



Eric Gregg
CEO & Founder, Inavero

Hiring Manager Insights for Staffing Firm Growth

Key findings from the
2018 Staffing Buyer Study



Chris Skerrett
Vice President, CareerBuilder



January 23rd, 2019



About Inavero

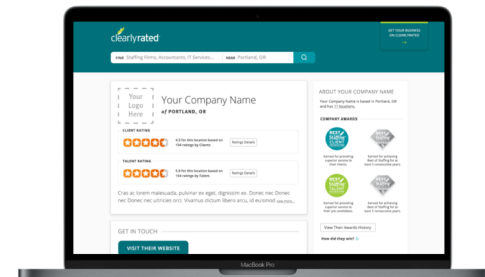
Simple, Actionable Client & Talent Surveys



Credible 3rd Party Award



Ratings & Reviews Driven Directory



clearlyrated™
powered by inavero



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



About CareerBuilder



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



2018 Staffing Buyer Study

Background: CareerBuilder, Inavero, and the American Staffing Association have partnered to publish the 2018 Staffing Buyer Study.



American Staffing Association

Objective: Research identifies key trends and performance benchmarks for the staffing industry

- What keeps hiring managers up at night?
- How can staffing firms solve hiring manager problems?
- How can staffing firms attract, expand, and retain client accounts?

Cohort: The 2018 Staffing Buyer Study surveyed

- 859 hiring managers

Download the complete study here: <http://go.inavero.com/2018-staffing-buyer-study-careerbuilder-inavero>



The only math required for this webinar (almost)

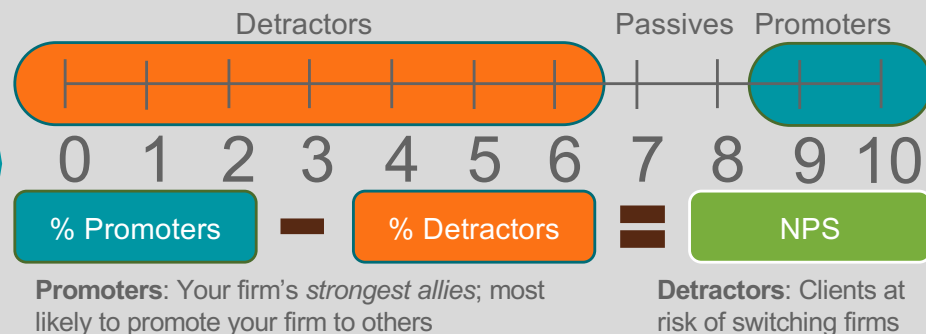
WHAT
is a Net Promoter Score?

A Net Promoter Score (NPS®) is an easily understandable metric based on likelihood to recommend using a company, product or service to a friend or colleague

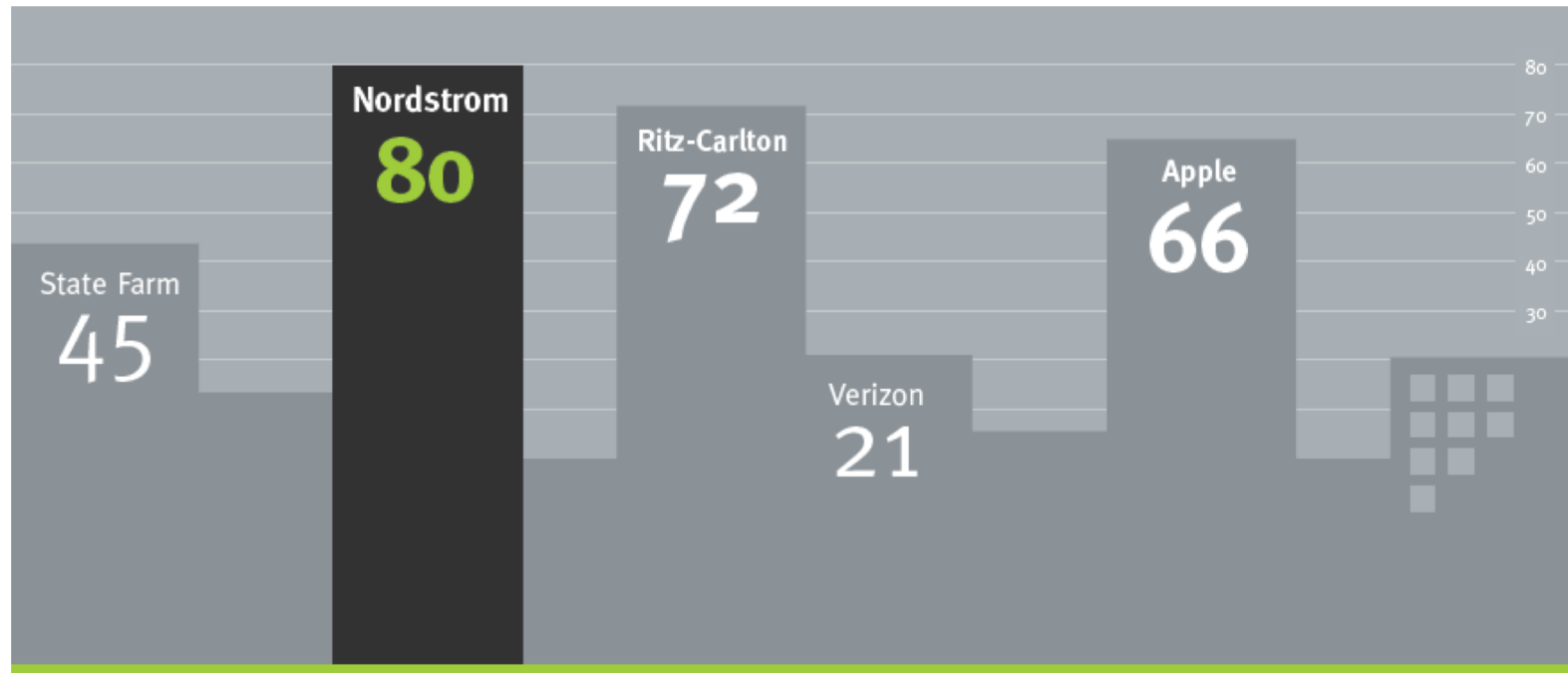
WHY
use a Net Promoter Score?

Companies often see a direct correlation between:
Net Promoter Score, customer retention, & revenue growth

HOW
do we calculate Net Promoter Score?



NPS benchmarks of well-known consumer brands



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



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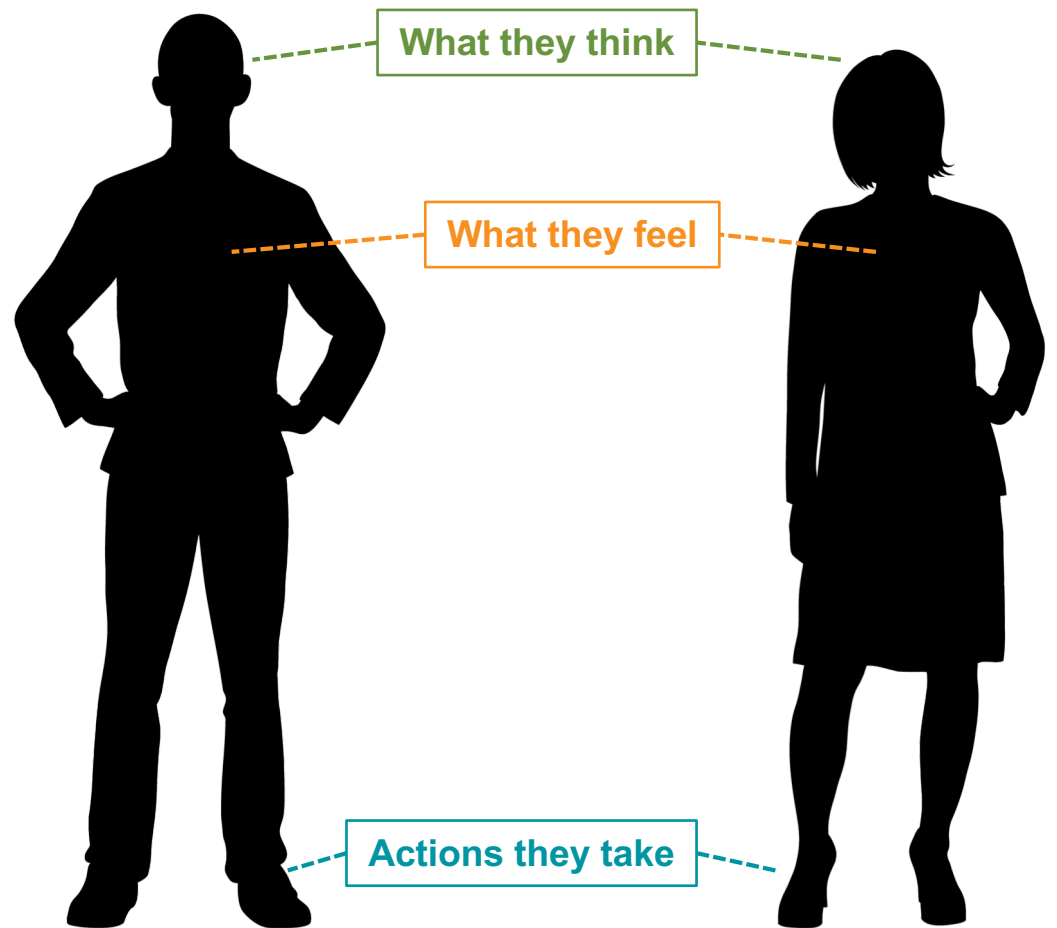
The background of the slide is a photograph of several people sitting around a table in what appears to be a meeting or collaborative work environment. They are using laptops and there are various office supplies like pens and notebooks on the table. The entire image is covered with a semi-transparent teal overlay.

State of the Staffing Buyer



Understanding the Buyer

Knowing and Reaching
Today's Staffing Buyer



And how changing buyer demographics impact your business

millennial

Born from 1980-2000
Total in US: 72 Million
Social Networking: 75%
35% Liberal
Most Diverse



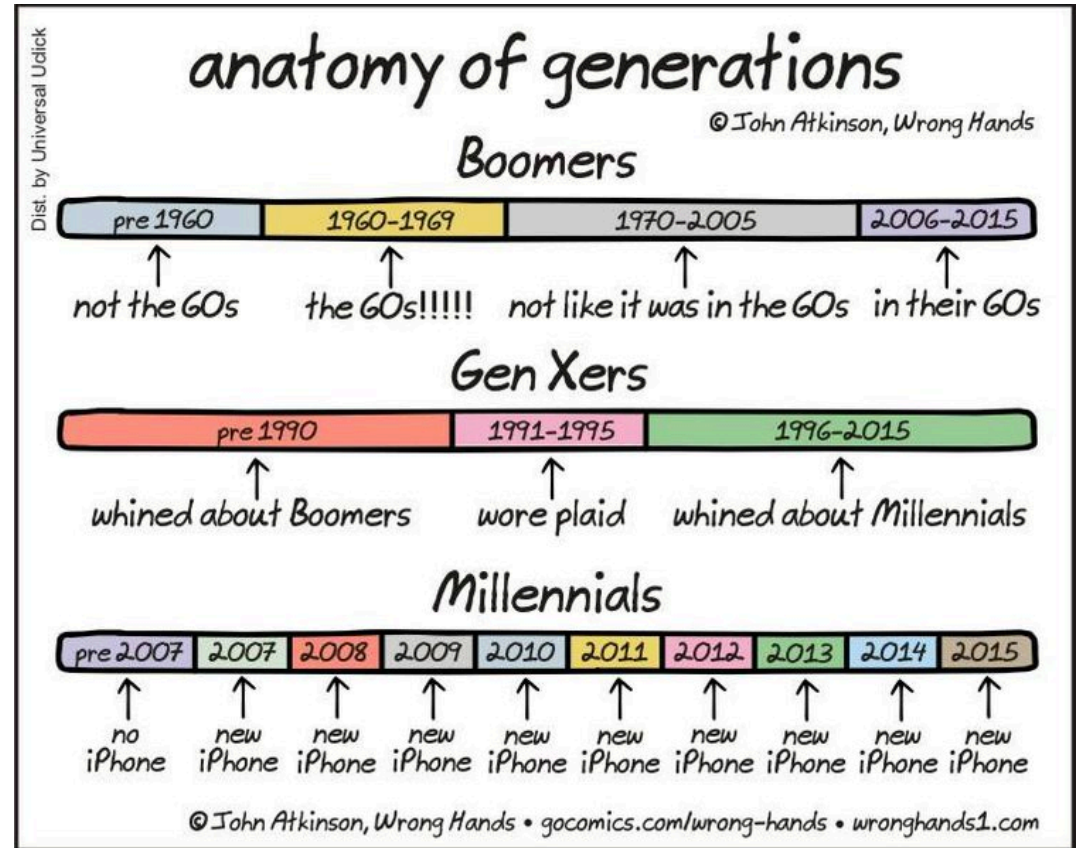
BOOMER

Born from 1935-1955
Total in US: 82 Million
Social Networking: 35%
40% Conservative
Most Wealthy



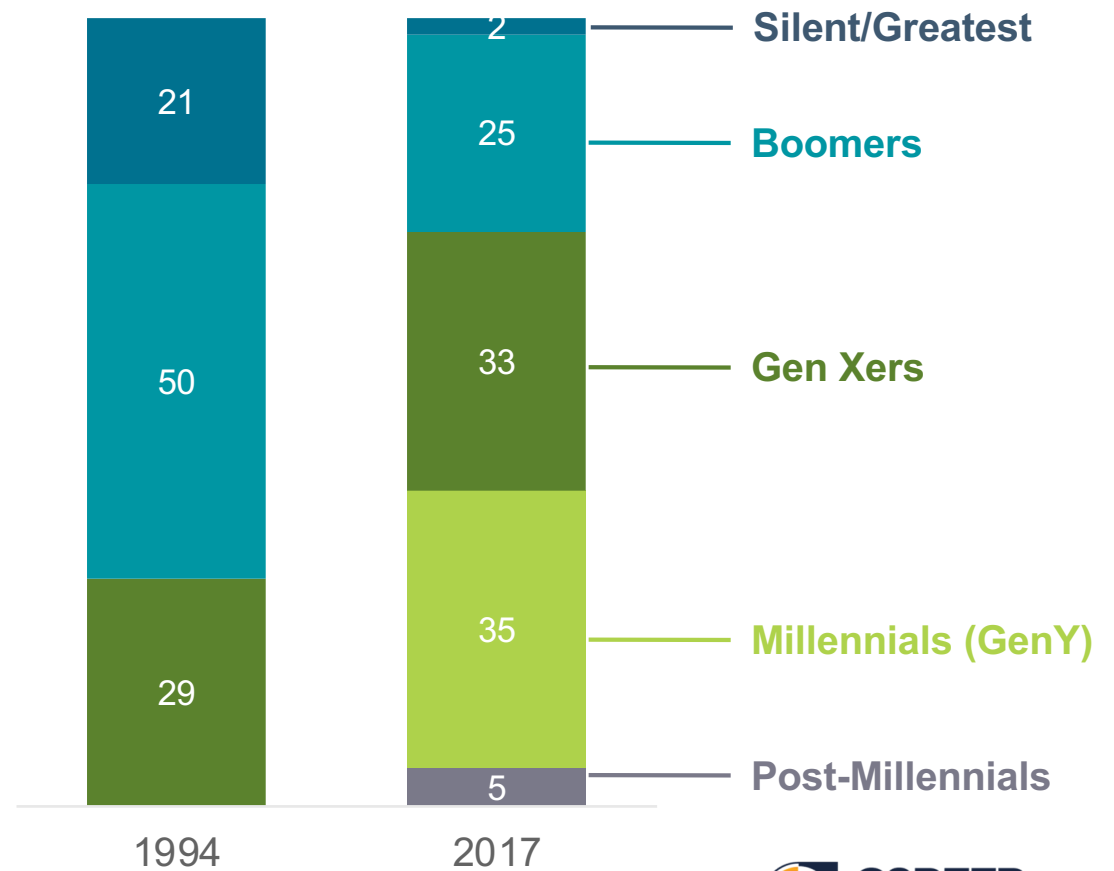
Anatomy of Generations

How much do you really know?



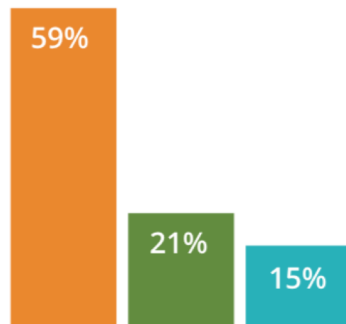
Generation Y in the Workplace

Millennials now represent the largest % of the U.S. workforce



Millennial buyers expect technology to continue to transform our industry

5 years from now, recruiters will play a smaller role in my organization's talent acquisition process because of technology (% "strongly agree")

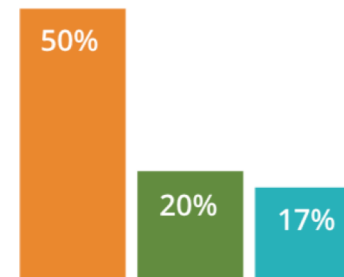


■ MILLENNIAL CLIENTS

■ GEN X CLIENTS

■ BOOMER CLIENTS

I would prefer to place a job order online rather than talking to a recruiter by phone or in person (% "strongly agree")

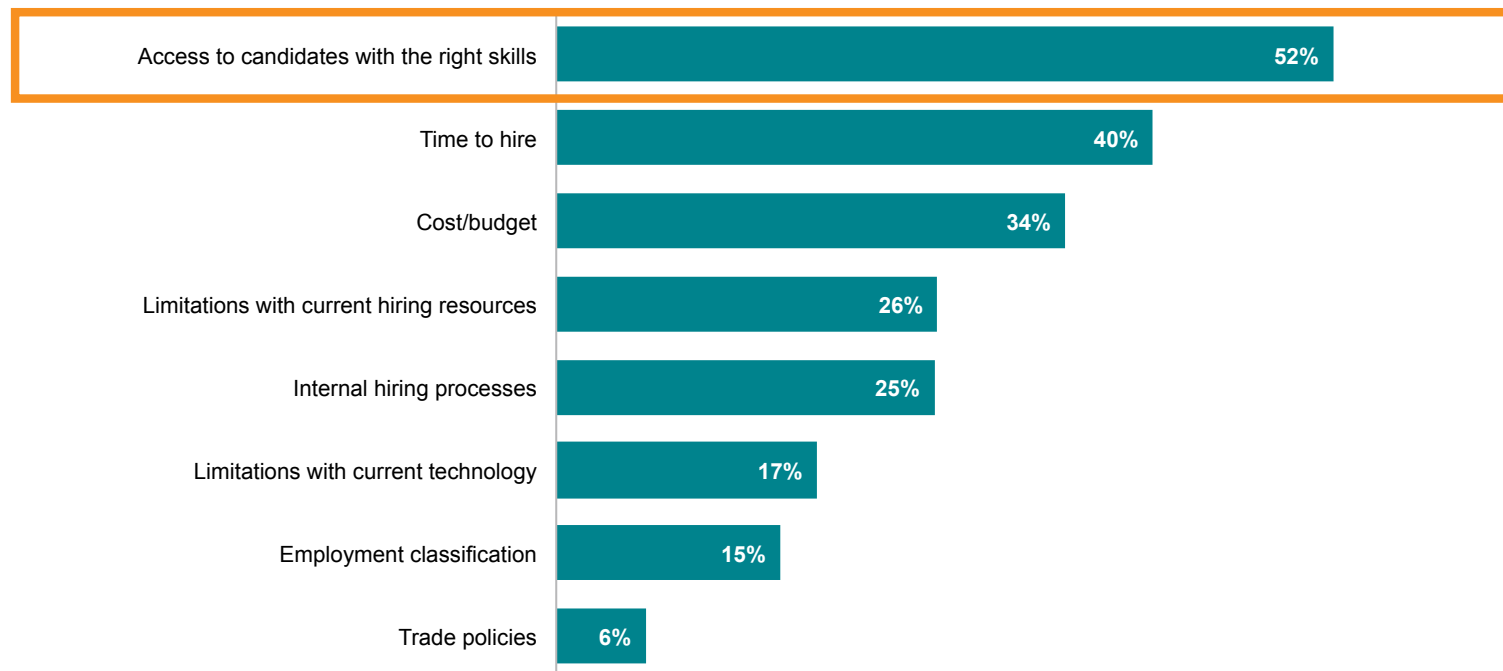


Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



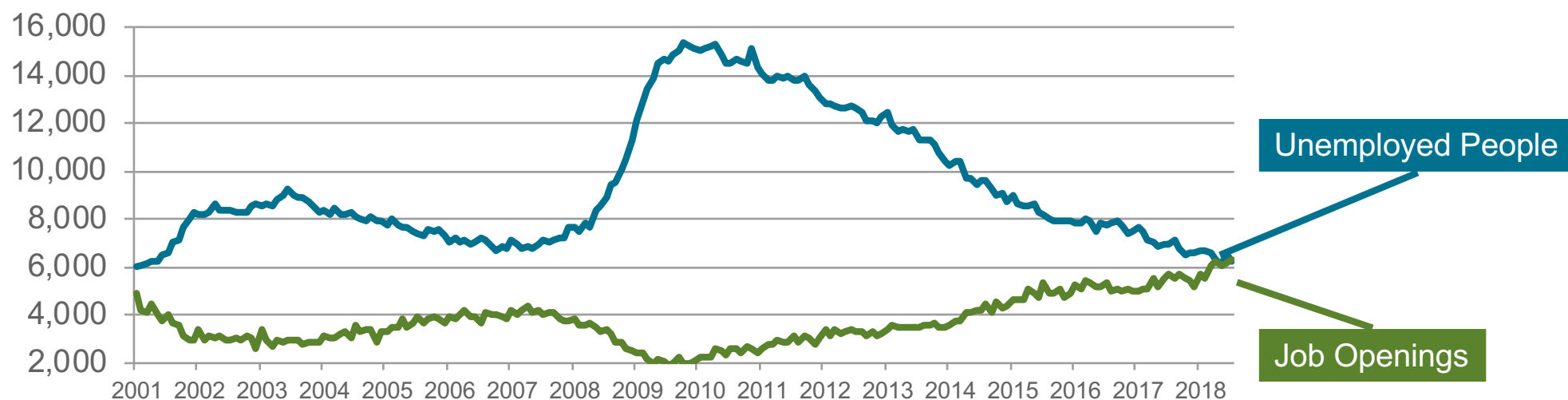
Broad themes facing hiring managers today

Hiring managers' biggest pain points in the recruiting process



SOURCE: Inavero, CareerBuilder, ASA - 2018

There are literally not enough people to fill open jobs



SOURCE: BLS Job Openings and Labor Turnover Survey



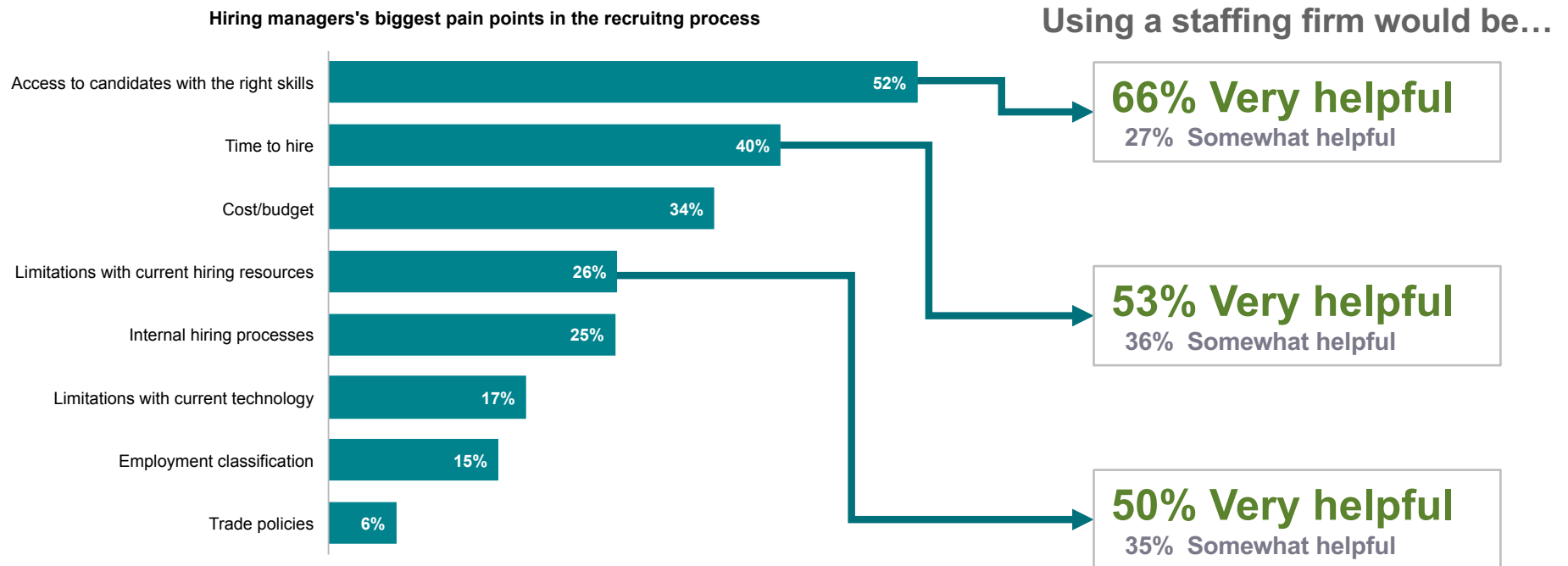
Measure the client and talent experience.
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**Many of us
don't
remember
the last
time this
happened**



Broad themes facing hiring managers today



SOURCE: Inavero, CareerBuilder, ASA - 2018



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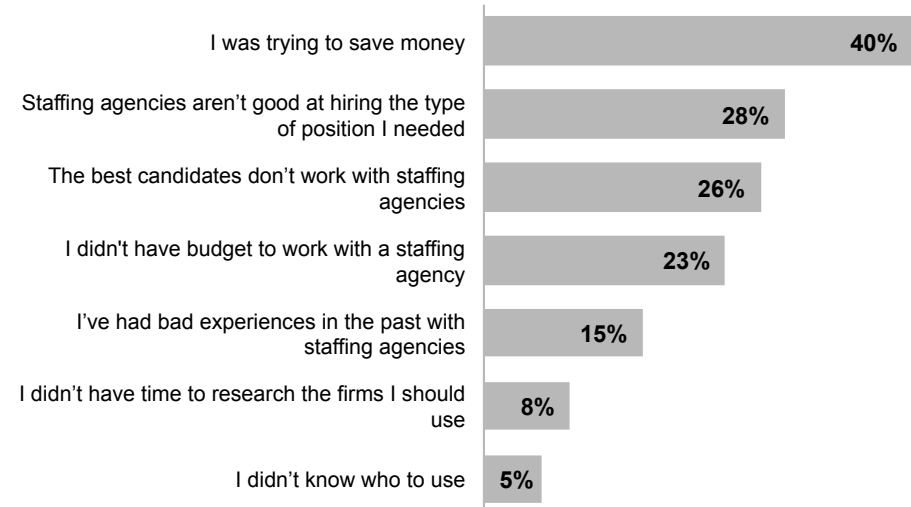


Key reasons hiring manager do / do not work with staffing firms

Key reasons for working with a staffing firm



Key reasons for NOT working with a staffing firm

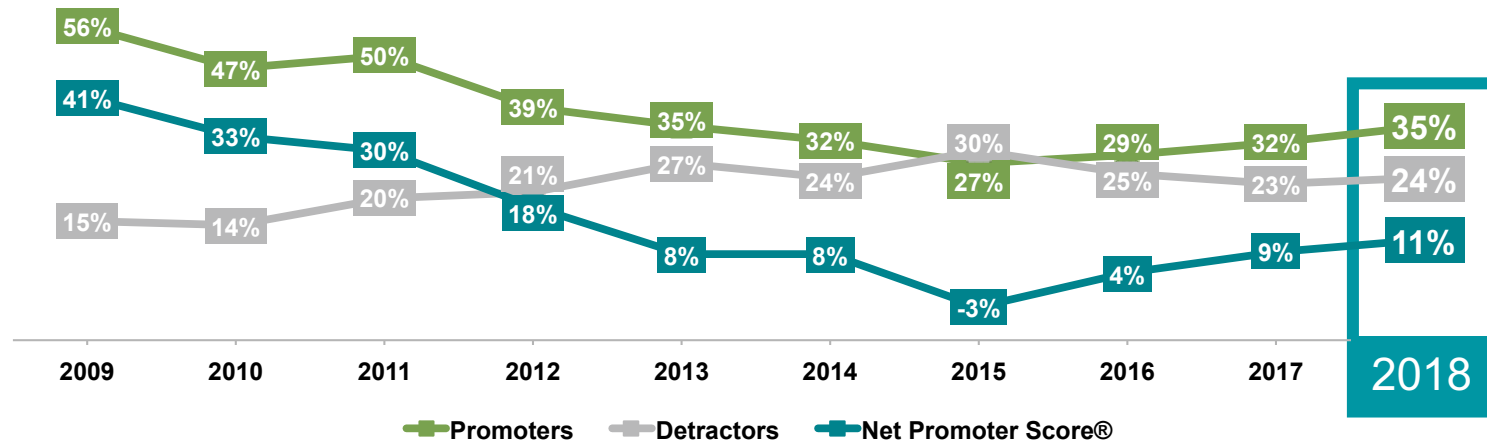


SOURCE: Inavero, CareerBuilder, ASA - 2018



Client NPS® is improving, but remains low

Clients: Likelihood to Recommend Working with Current Staffing Firm



SOURCE: Inavero, CareerBuilder, ASA - 2018

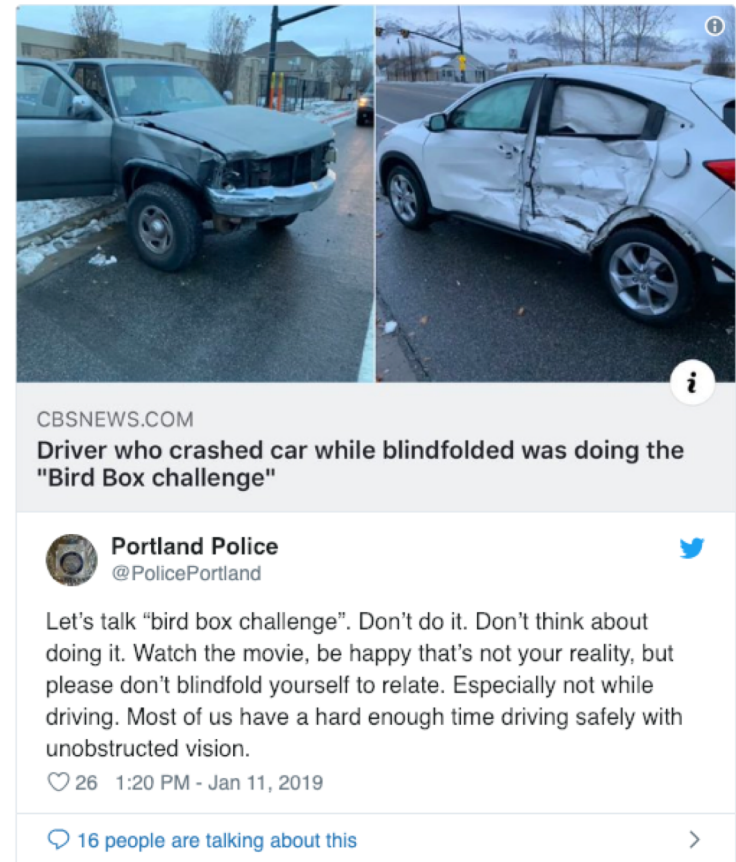


"Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc."



Communication

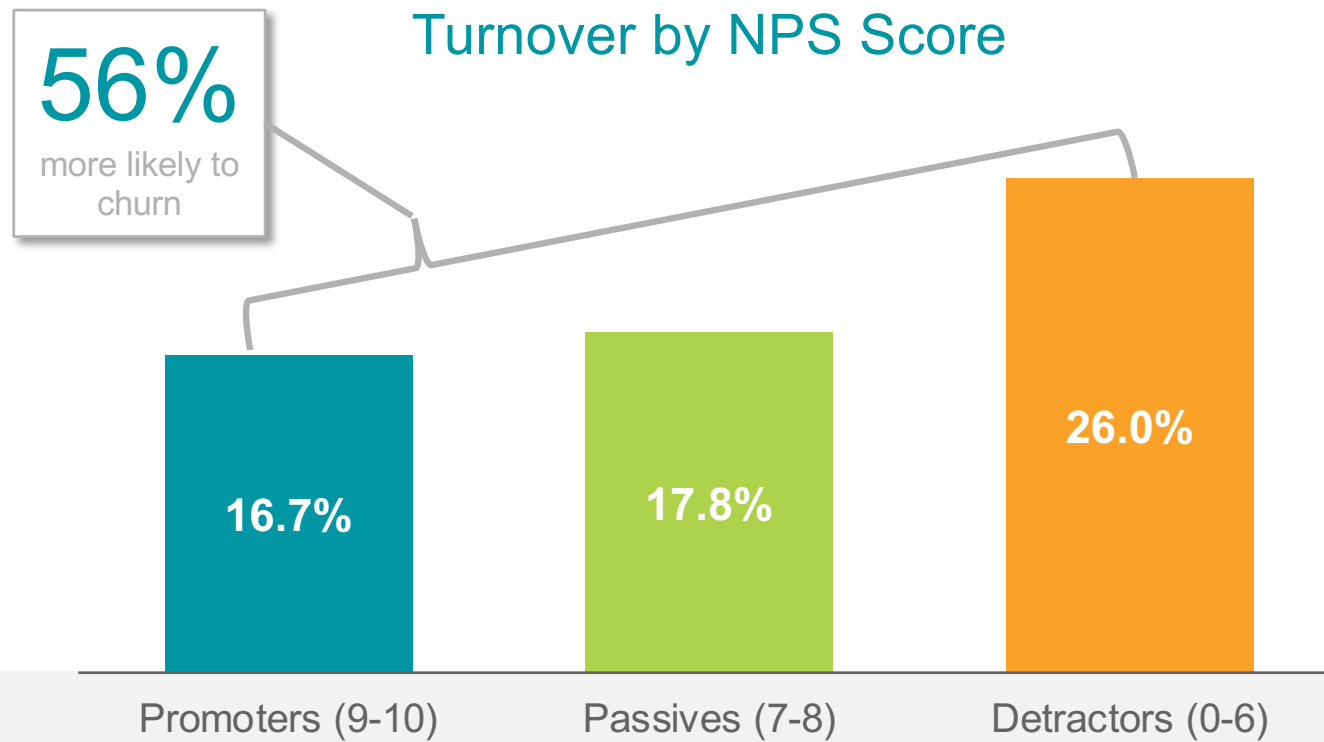
Don't assume prospects know
the best way to engage with you
or their candidate pool



A woman with blonde hair and glasses, wearing a denim shirt, is sitting at a desk in an office. She is holding a smartphone to her ear with her right hand and a document with her left hand. The background is slightly blurred, showing office equipment and another person in the distance. The overall tone is professional and focused.

The ROI of Service Quality in Staffing

NPS is a leading indicator of client turnover



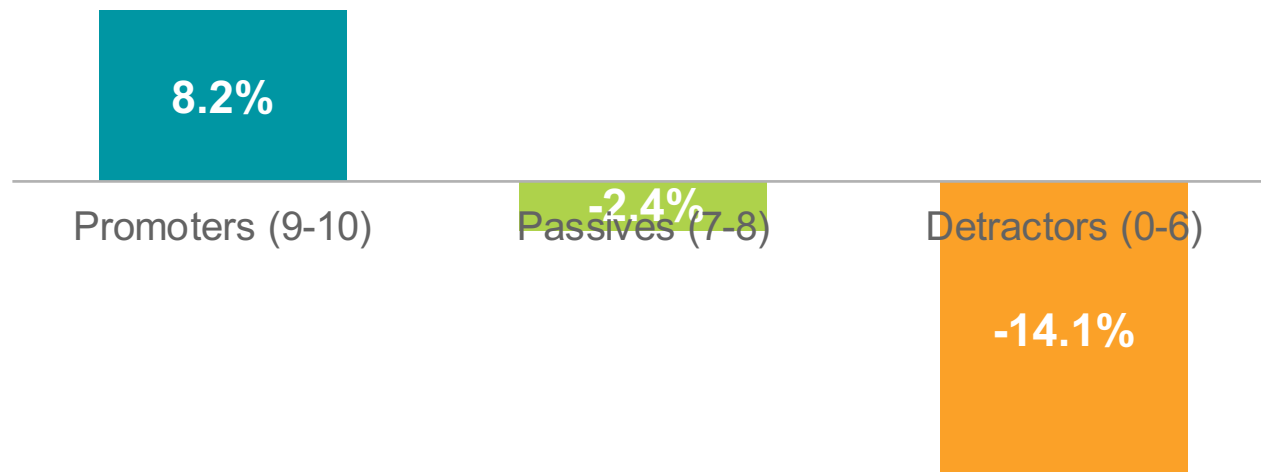
Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



*Based on Inavero analysis of 3,700 clients over 36 months. Clients were primarily light industrial and office/clerical buyers.

But even those who don't leave, spend less next year

Change in Following Year's Spend



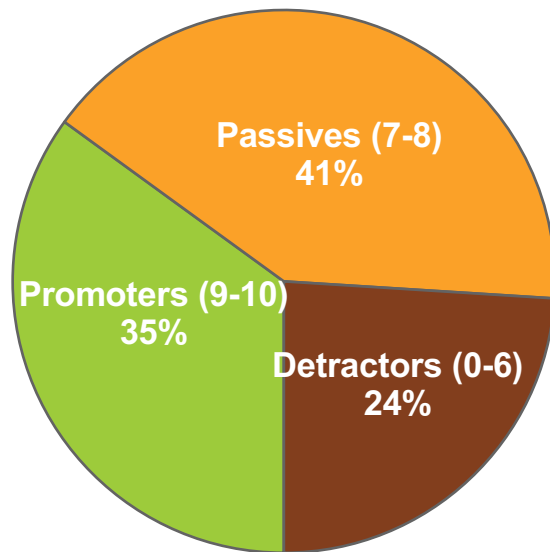
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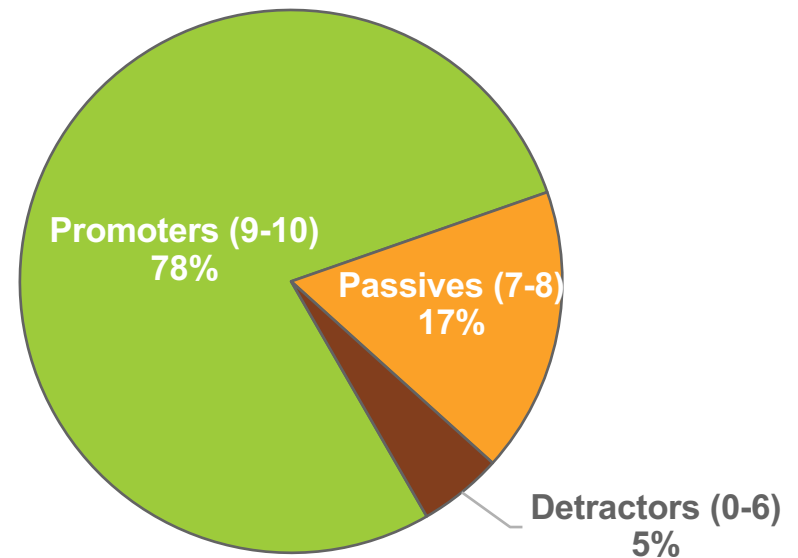
*Based on Inavero analysis of 3,700 clients over 36 months. Clients were primarily light industrial and office/clerical buyers.

Service leaders have a significant growth advantage over laggards

Industry Average



Best of Staffing Winners



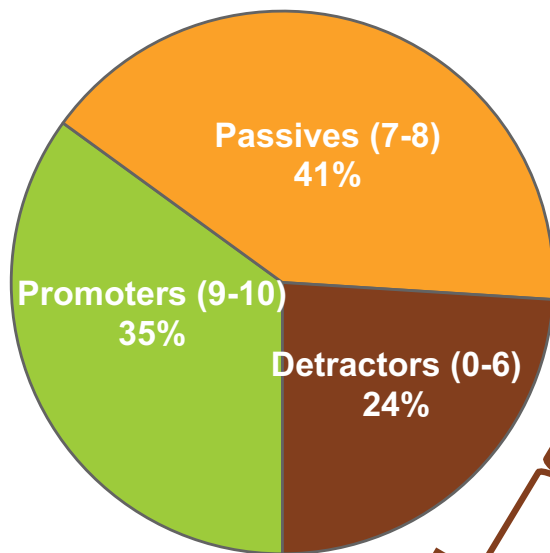
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For most staffing firms, this costs you millions in lost revenue

Industry Average



EXAMPLE: \$20M in Staffing Revenue

2018 Revenue from detractors	\$4,800,000
(Less) 26% expected churn	<u>(\$1,248,000)</u>
Gross Revenue Retained	\$3,552,000
(Less) expected change in spend	<u>(\$500,832)</u>
Net Revenue Retained	<u>\$3,051,168</u>
(total lost revenue)	<u>(\$1,748,832)</u>



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*Based on Inavero analysis of 3,700 clients over 36 months. Clients were primarily light industrial and office/clerical buyers.

Plug client churn first

Then leverage success to fuel
your growth



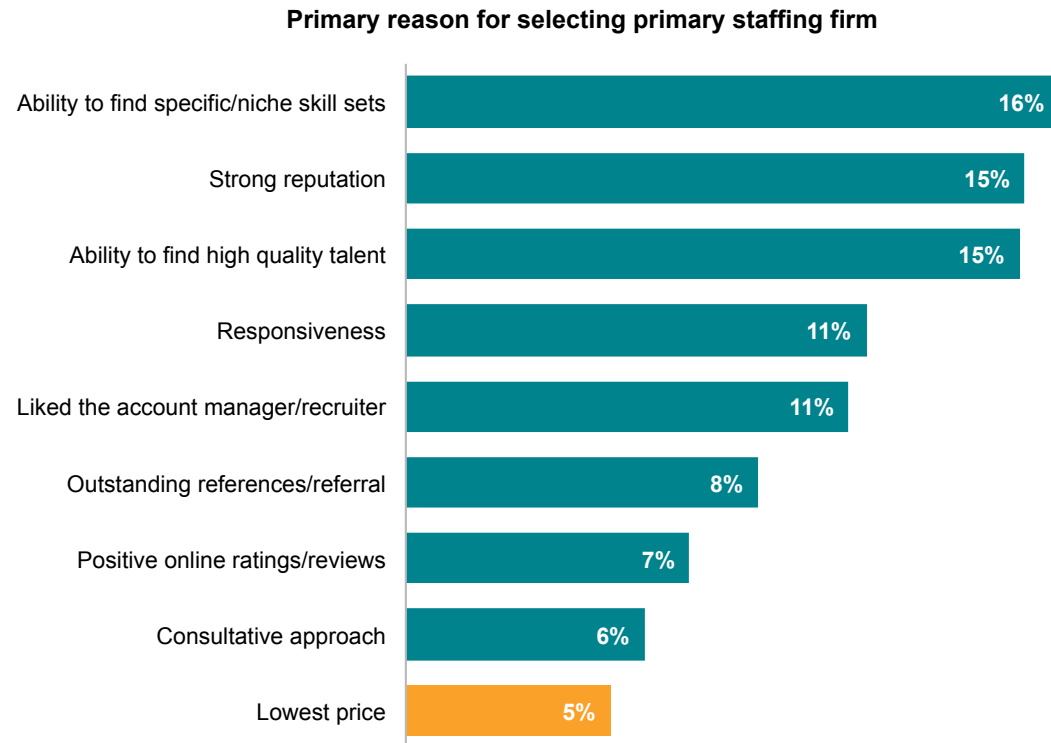
A photograph of two women in a professional setting, possibly a meeting or interview. The woman on the left is a Black woman with curly hair, wearing a dark top, and is resting her chin on her hand, looking thoughtfully towards the right. The woman on the right is an Asian woman with long dark hair, wearing a light-colored button-down shirt, and is looking down at something in her hands. The background is a bright, out-of-focus office space. The entire image is overlaid with a semi-transparent green filter.

**Winning attention and business
from hiring managers.**

(ATTRACTION)



What are buyers ultimately after?

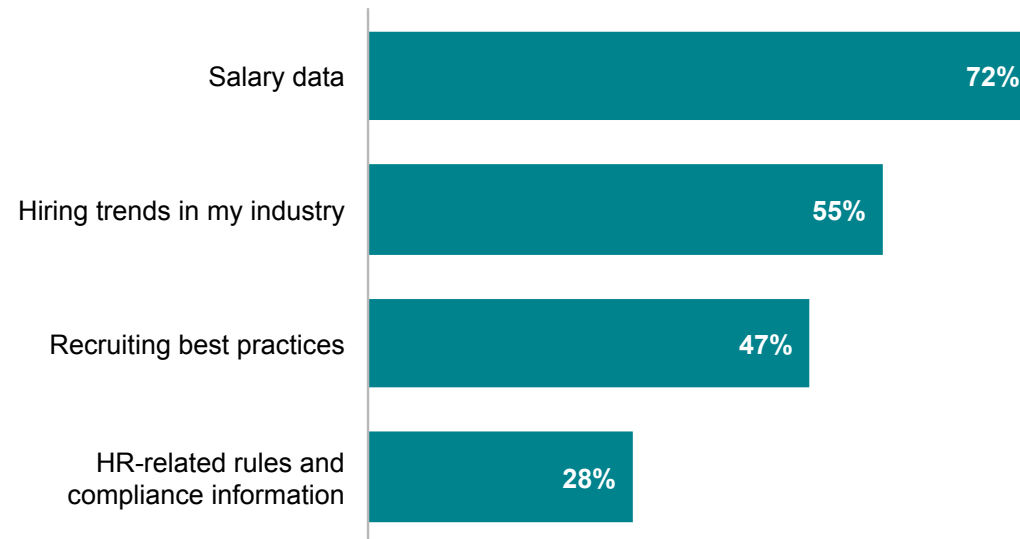


SOURCE: Inavero, CareerBuilder, ASA - 2018



Provide the information that your clients want most

Types of data a recruiter could provide that would be of value



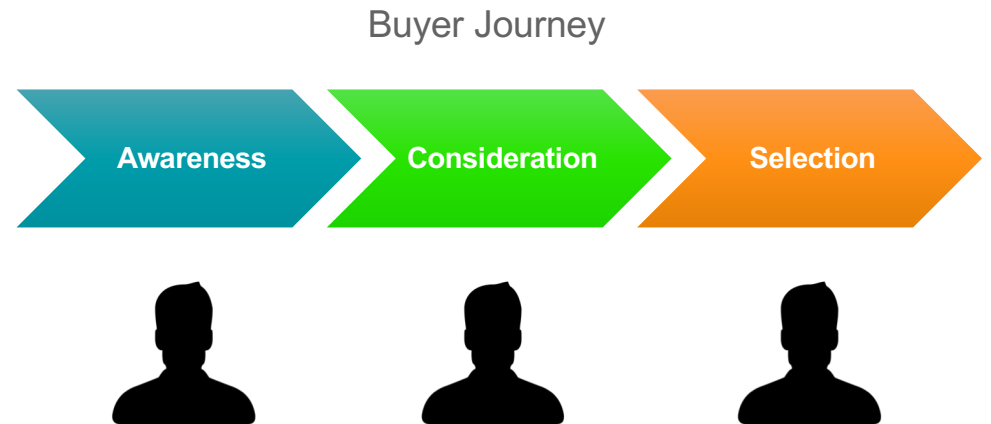
SOURCE: Inavero, CareerBuilder, ASA - 2018



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



What are the
“moments” in
the buyer
journey that
firms can
capitalize on?



Millennials buyers demand social proof of value

TOP 3 REASONS (BY GENERATION) FOR SELECTING PRIMARY STAFFING FIRM

MILLENNIAL CLIENTS	GEN X CLIENTS	BOOMER CLIENTS
<ol style="list-style-type: none">1. Strong reputation (16%)2. Positive online/ratings reviews (14%)3. Responsiveness (14%)	<ol style="list-style-type: none">1. Ability to find high quality talent (18%)2. Ability to find specific niche/skill sets (15%)3. Strong reputation (14%)	<ol style="list-style-type: none">1. Ability to find specific niche/skill sets (23%)2. Ability to find high quality talent (17%)3. Strong reputation (15%)

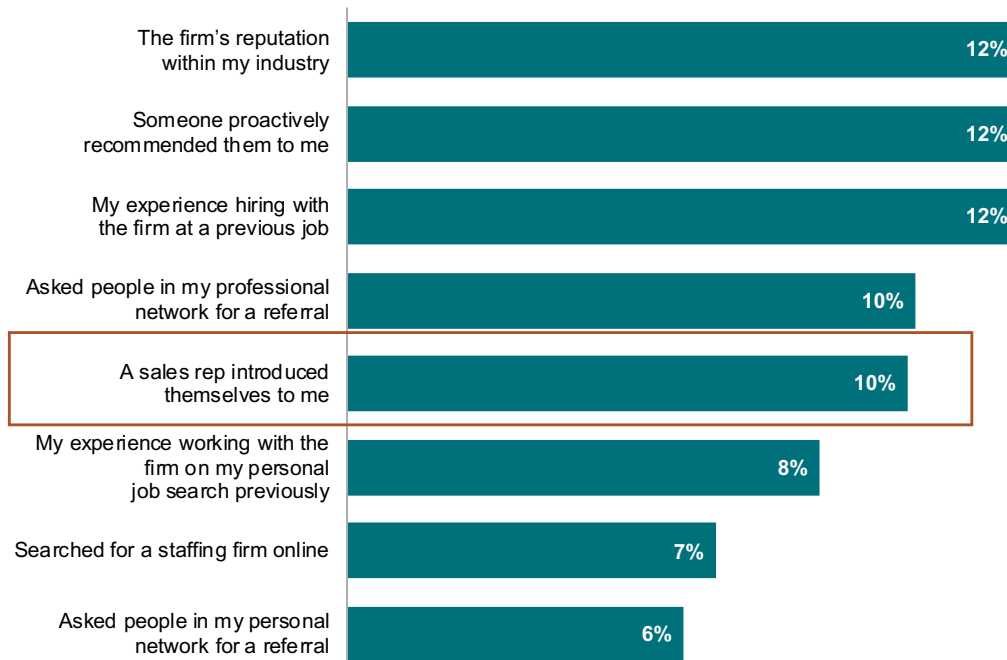


Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



Initial awareness

Source of initial awareness of primary staffing firm



SOURCE: Inavero, CareerBuilder, ASA - 2018

AMPLIFY!



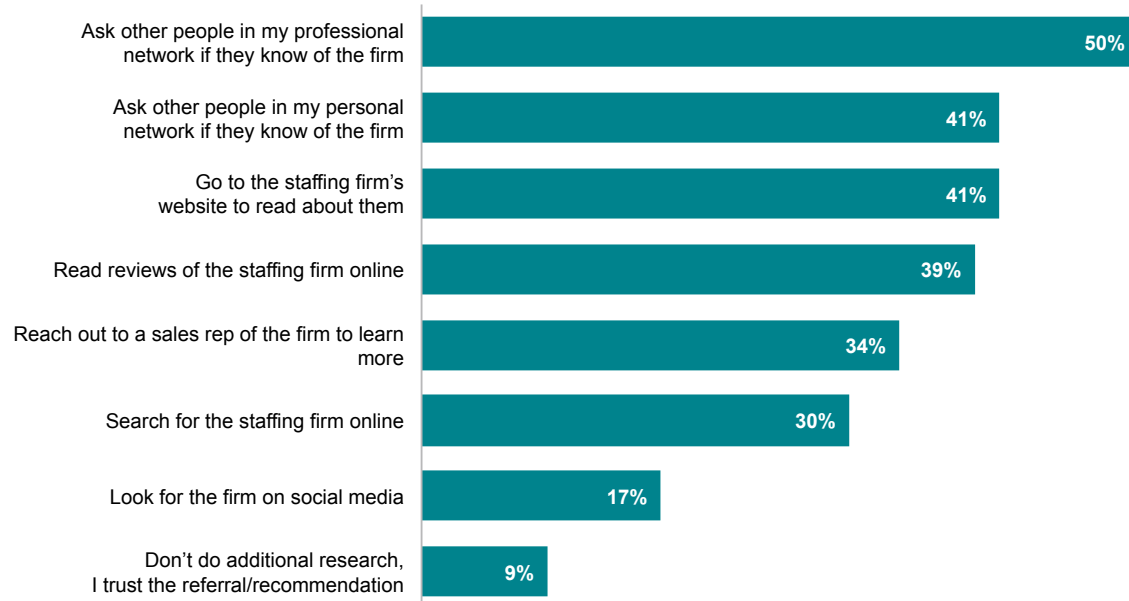
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Post-awareness research

9 in 10
Hiring managers do
additional research
after receiving a
referral

Additional research done after receiving a referral/recommendation for a staffing firm



SOURCE: Inavero, CareerBuilder, ASA - 2018



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How online resources are shaping the buyer journey

Resources used in the staffing firm vetting process

5 Hours

Median number of hours companies spend using online resources vetting their primary staffing firm

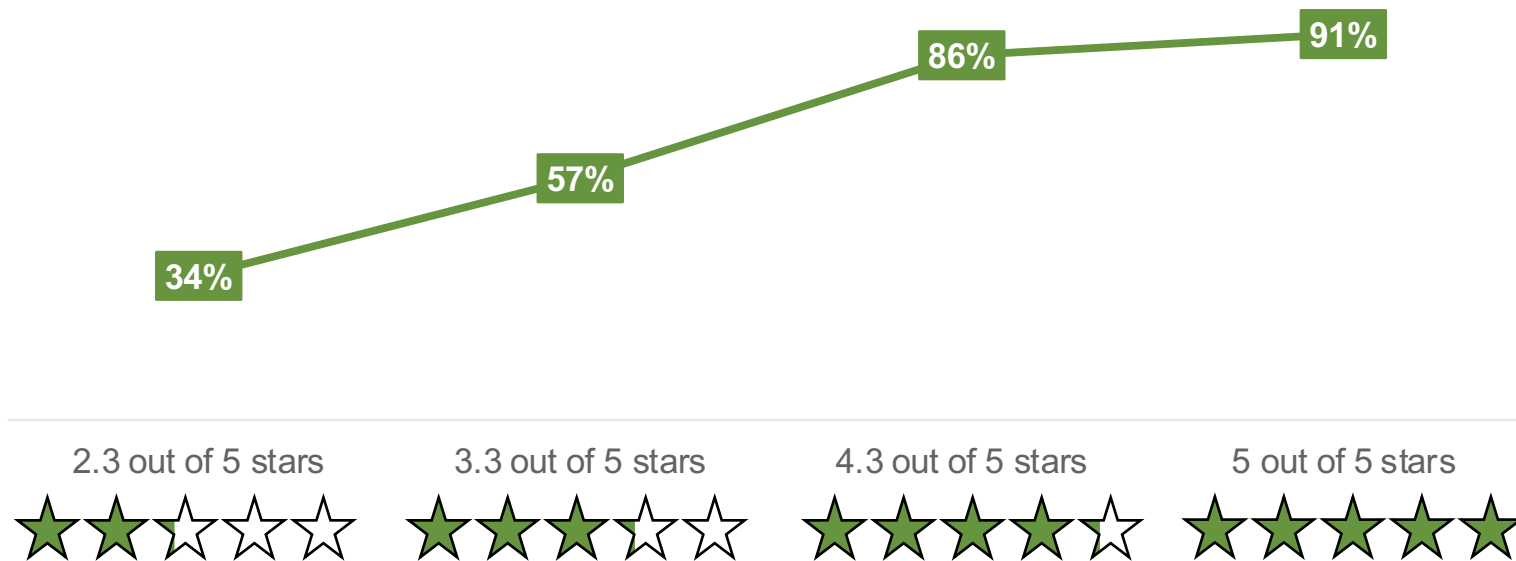


SOURCE: Inavero, CareerBuilder, ASA - 2018



How online resources are shaping the buyer journey

Likelihood of engaging with a staffing or recruiting firm with the following combination of online reviews (% “Likely”)

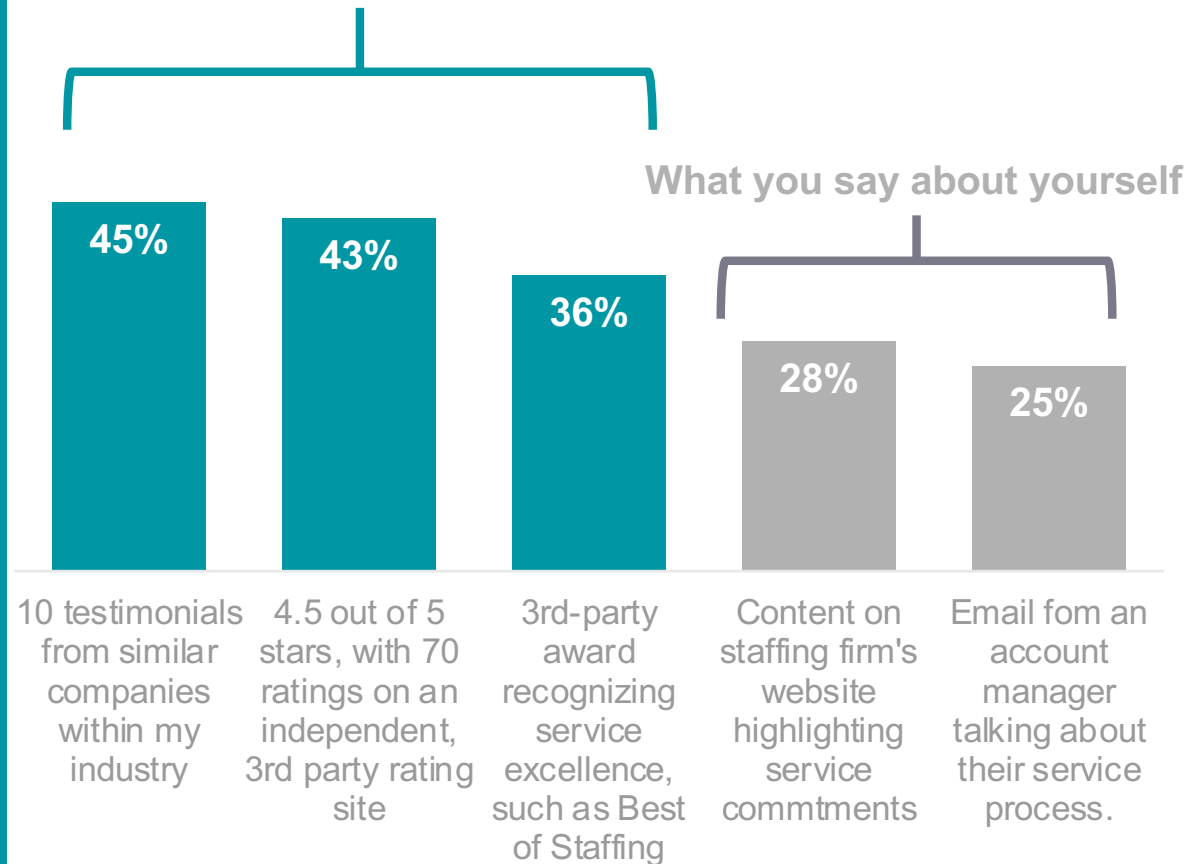


Building Trust

You will never be as persuasive
as the people who work with
you. Help them tell your story.



What others say on your behalf



SOURCE: Inavero, CareerBuilder, and ASA



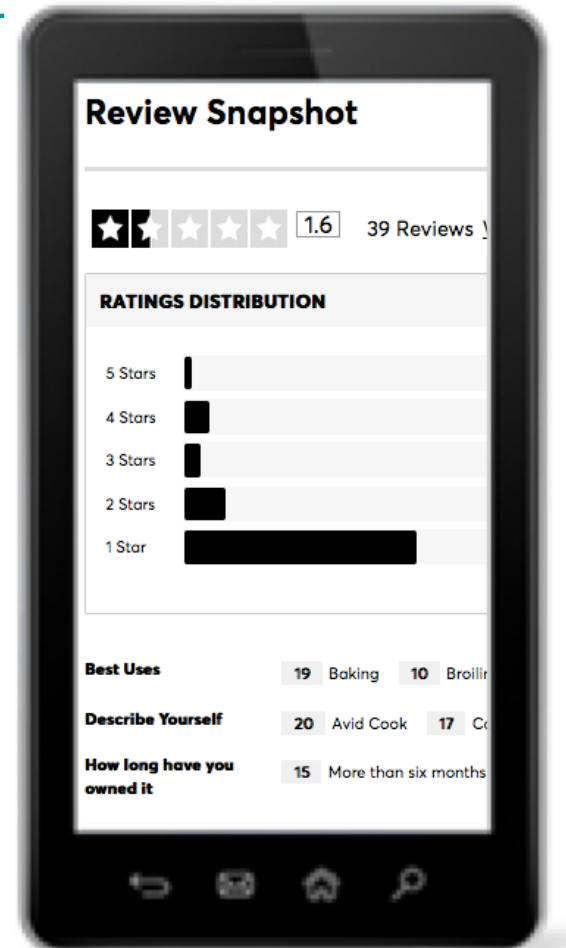
Would you buy this oven?



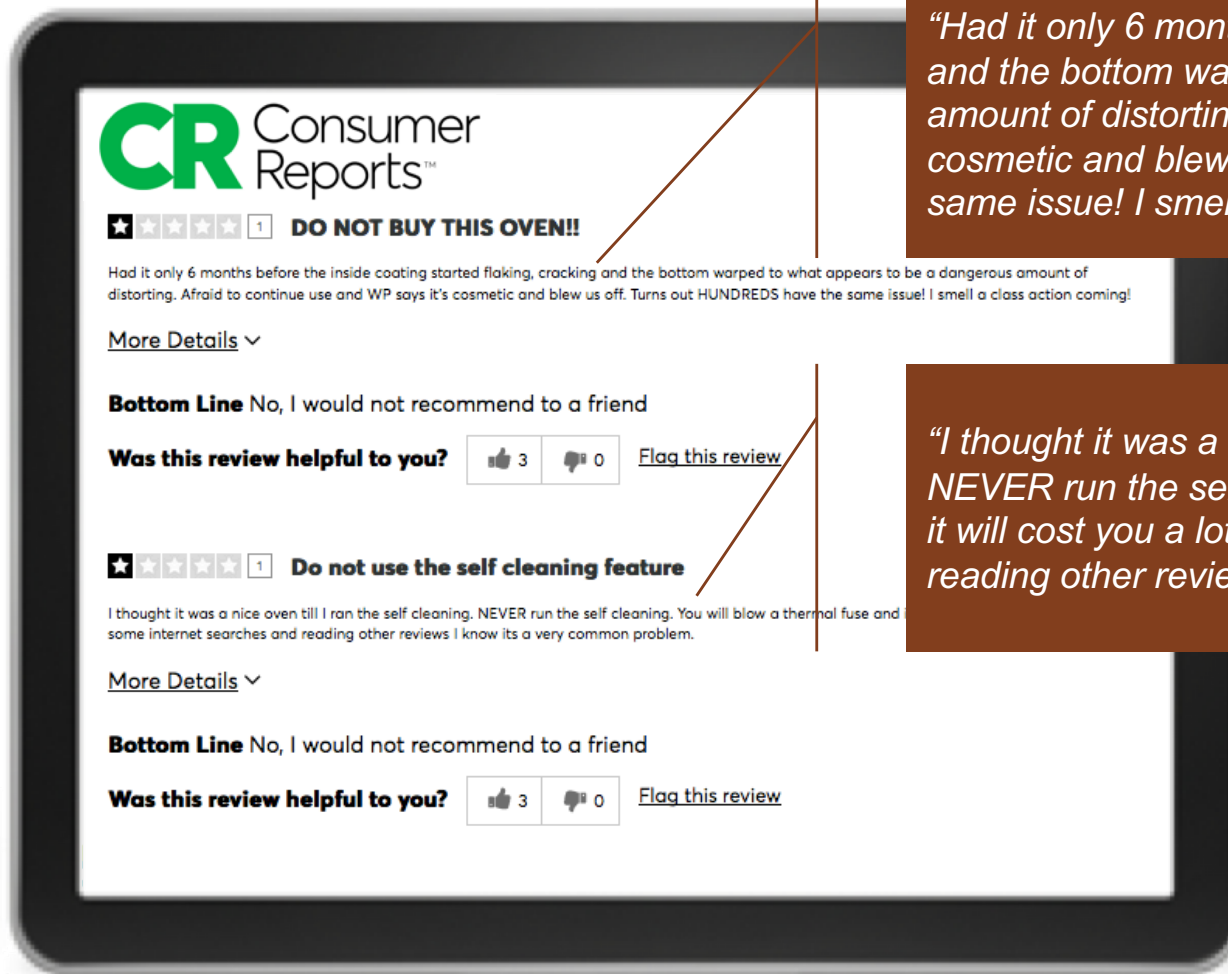
Rated “Best Buy”
by Consumer
Reports

Achieved score of 72.
Competitors ranged from
48 to 80.

What about now?



Or now?



"Had it only 6 months before the inside coating started flaking and the bottom warped to what appears to be a dangerous amount of distorting. Afraid to continue use and WP says its cosmetic and blew us off. Turns out HUNDREDS have the same issue! I smell a class action coming!"

"I thought it was a nice oven until I ran the self cleaning. NEVER run the self cleaning. You will blow a thermal fuse and it will cost you a lot. After doing some internet searches and reading other reviews I know it is a very common problem."

A photograph of three business professionals in a modern office setting, overlaid with a green tint. On the left, a man in a suit stands and looks towards the center. In the middle, a woman in a light blue shirt stands with her arms crossed, looking towards the right. On the right, a woman in a patterned shirt is seated, smiling and looking towards the center. The background shows office desks, chairs, and large windows.

**Cultivating client loyalty through
exceptional service.**

(RETENTION)



Millennials are very open to switching firms if they aren't happy

% OF CLIENTS (BY GENERATION) WHO HAVE SWITCHED
THEIR PRIMARY STAFFING FIRM IN THE PAST YEAR:



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



The client experience is (and should be) a priority



SOURCE: Inavero, CareerBuilder, ASA - 2018

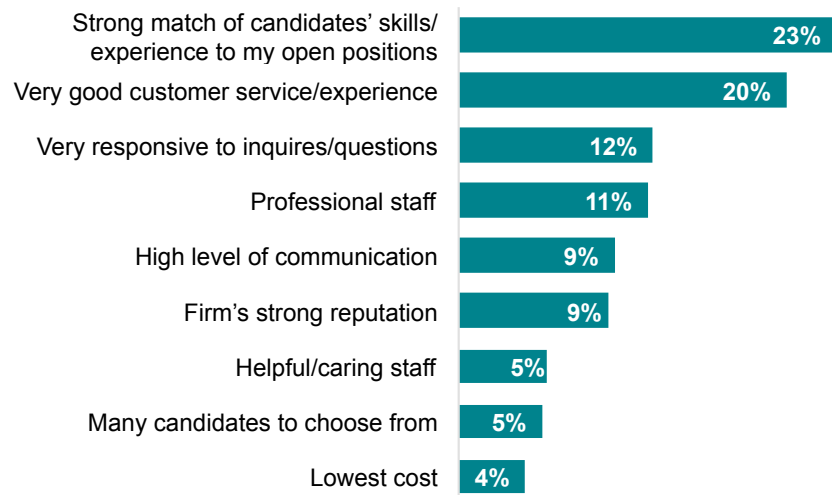


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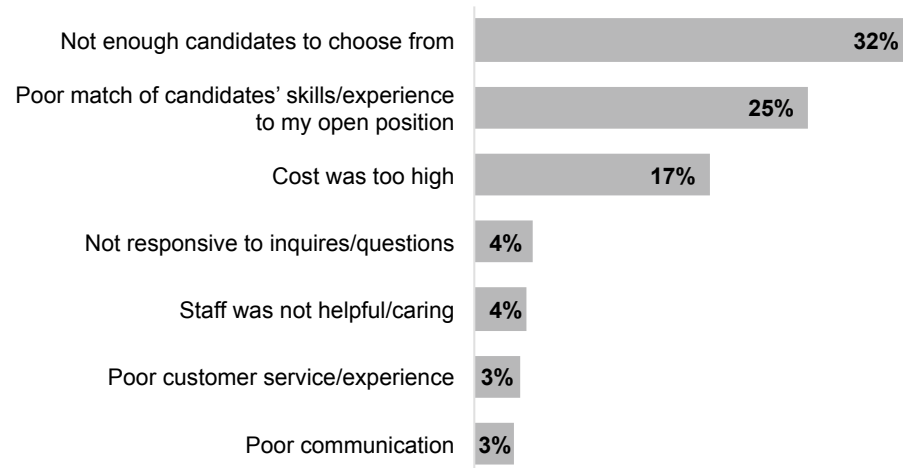


What drives client loyalty?

Promoter (9-10) reason for NPS rating



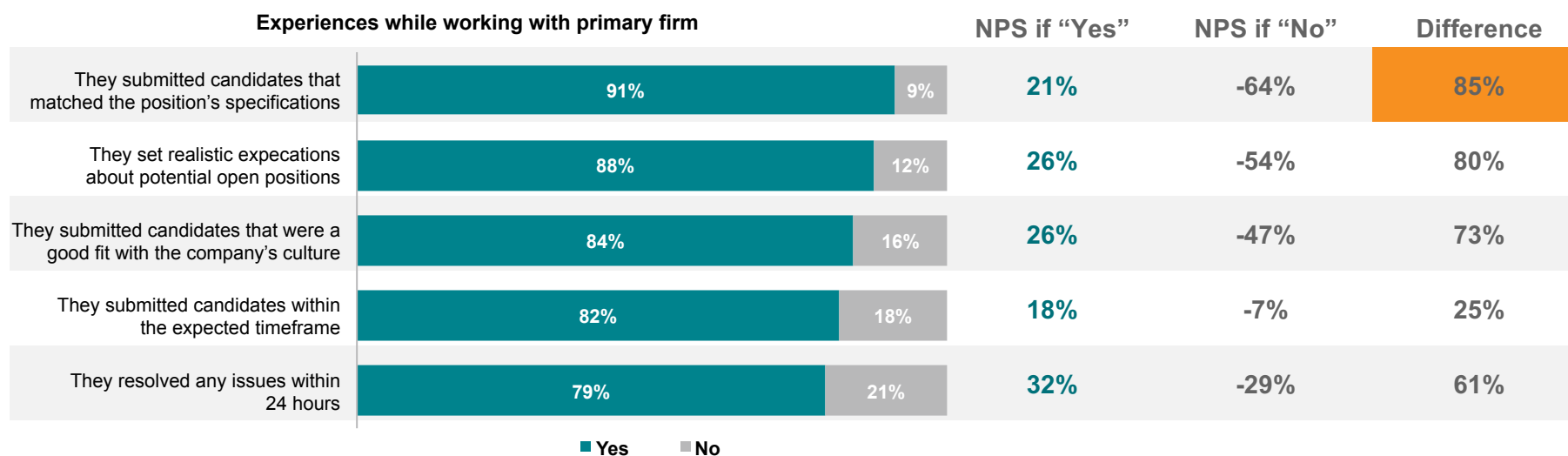
Detractor (0-6) reason for NPS rating



SOURCE: Inavero, CareerBuilder, ASA - 2018



Client NPS drivers



SOURCE: Inavero, CareerBuilder, ASA - 2018



Measure the client and talent experience.
Build online reputation.
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Client NPS drivers

	Average Rating (out of 10)	Promoter Average	Detractor Average	Difference
The quality of the employees sent to us by our primary staffing firm has consistently met or exceeded my expectations	7.3	9.2	5.0	+4.2
Our primary firm responds quickly to our staffing needs	7.7	9.3	5.7	+3.6
I enjoy working with the contacts at our primary staffing firm	7.9	9.5	5.9	+3.6
Current staffing and HR information is available from my primary firm when I need it	7.8	9.3	6.0	+3.3

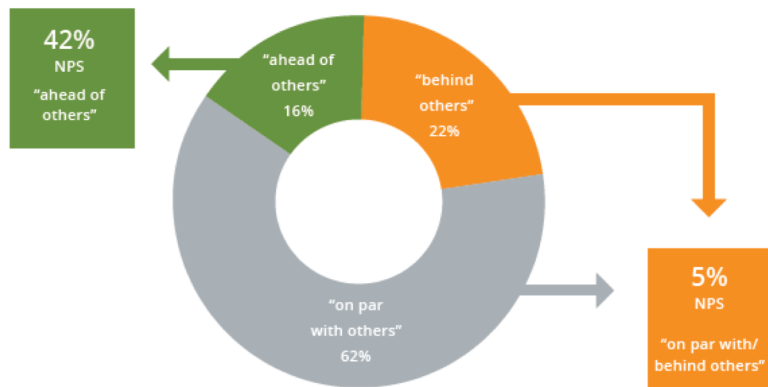


SOURCE: Inavero, CareerBuilder, ASA - 2018



Importance of technology utilization and innovation

MY PRIMARY STAFFING FIRM IS _____ WHEN IT COMES TO UTILIZING TECHNOLOGY



Client NPS® correlated to perception of firm leadership / innovation with technology.

67%

of hiring managers believe it is very or extremely important that their staffing firm use up-to-date technology

74%

of hiring managers believe using up-to-date technology can help differentiate a staffing firm

SOURCE: Inavero, CareerBuilder, ASA - 2018

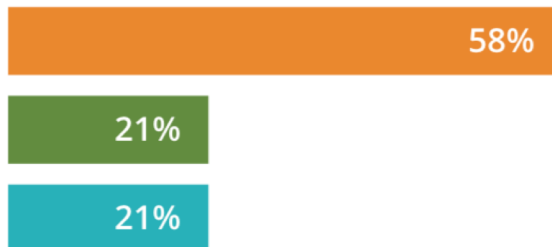


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Differentiate on service quality.



Millennial buyers place a premium on staffing firm's utilization of technology

% of respondents (by generation) who believe it's "extremely important" that their staffing firm is using the most up-to-date technology:



% of respondents (by generation) who believe their primary staffing firm is "behind others" when it comes to utilizing technology:



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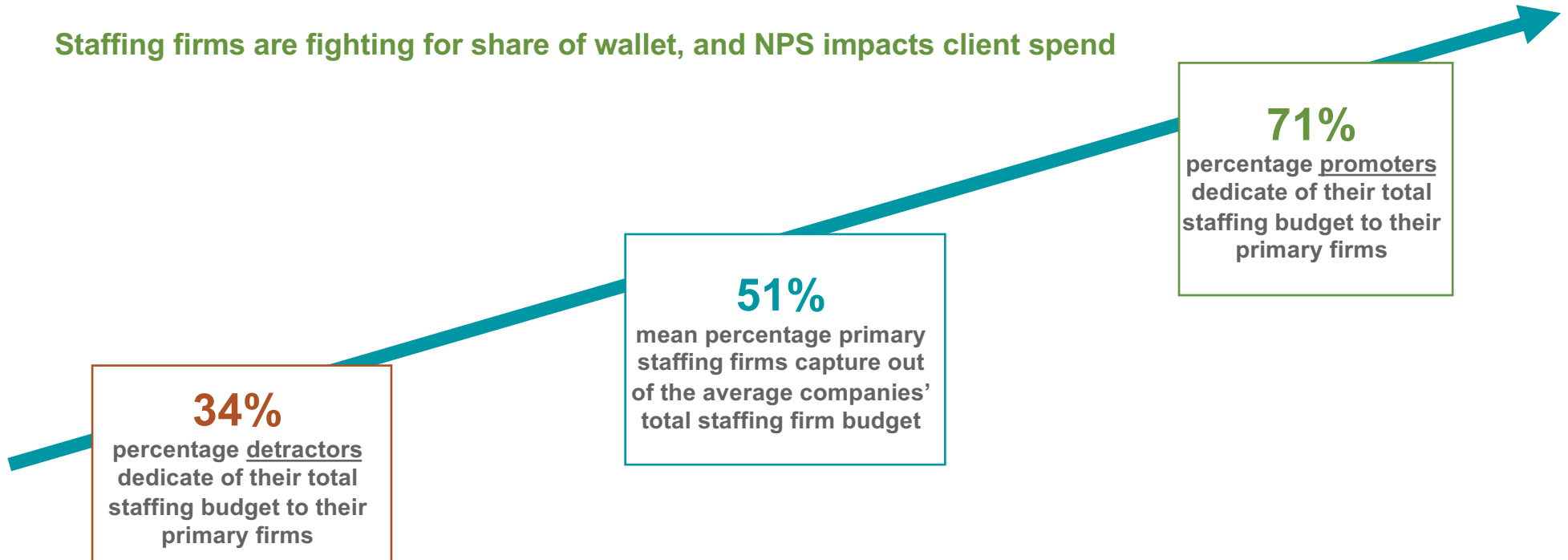
**Winning share of wallet with
existing clients.**

(ACCOUNT GROWTH)



Client loyalty = share of wallet

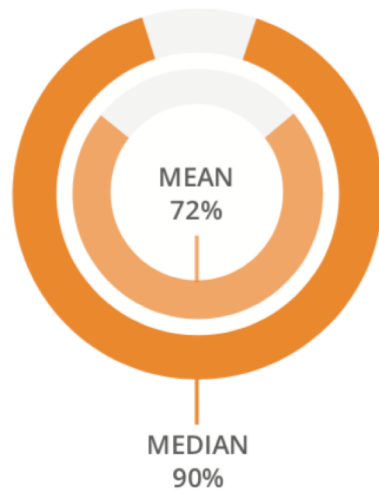
Staffing firms are fighting for share of wallet, and NPS impacts client spend



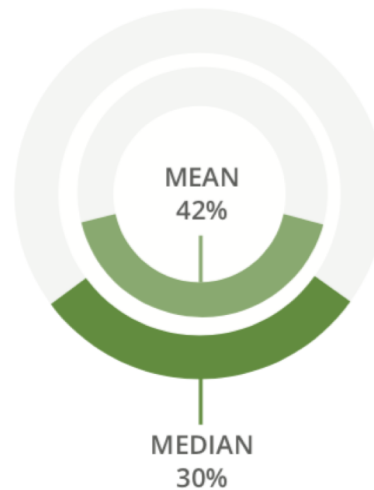
Millennials clients tend to commit to their primary firm...

% OF OVERALL STAFFING FIRM BUDGET ACCOUNTED FOR BY PRIMARY FIRM (Q16):

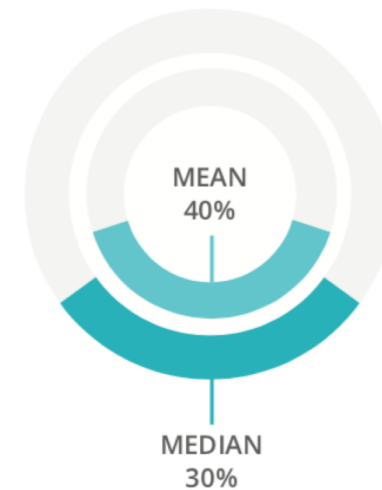
MILLENNIAL CLIENTS



GEN X CLIENTS



BOOMER CLIENTS

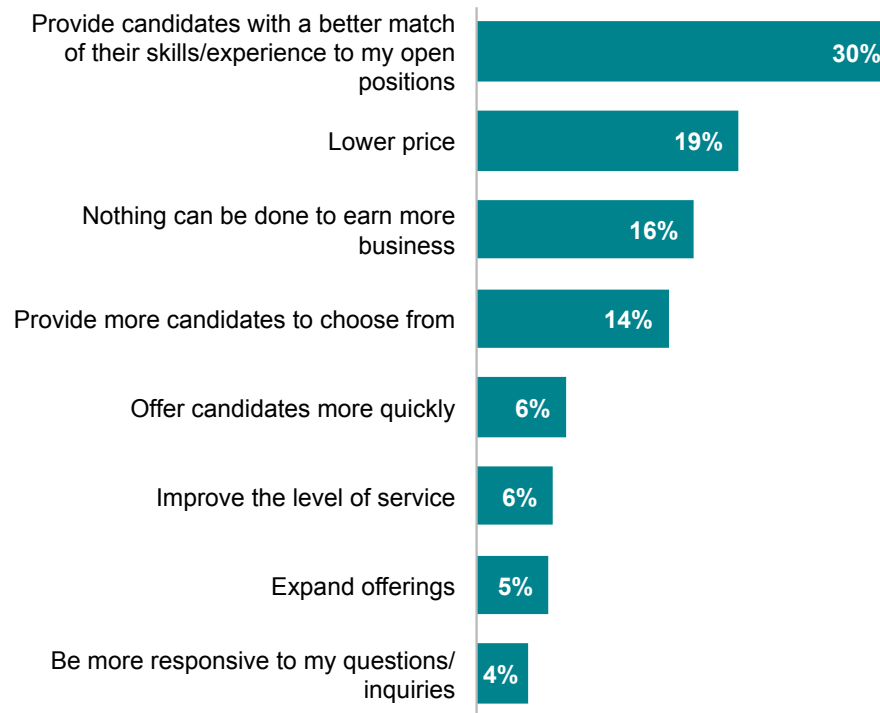


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And across generations there are opportunities for account expansion

Ways primary staffing firm can earn more of a company's staffing budget

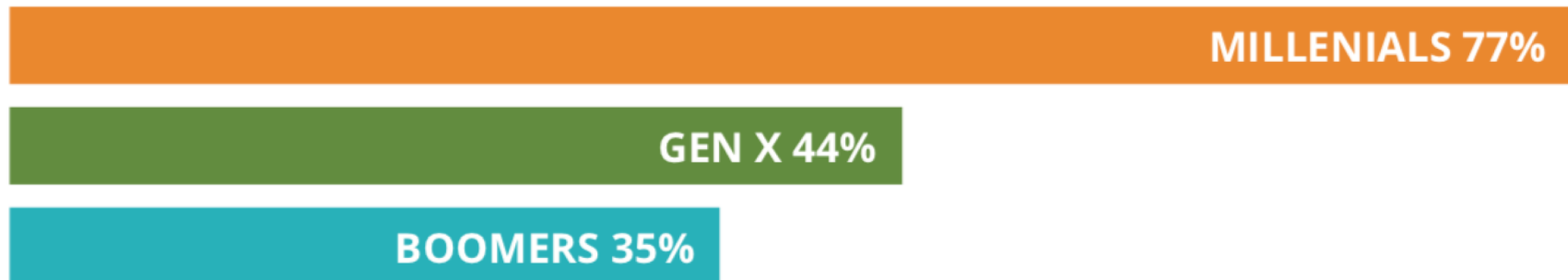


SOURCE: Inavero, CareerBuilder, ASA - 2018



Millennials are generally pro staffing firm...

% PLAN TO INCREASE UTILIZATION OF STAFFING FIRMS IN THE NEXT 5 YEARS



SOURCE: Inavero, CareerBuilder, and ASA



Measure the client and talent experience.
Build online reputation.
Differentiate on service quality.



And across all generations there are reasons for optimism



SOURCE: Inavero, CareerBuilder, ASA - 2018

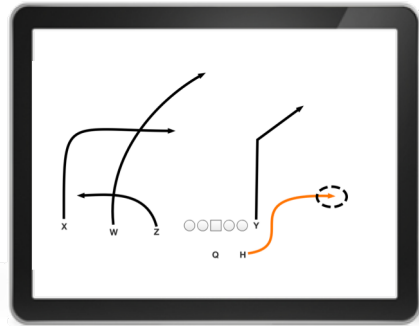


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Parting Thought

Now is our time to execute.
Aspire to be
consistently remarkable



*Consistently
Remarkable
People*



*Consistently
Remarkable
Outcomes*



*Consistently
Remarkable
Playbook*



Questions?



Eric Gregg
CEO & Founder, Inavero
[linkedin.com/in/ericgregg/](https://www.linkedin.com/in/ericgregg/)



Chris Skerrett
Vice President, CareerBuilder
[linkedin.com/in/chris-skerrett-17b5555/](https://www.linkedin.com/in/chris-skerrett-17b5555/)

