

Transforming Uncertainty into Solutions

**How to Create Opportunity and
Grow Your Business**

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Current Trends

- Extreme Uncertainty

- Unemployment at an all time high
- Company-wide layoffs, furloughs and hiring freezes

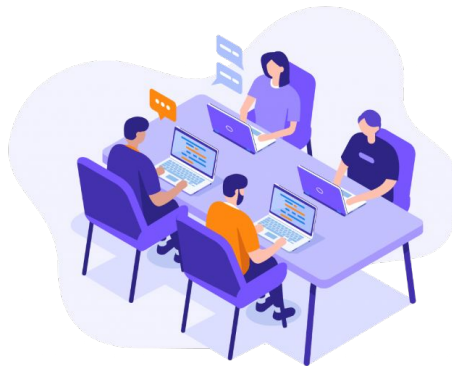
- Candidate Crisis

- Birthrates in the United States have been declining since 2008
- Cannot find enough people to fill the jobs that companies have open
- 85% of HR Professionals say that the candidates they have do not have the skills necessary to complete the work for their job

Contract Staffing as a Solution

Contract Staffing can be the solution to the crisis we are seeing and will continue to see

- **Try Before You Buy** – Give candidates the ability to show they can complete work needing done. Give clients a lower cost option to find the candidates they are looking for
- **Retiree Rehiring** – Rehire recent retirees who have the skills and knowledge. They can bridge the skills gap, train others and complete work that needs done while company buys time to find a new person for the role.



Opportunities Through Contract Placements

- Covid-19 Crisis
- AB5 and other state and federal laws
- Recession Proof Your Business
- Hard to fill job orders
- Additional Opportunities to look for



Income to Recruiters

- Last year the average recruiter profit per hour was \$14.98 for all the disciplines placed by FoxHire
- Let's say that you make a goal for 2020 to have at least 5 active contractors at any given time throughout the year
- On average, each of those contract placements lasted 7.4 months

\$14.98 per hour X 5 placements X 1,280 hours = **\$95,872**

**78% of contract job orders
come from direct clients!**

Tiny Habits

“In order to design successful habits and change your behaviors, you should do three things: stop judging yourself, take your aspirations and break them down into tiny behaviors, embrace mistakes as discoveries and use them to move forward.”



Start creating a business model that is sellable and can give recruiters a retirement option



Covid-19

- More candidates looking for work
- Clients needing to find ways to keep businesses running
- Many businesses need talent immediately
 - Develop marketing plan targeted to businesses in need
 - Medical industry, grocery stores, manufacturing plants
- Call clients and see what they need
- Become an authority for your clients and candidates

Examples we are seeing...



Increase View of Your Firm

- One stop shop
 - Fill a need that was not there the last time you spoke to your clients
 - Become a source of expertise in a world surrounded in uncertainty
 - Be there sole source for solving their staffing needs
 - Direct Hire
 - Contract Staffing
 - Contract to Direct Hire
- Help solve a problem for your clients while giving candidates an opportunity to gain income they desperately need
- Strengthen relationships
- Help your clients prepare for the next downturn
 - Supply staff to improve their systems and processes
- YOU can find talent to help the community around you and your firm



Covid-19

- Companies reluctant to hire
- Virtual interviews very common for contract placement
- Companies still have projects and deadlines
- Utilize a contract placement to get the job done
 - Lower commitment can speed up hiring process
 - More flexibility for all involved
- Clients use contract placements as a resource to keep business on track
- Candidates will benefit
 - Get their foot in the door
 - Build their resume
- Use the resources you have at your disposal or find new ways to enhance your firm's potential

Marketing Contract Staffing

- Very important time to stay engaged through online marketing
 - Phone usage rates are seeing all time highs
- You can spread your message through your presence on social media
 - Communicate to your candidates that follow you
 - Look for new clients, new job orders, updates from current clients
- Publicize contract placements just like any other service you offer
 - Social Media
 - LinkedIn
 - Facebook
 - Twitter
 - Videos
 - Website
 - Signature File
 - Utilize resources you have





Marketing Contract Staffing

- Ask every candidate if they are willing to work on contract
 - Add question to initial candidate screening interviews and questionnaires
- Retirees from a specific industry
 - Baby boomers retiring and wanting to come back to work on their schedule
- Recent graduates
 - There are going to be a lot of graduates looking for a job at the end of this crisis
- Referrals
- Use job boards or network affiliations

Use a Split Network



- Everyone in the staffing industry is trying to figure out how to navigate the current landscape
- Utilize a split network to find candidates and job openings
 - Now is the perfect time to devote time and resources into working jobs through a split network
 - Place outside of your main niche
 - Recruiting industry is stronger when everyone is working together
 - Provide value to your clients and candidates by utilizing the strength of the connections you have made
 - Get income to help bridge the gap back to normalcy

Assembly Bill 5 - CA

Law in California that governs the classification of independent contractors.

- Passed in September 2019
- Law took effect Jan 1, 2020
- Created the ABC Test to vet independent contractors



Unintended Consequences

Nearly 2M contractors affected and over thousands of employers.

Now many employers have resources to transition these employees from 1099 to W2 employment.

Increasing employer costs.

Uber \$500M+ in costs if followed

Lyft \$290M+ in costs if followed



Risks for Employers

Misclassification Fines:
\$5,000 to \$25,000 per violation





AB5 Opportunities

- Workforce Transfers
- Temp to hire
- Long term contracts
- Positioning as a partner
 - take on the W2 burden
 - provide expertise around IC compliance
- Gain access to contract placements instead of direct hire

States coming up

Massachusetts

New Jersey

Colorado

Connecticut

Delaware

Illinois

Maine

Minnesota

Montana

New York

North Dakota

Pennsylvania

Wisconsin

Michigan





Recession Proof Your Firm

- Recession proof your desk
 - There is “generally” a downturn in the economy every 7-10 years
 - Contract staffing can help to get you through all market changes
 - Companies less likely to direct hire in an uncertain economy
 - Contract staffing can offset a drop in direct hires
 - Alternative to direct placements during hiring freeze
 - Complete projects and meet deadlines
 - Close more placements offering companies flexibility
 - Contract to direct hire possibility
 - Conversion Fees
 - **MORE REVENUE WITHOUT ADDITIONAL OVERHEAD!**

Advantages for Recruiters

1. Provides consistent cash flow (weekly basis)
2. Levels out the peaks and valleys of direct hire income
3. Helps “recession proof” your desk
4. Offers peace of mind in all economic conditions
5. Provides additional service for clients (one-stop shop)
6. Building a sellable recruiting firm
7. Sole Source Provider



Solve a Hard to Fill Job

- Every recruiter has run into a client with an extremely hard to fill role
- No matter what you do, they will not place a candidate
- What can you do?
 - Offer a contract placement as a SOLUTION
- Try before you buy gives client the flexibility they need and the candidate the opportunity they want
- Less risk for your client
- Quickens up the hiring process





Other Opportunities

- Retiree re-staffing
- Hiring Freezes
- Upcoming project deadlines or budget problems
- Immediate Need
- 1099 Worker Misclassification

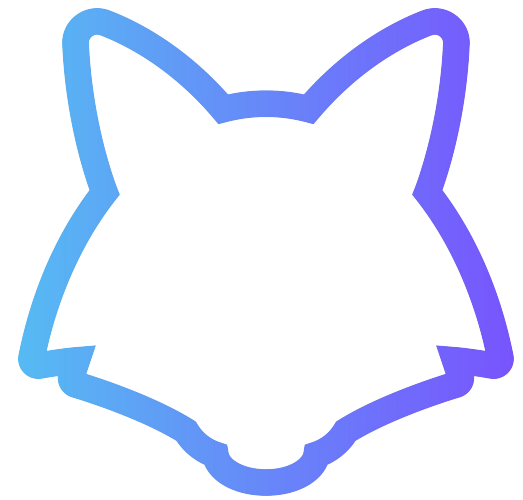


Key Takeaways

- Marketing to clients
 - 78% of contract placements come from direct hire clients
 - Listen to them for their next opportunity
 - One stop shop
- Marketing to candidates
 - Check in to see how they are doing
 - ASK if they would be willing to work on contract
- Recession proof your business
 - Create a small change now that will make a huge difference for the future of your business

What You Can Do Today

- Reach out to each of your clients
 - If you haven't spoken to them in a couple weeks, their needs could have completely changed
 - Insert yourself into a position of trust and authority
 - Make sure you are their first call when they have a plan to move forward back to some normalcy
- ***"Hi ABC Client, I just wanted to reach out and see how you were all doing. I know this is a crazy time and I wanted to see if there is anything that I can do to help."***
- Make a realistic goal to add two contract placements to your firm by the end of the year
- Add the questions "Would you be willing to work on a contract assignment?" to your candidate questionnaires
- Include "Ask me about contract placements." to your signature file



What we do:

Our goal is to **help recruiters make contract placements**

We become the legal W2 **employer of record**

We are a **full service** contract staffing **back-office**.

- ❑ **Legal** (contracts, I-9, risk, compliance)
- ❑ **Financial** (payroll, taxes, BWC, collections)
- ❑ **Administrative** (onboarding, benefits, day/day)

Go to FoxHire.com to log in to or create your FoxHire Recruiter Portal



Questions?

Call FoxHire at (888) 534-9417

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