job losses. But the funny thing is that with the exception of firms in the construction industry, most staffing firms are still too busy filling orders to even begin thinking about a downturn.

So, what can, and should, you do right now?

Five Ways to Avoid a Downturn

1. Help your clients plan ahead

Remember, a downturn may affect your clients as much or more than it does you. Schedule meetings with your clients to discuss the impact the downturn is likely to have. Brainstorm ideas for converting more of their fixed labor expenses to variable to minimize their risk. A downturn can also be an ideal time for companies to top grade staff, so you may want to partner with some of your more forward-thinking clients to craft a proactive strategy to source top talent in advance of the coming recovery.

2. Get a jump on the competition

As job losses begin to mount, the practical reality is that there will be fewer orders for staffing services. In other words, you will need to get more of the business that's out there! When companies in your area have staffing needs, make sure you're the company that stays top-of-mind by communicating regularly with every client and prospect. Use email, direct mail, voice mail, and personal visits to connect with people. Target all levels of decision makers from the order placers to the end users to the strategic and economic buyers.

3. Demonstrate the ROI of your services

Staffing is a great tool to cut costs, but not everyone understands this fact. If you don't have case studies or financial illustrations that show the economic impact of temporary staffing and direct hire services, get them. (And if you don't know where to get them, call Haley Marketing at 1.888.696.2900). With proof in hand, you can target owners, operations managers, CFOs, controllers, and other executives to promote the message that your services can help to cut costs...and in the process, you will create new opportunities to sell staffing.

4. Educate your clients

Whether it's face-to-face meetings, seminars, or webinars, education is a terrific tool to expand the market for staffing. By teaching people about concepts like planned staffing, master supplier agreements, VOP programs, RPO, and even more basic concepts such as replacing overtime with temporary labor, you can show prospects and clients new ways your services can be of value...in all market conditions.

5. Don't wait to get started

Here's the catch-22 of a recession. You may have less business, and less revenue, yet your success depends on investing more time and resources into marketing. Companies that buckle down and cut spending on marketing may survive, but they will be the last to recover.

A study by the Center for Research and Development found that aggressive advertisers obtained 4.5 times the market share gain of competitors who didn't jack up spending during a recession. In the staffing industry, I personally know of several companies that made very aggressive investments in marketing between 2001 and 2003. These same companies became some of the fastest growing in the industry between 2003 and 2008.

Marketing more aggressively not only helps you boost awareness and stay top-of-mind, it signals to the market that your business is doing well. And people want to work with companies that are successful. When competitors pull in spending, they signal that they're in trouble. Don't fall victim to this trap.

Planning for the next 12 – 18 months

Right now, while business remains fairly strong, make a 12- to 18-month plan for your marketing.

1) Solidifying relationships with clients

Reconnect with every client you've done business over the past year. Ideally, meet with high-level decision makers who will be willing to look at staffing issues from a strategic perspective. Discuss the potential impact of the recession and help them plan ahead. If possible, expand your network of contacts within every client, so you give your competitors less opportunity to steal your business.

2) Aggressive prospecting

Use direct marketing to give your sales team an edge. An integrated process of high-impact direct mail and sales follow-up will produce more appointments than cold calling. Mix educational mailers into your marketing to give your sales team a new way to approach prospects and something new to discuss.

3) Lead nurturing

Have a process in place to touch every client and prospect at least once per month. Email is your lowest-cost tool, but letters, drop offs, and postcards can all be an effective part of the mix. Lead nurturing should consist of a blend of educational information, promotional materials, and non-sales-oriented content designed to nurture relationships.

The average staffing firm spends less than 1% of sales on marketing (excluding recruiting costs). To dominate your local market, set a budget of 2% of sales (or up to 4% if you want to be very aggressive). You may even be able to free up some money by reinvesting some of what you are currently spending on job boards and other recruitment advertising.

Recessions typically last around 11 months. By investing more aggressively in marketing over the next 18 months, you will capture more of the opportunities that remain in your local market--and put yourself on the fastest possible path to recovery.

Good luck. Please call us at 1-888-696-2900 if you would like marketing ideas specifically for your firm.

How to Sell When Someone Says "We're not hiring"

Unless you've been lying under a rock the past 90 days, you've undoubtedly noticed the market for staffing services has taken a turn for the worse. And with the absolute chaos in the financial markets, the bad news just keeps spreading.

But who cares about bad news? Bad news does not inspire or motivate. Bad news does not create profits. And, if you allow your team to get overly focused on bad news, you can turn bad news into an excuse for bad performance.

So rather than dwell on the negative, let's look at some positives, and more specifically what you can do to sell more of your services right now.

"We're not hiring"

The one thing that's certain about bad news in the economy is that employers get scared. They pull back on investments in technology, marketing, and of course talent. And while you know that reducing spending in the areas that drive your revenues doesn't make sense, that's still what companies do.

The bottom line: "We're not hiring" is a phrase you're going to hear a lot of in the coming months (and maybe longer).

So, what can you do?

The typical reaction to a slowdown in the staffing industry is to make more cold calls. Push harder. And beat the tar out of our sales reps. Well, that can work...at least for a little while. But it is also a recipe for frustration, burnout, and often failure.

Don't get me wrong...you do have to sell harder. But just doing more transactional selling is likely to yield very few positive results in most sectors of the staffing industry. And if the last few downturns are any indication, many of the companies that failed did two things: stuck with old school transactional selling and cut their prices.

If you want to survive, you have to think smarter.

Step 1: Stop being reactive

Usually, when I teach classes on marketing staffing services, I tell the audience that "We're not hiring" is one of the three great lies told by HR managers. But today, it's not a lie. Our clients are not hiring, and if your salespeople are waiting for hiring needs to open up, they may be waiting a L-O-N-G time.

As an experiment, go out in the field with your sales team for a day or two. Or listen to their prospecting calls. See how many times they are asking the age-old questions like, "Do you have any hiring needs?" or, "When does your company use temporary staffing?"

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These are reactive, transactional sales questions. They work fine when the volume of transactions is high, but when orders are hard to come by, the old standby sales process will not work. You cannot force a sale in this economy.

Step 2: Go back to Sales 101

Almost any sales trainer will tell you that the key to selling is to find the prospect's pain. Right now, your clients don't have the "we need people" pain. But they do have lots of other pains. They have the "we have to cut costs pain" and the "I'm terrified that I'm going to lose my job" pain.

Now is the time to do more homework. Get to know your clients' businesses better than they do. Understand what's going on in their industry. And most importantly, understand the impact the current financial crisis has on their businesses.

Take your best clients to lunch for a heart-to-heart to discuss the fears keeping them up at night. Have your executives contact your client's executives to schedule business review meetings.

The concept here is simple. The more you know, the better solutions you can offer. And the silver lining in all this economic bad news is that the pain we feel can be an outstanding opportunity to sell staffing (more on this in a minute).

Step 3: Find ways to drive out cost

Some of your clients are seeing a mild slowdown. Others are hemorrhaging cash. And for almost every business (except maybe those in the energy industry), there is a universal cry to cut costs.

If you're stuck with reactive, transactional selling, this cry will impact you in the form of greatly reduced margins. HR and purchasing departments are pushing staffing firms to ridiculously low prices...and completely unreasonable terms of service.

But, cutting prices is rarely the best way to help your clients reduce their costs. Consider these ideas:

- In any business, no employee is 100% productive. In fact, most companies are lucky to get more than 50% of an employee's time to be spent on real productive work. Now consider the cost of that lost productivity. If you have a FTE who earns \$50,000 and they are only 50% productive, that's like having a \$100,000 employee for each actual hour worked. The beauty of temporary and contract staffing is that the people you supply are typically productive 90% or more of the time. They don't get sucked into all the meetings, email and water cooler conversations. Converting low-productivity FTEs to temporary and contract labor can be an enormous cost savings.
- Despite the downturn, benefits costs continue to skyrocket. For many of your clients, the cost of a temp with your markup will be equivalent to or less than a fully costed employee. Again, switching from FTEs to temps for certain job functions can reduce the total cost of employment.
- With the business slowdown, many organizations don't need some of their people in full-time roles. Converting to a flexible staffing model, and using more on-demand labor, gives your clients the ability to better adapt to market conditions while substantially lowering labor costs.

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Now, none of the above ideas are an easy sell. You are talking about firing full-time employees and replacing them with temporaries. And you're going to run into a lot of resistance, but the financial model is incredibly compelling. Your ability to deliver flexible staffing solutions and higher productivity allows you to provide labor at a far lower cost.

Your challenge is going to be two-fold. First, you have to educate your staff. Sit down with your team and brainstorm ideas for helping your clients reduce their total cost of labor. Look at productivity issues. Look at personnel administration costs. Look at overtime and benefits expenses. And analyze each of your clients' staffing models to discover opportunities for helping them reduce their costs.

Next, you have to educate your clients. You will need to build financial models that demonstrate the economic value of staffing to decision makers. You're going to need to understand "employment math" backwards and forwards, so you can prove the business case to the CFO, COO and any other CO who will listen. You're also going to need an effective way to reach these people...and of course, that's one place Haley Marketing can help, but I won't make a sales pitch in this article.

Step 4: Capitalize on opportunities

In this article, I have intentionally avoided discussing hot sectors in the staffing industry. They are out there, but I'm not going to discuss them here. This article is solely dedicated to selling staffing to the people you already sell to.

But finding hot opportunities...and exploiting them...is something your clients need to do. And very likely, they do not have the staff to do it right now.

So, how can you help?

If you've really done your homework, you are going to recognize opportunities for growth in your clients' businesses. In fact, as an outsider you may be able to spot opportunities where those inside the business can't. And even if you don't see growth opportunities, you can simply ask your clients, "If you had the right resources at your disposal, what strategic initiatives would you pursue right now?" The response to this question will give you a lot of insight into your clients' needs and hot buttons.

Once you've identified potential opportunities for growth, then you have to show your clients how you can provide the talent to allow them to capitalize on these ideas with minimal financial risk. For example, here are just a few of the ways you can help your clients use staffing to grow their businesses:

- Encourage the use of temporary help to free key executives to focus on strategic priorities. I recently read a quote that most Fortune 500 executives spend less than 40 minutes a day on productive work. Imagine the value if you could free an extra hour a day of their time...and you can by providing the right support staff.
- Many organizations are being stretched so thin they do not have the intellectual capital available to pursue new opportunities. One solution is to show leaders in these firms how you can provide exceptionally skilled contract staff. Thanks to the situation in the job market, many talented people are looking for work. And you can provide these people for far less than the cost of hiring traditional consultants. You can become a supplier of on demand expertise.

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- Help your clients sell more. Whether you provide contract salespeople, telemarketing services, product demonstrators, or on demand marketing support, you have the opportunity to help your clients temporarily expand their business development capabilities with less cost and less risk than hiring additional staff. While they may not have planned a need to hire, if you can show them how you can provide proven business development professionals, you may be able to create demand for your services.

Step 5: Strategic Recruiting

Some of your clients won't be able to hire now, no matter how compelling the case you present. But they still will need talent at some point in the not too distant future. For these organizations, it's time to talk about strategic recruiting. While you may not sell much (or anything) in the short term, you may be able to create a backlog of future business by helping your clients plan for future hiring needs and proactively source and nurture a talent bench for those hires. You might even consider offering a "for-free service" to do the candidate research, assessment and relationship nurturing.

There is no easy solution

I hope you have found inspiration in the ideas in this article. But please be aware that none of these strategic approaches to selling staffing will be easy. It's hard to change the perception of "We're not hiring." It's hard to sell new investments to businesses that are hurting. And it's impossible to sell any of these ideas if the only people you are talking to are the HR coordinators who are not empowered to think strategically.

While it looks like we're in for a long, tough haul in the staffing industry, there are opportunities out there. And your firm can prosper tremendously by finding ways to exploit them. Be smarter. Be faster. Be more aggressive.

Good luck and let us know if you'd like our help.

Branding in a recession

In these uncertain economic times, marketing may seem like easiest thing to cut. However, smart executives understand that during a recession, marketing is a non-negotiable budget item. Here's why:

- **Lose visibility and you will lose market share.** Out of sight is out of mind. And when clients are buying less of your services, you need to find cost-effective ways to stay top-of-mind. Direct sales calls are expensive. Marketing is not.
- **Companies that market grow faster.** According to a November 2008 article published by the Wharton School, companies that advertise aggressively during past recessions had sales 256% higher than those that did not continue to advertise.
- **It gives your salespeople a reason to call.** Your clients hate the constant barrage of calls by staffing reps. So rather than telling your team to make more cold calls, use marketing to share valuable, educational information that can serve as the basis for meaningful conversations.

But what about branding?

Branding is commonly viewed as the “fluffy” image building part of marketing. It can be costly. It can be hard to measure. And it's an easy expense to cut, but should you? This issue of Idea Club will help you answer that question. It focuses on what a brand is, how to create a brand, and practical tips for branding during a recession--without spending more money.

Brand Awareness and the Staffing Industry

If you think that branding does not make a difference to your business, and that your clients are aware of your company, your service and who you are...think again. Recent research conducted by Inavero Institute for Service Research found that in the staffing industry, clients have low brand awareness. In fact, the average HR professional can only name two staffing firms, beyond their current vendors. Nearly one-third can't name any at all.

While you might consider this lack of name awareness a challenge, there's some really good news in these numbers. Prospects may not know your name, but they don't know your competitors either. By establishing your brand and clearly defining your position in the market, you have a huge opportunity to take business away from those who are doing nothing.

Positioning Your Brand

When you think of branding, what comes to mind? An attractive logo? A cool website? A catchy slogan? A good brand is actually a lot more about substance than style (although often the two go hand in hand). A good brand defines your company's unique service promise. It ties directly to your business model. And it defines your positioning message.

Positioning is how you differentiate your services from your competition. It clearly articulates (ideally in 10 words or less) how you want to be seen in the market. When done correctly, positioning creates demand for your services and keeps you from being seen as a commodity. For example, WalMart positions itself as the low-price leader. Domino's Pizza as the fastest at delivery. And Disney positions itself as the best at family entertainment.

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Now, more than ever, it is important to create your unique differentiation—to avoid being seen as a commodity. During a recession, commodity-level service providers will see margins fall—if they can even retain their clients.

To survive this recession, your brand should be positioned so your clients, candidates and your internal staff are able to:

- Understand what makes you different
- Articulate it to others
- Value your brand (and in the case of your clients, be willing to pay for it)
- Embrace it and defend it when it comes under attack

Create a Brand Identity

Branding takes positioning one step further. The idea is to create demand, not just for your services, but for your specific brand. The goal of branding is to create in the mind of your customer the belief or curiosity that you offer something special that no one else does. Call it a mystique. Call it unique. The brand happens when you describe what you do in terms that build you into the partnership with your client—by solving a currently specified need or even better, offering a solution to a problem your clients have not yet identified.

Coke. Nike. Apple. Harley Davidson.

These simple words each create an image in our minds. Without description, you immediately think of the products they offer. However, more than that, these companies have created a cultural significance with their brands. These words conjure up images, emotions and feelings: goodness, athletic, the ultimate in cool and a subculture. They are brand leaders, internally recognized and revered. They spend millions on advertising not to push a product, but to portray a lifestyle.

How can you create this type of brand awareness, without the millions?

It is possible. The challenge is to consciously design your brand image, learn from what market leaders do, and reinforce your brand message at every opportunity you have.

Here are three ways you can build your brand:

1. Create a Personal Brand

A personal brand emphasizes the image of an individual over your services. For example, Donald Trump is a personal brand. George Foreman is another. Personal brands can also extend to an entire organization. One notable example is IBM. You can't help but picture blue suits, white shirts and red ties. Another great example is Southwest Airlines, which became famous for not just low fares, but the friendly, sometimes over-the-top actions of their employees.

A personal brand creates value because it captures the charisma of an individual or an organization and transfers it into an implied value about your services. A personal brand has an almost magnetic ability to attract customers, and it's a great differentiator because it is almost impossible to copy. But at the same time, a personal brand can be very hard to change (even casual Fridays have not had an impact on IBM's blue-suit image).

2. Create a Product or Service Brand

For most companies, the easiest and strongest brand is based on product or service differentiation. The goal is to align your services with something the consumer wants – either by fulfilling a need or solving a problem. Mary Kay is a good example. They sell beauty, not cosmetics. Is your company selling staffing services? And is your primary differentiation your service? If the answer is yes, then stop selling staffing. Try to position your service as a solution, a way to increase business performance, cut human resources costs, or maximize human capital.

3. Create a Market Brand

A market brand is defined based on who the customer is. You design your services specifically to fit a tightly defined market. For example, you won't find a Rolex advertisement in Popular Mechanics, but you will in Skiing and Fortune. A market brand is an ideal solution when you have a better ability to serve a specific niche than anyone else. You often see strong market brands in executive recruiting, when a specific individual or a recruiting firm has greater knowledge and experience in their marketplace than anyone else.

Branding During a Recession

Virtually every management consultant advises clients to invest more aggressively in marketing during a slowdown. But when cash flow is tight, the practical reality is that marketing is often the first thing to be cut. No matter what your marketing budget, you can maximize the impact of your brand by coordinating your efforts and making smart investments in order to:

- Enable your sales force to better leverage their time
- Keep your firm top-of-mind
- Reinforce your differentiation
- Sell new services
- Expand awareness of your firm
- Educate clients and prospects on new ways to use your services
- Lower your sales and recruiting costs

What to do now:

1. Identify and express core brand values.

More than ever your company must speak with one voice, and your employees are the best ambassadors for your brand. Be sure they clearly understand, and can articulate and incorporate your core brand values into their sales and service efforts.

2. Resist cutting prices.

This too shall pass. Eventually, the economy will recover. Cutting prices devalues your brand and will be difficult to reverse in the long term. Now is the time to focus on the economic value your brand offers, and then find clients who still shop for the quality you provide. If you must reduce prices, then look for ways to repackage your services so you can offer lower-priced solutions that come with less service.

3. Focus on serving core customers.

Keep your brand top-of-mind and build customer loyalty by using e-newsletters, postcards and other low-cost marketing to keep in touch with your current client base. Remind people of what you can do. Cross sell to new contacts within the companies you currently service. And provide useful and educational information to help your clients weather the tough times and nurture relationships.

4. Expand your brand beyond “Staffing.”

During a recession, most companies aren’t looking to hire, so if people perceive that you’re just a staffing firm, they’ll immediately assume they don’t need your services. Now is the time to think like Mary Kay. Find ways to sell “beauty” or in the case of staffing, sell “cost savings,” “labor efficiency,” “talent optimization,” or some other variation of the value that an effective and strategic approach to staffing can offer.

5. Maximize your reach for minimum cost.

What are your competitors doing right now? Most likely, making lots of cold calls, and in the process, they are antagonizing your clients and creating a negative brand for the entire staffing industry. Now is the time to be different. Don’t sell staffing, sell staffing education. Use email, direct mail, PR and public speaking to teach people about how to staff during a recession. Brand your firm as experts, and in the process, give your salespeople a positive reason to make calls to clients and prospects.

6. Get more involved in the community.

Use sponsorship and community involvement to increase opportunities to network with executives from successful businesses and build awareness of your brand. Tie your sponsorships to your core brand values for greater effectiveness. For example, if you provide IT staffing, donate computers and equipment to local schools.

Have the Courage to Come Out a Winner

Without a doubt, these are scary times, but if past economic cycles are any indication, the companies with the courage and foresight to make intelligent investments in marketing and branding will come out the clear winners.

Right now, you have an almost unprecedented opportunity to develop a unique brand for your organization, capitalize on the mistakes most companies in the industry are making, and win business away from your competitors. It takes courage, and it may require changes in your business strategy, but branding in a recession will allow you to not only weather the economic storms ahead, it will catapult your firm to far superior growth in the years ahead.

Ask Haley Blog: What can I do NOW to sell the value of our services?

Q: When I call on my prospects, I am being told, “We understand the value of your services, but we don’t have any needs right now.” I know we can’t force people to buy, so what can I do?

A: Are you trying to sell your services or solve problems for your clients?

My guess is that the people you are selling to, see you as wanting to sell them something. Right now, they are scared, short on cash, and not interested in buying anything. They see what you do as an expense and not a sure way to reduce costs or drive new sales.

So, what can you do?

1. Change your thinking.

Don’t sell your company and don’t sell staffing services. Instead, sell the results of using staffing services. Find ways you can show every prospect how you can reduce their current expenses and enable their company to sell more.

2. Be more consultative.

In this economy, you can’t sell by simply telling people about your services. You really have to understand the value of what you sell, how your clients will use your services, and how using your services will change their business for the better.

You also have to help clients see the risks of doing nothing. While you can’t be overly negative or pushy, you have to find effective ways to make people see that not investing in your services right now may be a bigger risk than investing. In other words, the actual money they spend with you will probably not put their business at risk. But not making smart staffing investments will definitely put their business at risk.

3. Get creative with offers.

Make it irresistible to use your services. You will need to be creative, and everything should be open for discussion. This can include volume discounts, deals on combinations of services and extended financing terms.

4. Don’t waste time with companies that can’t afford to use your services.

If you’re calling on employers who won’t use staffing aggressively in good times, they won’t use your services in bad times either. Focus your sales efforts on companies that demonstrate a commitment to smart HR management.

5. Be more proactive in reaching out to companies that you want to work with.

Figure out which types of companies would be your IDEAL clients, and then get aggressive about winning their business.

6. Build and leverage your referral network.

Start developing your network of business development people in your local market and in your industry, and then share referrals.

7. Reconnect with all your old leads.

Offer them new solutions for managing their staffing challenges in this economy.

8. Reposition your services.

Show prospects how temporaries can reduce labor costs by replacing full-time employees who are not being used at full capacity. Show them how they can use temporaries to free talent to focus on more strategic initiatives that will drive business growth. Teach them about the importance and value of proactive recruiting for future hires—before those hiring needs arise.

9. Find ways to directly deal with people's fears.

Your prospects are more afraid than ever to spend money. You need to prove the value of your services with real examples. Show people how they can use your services to reduce costs and gain a competitive advantage. Make your payment plans as painless as possible. And directly deal with your prospects' perceptions about the risk of the investment. Proving your value will ultimately reduce or even eliminate what is holding them back.

Need more sales ideas? Or tools to help you sell the value of staffing? Call us! We can provide great educational information to help you sell the economic value of staffing services.

What NOT to Do in a Recession

Is it looming? Is it approaching? Or, is it already here? It's anyone's guess, but indicators are pointing to a recession within the next year. Major banks are predicting and prepping. Growth has slowed (but not shrunk).

During a recession, competition is fierce, talent is scarce and scared to move, and businesses tighten their belts to survive.

So, does that leave you in a lurch?

Not too long ago, I found a quote from leadership guru, John Maxwell. He said.

**“The pessimist complains about the wind.
The optimist expects it to change.
The leader adjusts the sails.”**

Is there a storm approaching? Yes. Do we know how big it will be? No. But we need to plan for a big one and be pleasantly surprised if it's not.

It's time to take stock, figure where you sit (metaphorically, and in business positioning), and adjust the sails. Here are 3 things you should NOT do when a storm approaches:

1. Ignore it

A breaking wave can hit a boat with between 250 and 6,000 pounds per square foot! Extremely powerful and highly destructive! The recession from 2008 to 2009 killed off more than 170,000 small businesses and high estimates put that number over 200,000. Wow. Just wow.

2. Try to Outrun it

Good luck trying to. The average storm at sea moves about 30-40 miles per hour. The average sailboat cruises from 6-8 knots, which is about an average cruising speed of 7-9 miles per hour. You can't outrun the storm, but you can find the right path through it. The recession storm is coming. You need to adjust your sails and plot the right course through it.

3. Jump Ship

You can't swim as fast as the boat or the storm. Stay in the boat.

So, what are 3 things that you CAN do?

1. Batten Down the Hatches.

On a boat, all hatches are sealed when a storm approaches to minimize leaks and avoid taking on water that can destabilize the boat. This is a great metaphor for your marketing funnel and processes. You are investing time, money and other resources on your website, job ads, internal recruiting process, ATS and more. It's time to examine your processes, identify where you are wasting resources, losing potential leads or applicants, and plug them.

2. Adjust Your Sails

You may not use all your sails during a storm (and probably shouldn't). Many boats utilize a storm sail that is smaller but provides just the right amount of forwarding momentum to give your rudder control. Examine what parts of your business are your most profitable. Lean on them, but consider ways to diversify your business portfolio to help you keep moving and have some control over the direction of your business during the storm.

3. Consider Your Boat's Design

Each boat handles differently in a storm. Your business's core-values, differentiators, and branding are going to assist in your business's survival and recovery after a storm, all in a way that is unique to your company. These are the structure of WHO you are as a company. It's time to examine, refine and solidify your key differentiators, positioning, value proposition and tie it all back to your core story. If you look like your competition, you won't stand out, brand loyalty disappears, and you lose money because of consumer apathy.

Is the Storm Coming?

Here's the point: Preparation is key. Having a plan before the storm is the best course of action. Having the right digital presence helps you not disappear from your customers view. Tightening your budgeting "belt" is smart, but strategically and where waste occurs. The companies that survived the last recession invested strategically before the storm, kept up strategic speed and course during the storm, and were able to recover—and many thrived afterward.

Haley Marketing Group rode out the last recession and helped many recruiting and staffing companies steer through it with the assistance of a strategic marketing plan, deep consultation, and effective implementation. For specific tactics and strategies to align your market, check out our free educational materials or reach out to our team for an analysis of your current marketing strategy and suggestions on how to shore it up.

Smooth sailing! 

A 1,000 point drop in the Dow...and your staffing firm

Is the sky falling?

Over the past week, your 401(k) has probably taken a big hit. Global financial markets are in turmoil. And the lead story on all the national news outlets (and most of the local ones) was the dramatic decline in the U.S. stock market.

But what does that mean for your staffing business?

In the short term, the decline in the market means just about nothing. Yes, your investments are worth a little less. And there's no question that Asia has real economic problems. But overall, the U.S. economy is strong, demand for talent remains high, and the skills gap is a bigger issue than the decline in the Dow.

So does that mean you should do nothing?

Absolutely not!

For most of us in the staffing industry, 2009 feels like it was only yesterday. And NO ONE wants to go back to those days. Between 2009 and 2010, staffing industry revenues fell by more than 30% (and we saw some firms lose as much as 70% of their revenue).

While we don't appear to be headed into a recession (not yet at least), here are five things you can and should do to recession-proof your business:

- **Diversify your client base.**
In turbulent economic times, some firms use more staffing services—and others use less. You will lose clients. To protect yourself, strive to get to the point that no client represents more than 10% of your revenue. In other words, it's time to get even more aggressive about business development—and focus on creating a larger base of small to midsize clients.
- **Train your recruiters.**
The faster you can source hard-to-find talent, the more job orders you will have. Even in a recession, staffing opportunities go to the firms that are the most efficient and effective at recruiting. If your recruiters are not Certified Staffing Professionals, invest in getting them trained. If they are not Google experts, invest in Boolean search and other technical training. And please, please teach them how to write better, more captivating job posts. Companies that make recruiting skill a priority do better in turbulent markets than those that are more complacent.
- **Strengthen your firm's employment brand.**
Right now, candidates can choose where they work. Will they choose your firm? Overall, the staffing industry does not have a very strong employment brand. Only one in five job seekers turn to staffing firms for help. And the industry has a reputation for lower-quality, lower-paying jobs. If you want to attract better talent and make faster placements, focus on improving the perception of your company. Strive to become the best place to work in your local community and/or for the specific types of people you place.

Haley Marketing

Strategies to Recession Proof Your Staffing Company

If you have not recently done so, benchmark the experience of working for your firm against your competitors. Look at every touch point you have with your candidates, and then ask your team, “How could we make it better?” Becoming a best place to work starts with one improvement at a time.

In addition, seek to strengthen your online presence through SEO, social media and proactively building positive staffing reviews with our reputation management service on Yelp, Glassdoor and Google Reviews. A strong online brand will yield more placements!

- **Sell more strategically.**

Most staffing sales professionals are tactical. They are great at opening doors and nurturing relationships, but their sales activities tend to be too reactive to each client’s perceived staffing needs. The best staffing sales reps are strategic. They work with clients to evaluate business challenges (and opportunities), and they recommend ways to use staffing as a tool to drive revenue growth, better manage overall labor costs, mitigate employment and business risk, and help organizations achieve their strategic goals.

If your sales team is not selling as strategically as it could, you need to make changes. Start by teaching your sales team about the economics of staffing services. Train them to be more consultative. And restructure your sales process so you are doing a better job diagnosing business problems, and then presenting strategic, higher-margin staffing solutions.

- **Improve your marketing.**

Of course, you knew I’d recommend stronger marketing. And here’s why improving your marketing is so important:

- A strong direct marketing campaign makes your sales efforts easier.
- Online marketing brings more clients and candidates to your door. As one of our clients recently told me, “My website has become an ATM machine for my business!”
- Integrating marketing into selling makes your sales reps more efficient.
- A strong online presence is critical to attracting millennial talent.
- Social media has become the new cold call...and it’s more efficient.
- Well-crafted marketing materials make it easier to sell strategically.
- Content marketing provides an ideal foundation for educating clients...and it sets up your sales team for easier calls.
- ***Companies that invest in marketing before and during a downturn recover faster and stronger than those that don’t!***

Need more ideas for strengthening your staffing firm?

Download any of these free guides:

- Smart Marketing Checklist: www.haleymarketing.com/smartmarketing
- Smart Recruiting Checklist: www.haleymarketing.com/smartrecruiting
- 2020 Vision Workbook: www.haleymarketing.com/2020vision
- Essential Guide to Sales Lead Generation: www.haleymarketing.com/salesleads

Ask Haley Blog: Can you create demand for staffing?

Q. We've seen a big slowdown in business here in Florida. Is it possible to create demand for staffing services?

A. Unfortunately, no, you can't simply create demand for staffing—or any service—that people don't perceive they need. And right now, most businesses don't believe they need to hire.

But don't get discouraged, my initial answer may not be 100% accurate.

In a down market, you can't sell staffing the way you did over the past several years. You can't be an order taker. Right now, your clients are looking for ways to reduce cost, drive revenue and help their businesses get through the downturn. And that gives you a GREAT opportunity to create demand for staffing.

To generate more job orders, look for ways in which you can become a true partner in helping your clients get through the recession. Here are a few ideas:

- Sell the ways you can lower labor costs.
- Show how you can eliminate the cost of overstaffing by replacing underused employees with temps.
- Sell RPO and unbundled direct hire services.
- Sell the value of payrolling as a cost-savings tool.
- Promote the importance of converting fixed labor costs to variable expenses.
- Demonstrate how your services can allow support work to get done by lower-cost employees (and in the process, free more valuable employees to focus on more critical tasks).
- Look for opportunities to be a matchmaker to clients with counter cyclical needs by helping them create a shared seasonal workforce.
- Sell the ways you can help your clients increase revenue.
- Offer to recruit people to take on new business development initiatives.
- Look for opportunities to help your clients add staff to remove capacity constraints.
- Show how you can free key producers to focus more time on business development.
- See where you can supply contract help to provide needed expertise to develop new products, new services and new market opportunities.

The key to creating demand in a market like we are currently facing is to be more strategic in your sales efforts. You may have to train your reps to do this. You may have to provide them with more executive-level support. And you may have to give them new sales support tools. But if you are willing to make these changes, you can create demand for staffing.

Looking for more marketing ideas for your staffing company?

Visit our website all our FREE content
eBooks | Blogs | Lunch with Haley Webinars | Secrets of Staffing Success Podcast



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