Secrets of Success . . . Past, Present, and Future
Recruiters share how contracting has allowed them to maintain high levels of profitability

There is no doubt in any recruiter’s mind that the past couple of years have been challenging. But in spite of the economy, why have some recruiters experienced a lot of success? We have some insight that may help you to improve your future level of success.

During a panel discussion at the recent Top Echelon Network Fall Conference, we had the opportunity to hear what three accomplished recruiters and the moderator had to say. These recruiters have earned over $3 million by utilizing the tools and services of Top Echelon. They openly shared the practices, philosophies, and resources they used for maximum effect and profit.

The interesting part about the four individuals is the fact that they work almost all technical and professional disciplines and they do both direct hire and contract staffing. The knowledge they conveyed at the Fall Conference was based upon their experience with contracting in the past, their success using it in the present, and their optimism for what it holds in the future. Contracting is attractive to both client companies and candidates. Despite the challenges that exist in today’s economy, the appeal to both parties translates into steady cash flow for recruiters. Below is a short bio of each panelist and their moderator.

The first panelist was Pat McCombs of KB Search Team, LLC. Pat has been recruiting since 1982, and her primary focus has been direct hire in the Manufacturing, Engineering, and Financial Services industries.

The second panelist was Joe Murawski, CPC of Focused Hire. Joe has been recruiting since 1996, and his primary focus has been direct hire in the Information Technology, Electronic, Defense, and Aerospace arena.

The third panelist was Keith Adams of PediaStaff, Inc. Keith has been recruiting since 1995, and his primary focus has been contract staffing in the Pediatric Therapy (Physical, Occupational, and Speech Therapists) discipline.

The moderator for the panel was Joe Noto of Regency Search Group (whose picture is in our “Recruiters Roundtable” section). Joe began recruiting in 1987 and grew his business to three offices, 50 full-time employees, and 250 contractors prior to selling and retiring in 1998. In 2002, Noto re-entered the staffing industry on a semi-retired basis with his focus on Business Services, Finance, Accounting, and Manufacturing.

Client matters
When it comes to client companies, you can’t go wrong by offering contract staffing services. With contracting, you’re offering both flexibility and convenience to companies—two luxuries that are always in short supply. As a result, you position yourself in an optimum fashion as a sole-source provider and build a greater amount of loyalty with your clients. They know they can rely upon you no matter what they need.

This was definitely the strategy that fueled Noto’s success as a recruiter and business owner who offered both direct-hire and contract staffing services. Noto described his approach as “solutions-driven,” one in which he asked the appropriate questions in order to help his clients decide which staffing alternative worked best for them at any given point in time, or for any staffing challenge.

“Basically, we positioned ourselves as a recruiting firm that could provide excellent candidates in Finance and IT in whatever manner worked best for the companies,” said Noto. “We would ask hiring officials, ‘How can we solve the problem that you have right now? Is it hiring somebody on a full-time basis, or is it hiring a contractor for a specific period of time or a specific project?’”

By taking this approach, even if the company doesn’t have a need that you can meet at that exact moment, the hiring officials will remember the options you presented to them.
and will be more apt to contact you in the future if a need does arise. (And really, it’s just a matter of time before such a need arises.)

“A lot of clients don’t like the hard sell,” said Noto. “We weren’t trying to sell a person to them. Instead, we helped them devise a solution. We had no problem telling them that they needed to take a look at their situation and think about possible solutions. We even told them that we might not be the best solution right now, but that over time, we could definitely help them with staffing issues or project challenges that they might have.”

According to McCombs, “Today’s clients are in cost-cutting mode, but by offering a contractor you can still help them complete projects and meet their deadlines. If your clients are like many across the United States, they’re also dealing with hiring freezes and budget constraints, but they can still hire contractors to get the job done.”

In terms of building client loyalty, Adams emphasized that offering contract staffing has served to strengthen the relationships that he has with his clients.

“Since we work with a lot with school systems, we strive to build relationships so they come back year after year with their staffing needs,” said Adams. “We really try to connect with our clients and find out what they need, and that’s helped us to turn initial ‘no’s’ into placements. We also present our firm as a resource for any staffing-related issue.”

For Murawski, an additional advantage lies in the fact that he uses a back-office service provider (Top Echelon Contracting) to handle all of the paperwork and financial details. As a result, he can offer contract staffing or direct-hire candidates to prospective clients whenever he discusses the possibility of hiring. This immediately makes him more competitive with other firms or franchises that might be vying for a prospect’s business.

“My back-office places contractors throughout the United States; consequently, it allows us to play on an even field with the major franchises,” said Murawski. “We aren’t left out in the cold because the bigger firms can provide things that we can’t as an independent. In fact, they (the companies) don’t even know that we’re an independent. I have the same type of capabilities as the bigger firms because of my relationship with Top Echelon Contracting.”

**Candidate appeal**

Candidates also find contracting attractive. With the national unemployment rate hovering right around 10%, candidates are no longer in the position to “hold out” for a direct-hire position. Due to the severity of this most recent recession, a lot of high-quality workers find themselves without a job. The other point you need to remember is that there is a relatively large pool of candidates who actually prefer to work on contract assignments and have been doing so for years.

“A lot of quality candidates are currently unemployed or displaced,” said Noto. “They’re looking for the opportunity to create a stream of income while they continue to look for full-time work. And if they do a good job while they’re on contract, the client might say, ‘Hey, I don’t want to lose this person. Let’s bring them on full time.’”

There’s another factor involved that’s tied to the economy. Since the housing market has been down, many direct-hire candidates are willing to take a contract assignment. In some cases, they prefer to take such an assignment first. That’s because they want to make sure the company is the right fit for them before they start the process of attempting to sell their house and relocate their family.

The contracting appeal for candidates goes far beyond a high unemployment rate and a sputtering housing market. It also involves the fact that there has been a “generational shift” happening in the country. Today’s generation no longer expects to work at the same company for 40 years and then retire with a gold watch. They’re more interested in new experiences, the opportunity to enhance their skill set for the purpose of making themselves more marketable, and earning more money.

“The contractors really like the money,” said Adams. “We pay them for every hour they work as a contractor, and they make more money than they would as a direct hire in a school system. And if they work directly for us, there’s no cafeteria duty or bus duty [that school employees have to deal with].” It also reduces their amount of meeting time, because schools don’t want them to go to meetings. It just reduces their workload overall and focuses all of their time on therapy.”

“I haven’t seen any candidates who weren’t being receptive to [contracting] in the area I’m working in,” said Murawski. “Everybody’s doing it. There’s a high demand for people to function in a contract assignment, and a lot of candidates are willing to fill that need.”

Something else that helps to make contracting vastly more attractive in this day and age is the fact that contractors have access to health insurance through most back-offices. (Top Echelon Contracting, for instance, offers its workers coverage through Anthem Blue Cross & Blue Shield.) Healthcare is front and center on the political stage, and is more important than ever for workers.

**Marketing for the future**

All of the panelists indicated that they’ve experienced an increase in activity during the past couple of months, and
contractors continue to play a prominent role in many companies’ plans for growth in the new economy.

“It’s kind of hard to predict, but I think things are beginning to come back,” said Noto. “What some companies are seeing is that their business is starting to stabilize, but it’s stabilizing at a lower level [following a recession] than what they’re used to. That’s why, when they need to hire somebody, they might choose to hire on a contract basis first.”

“We’re seeing more job orders than we did over the summer,” said McCombs. “I think we’re going to see more business. There’s a lot of great talent out there, which is a really good sales tool for us.”

“I’m really encouraged,” added Murawski. “If anybody can hang on and continue to maintain their focus throughout the end of the year, they could end up doing quite well. There’s been a dramatic increase in activity lately.”

What about YOU?
We’re at the very beginning of an economic recovery that involves a need for companies to hire, and for many companies, that need starts with hiring on a contract basis. By positioning yourself as a “solutions provider,” you could take full advantage of the recovery and service your clients through direct-hire and contract placements.

We encourage you to review the Q&A Section below to learn “How much time and money is required for you to ramp-up to do contracting?”

You can also call us at (888) 627-3678 or send an email to info@TopEchelonContracting.com with any questions.

Q&A — What Does it Take to Ramp-Up for Contracting?

Q—How much time and money is required for you to ramp-up to do contracting?

A—How does about an hour and zero dollars of financial investment sound? Any recruiter can offer contract staffing by simply letting clients know that in addition to their direct-hire business, they can also do contracting. You’re probably thinking, “No way. . . I’m not going to offer something unless I’m more comfortable with the process.” Top Echelon Contracting has developed some quick and efficient tools to help you make contract placements . . . and it only takes about an hour to take advantage of these FREE tools.

Step-By-Step Training Video (Ramp-Up Time: 15 minutes; Cost: FREE)
Go to www.TopEchelonContracting.com and review a training video titled, “A Quick Start to Contract Staffing.” This video features Alan Carty, a direct-hire recruiter who incorporated contract staffing into his business model. The most common feedback we’ve received on this video is, “It gave me the confidence I needed to start offering contract staffing to clients.”

Marketing Documents (Ramp-Up Time: 5 minutes; Cost: FREE)
We’ve created customized marketing documents designed to assist recruiters in marketing their contract staffing services in conjunction with their direct-hire services. Two documents are for clients, and one is for candidates:

1. Contract Staffing Services—Addresses the critical points about contract staffing for clients
2. Staffing Solutions for Today’s Market—Completely outlines the advantages that client companies enjoy by utilizing contract staffing
3. Candidate Opportunities—Highlights the advantages of contract staffing, along with the insurance benefits available for candidates

www.TopEchelonContracting.com/recruiters/marketing.aspx

Contract Training Kit (Ramp-Up Time: 30 minutes; Cost: FREE)
This revised Kit is on our Web site and provides a step-by-step process so you can quickly learn the basic steps of a contract placement. Plus, you can find out why companies use contractors, and why candidates like to work on a contract assignment.

Live Call with an Expert (Ramp-Up Time: 30 minutes; Cost: FREE)
Call Top Echelon Contracting toll free at (888) 627-2678 and ask to speak with a Contract Administrator. We’ll be happy to answer any questions you may have about contract staffing.
Recruiters Roundtable: The Recovery Starts with Contracting

The federal government has all but declared that the recession is officially over. **But when will companies start hiring again?** The answer to this question is twofold. When they start hiring on a full-time basis is anybody’s guess, but historical data and current trends show that companies are already hiring contractors. By hiring contractors, companies can bridge the gap between their current needs and anticipated future needs.

**Joe Noto of Regency Search Group** in Indiana began recruiting in 1987. It’s been his experience that following a downturn, **contracting is always the companies’ first hiring option.** “When economic conditions turn positive, companies are cautiously optimistic,” said Noto. “Because of that, if they need to hire somebody, they’ll do so on a contract basis as opposed to direct hire.”

According to Noto, companies consider contract staffing to be a very attractive option. It offers flexibility and is a low-risk investment. “Eventually, the direct-hire side comes back, but contracting always comes back a little quicker,” said Noto. “That’s because there’s less of a commitment of time and money on the part of the client. It’s easier for them to pull the trigger, so to speak, when they have a project that needs to be completed, and they don’t have to make a long-term commitment to the individual.”

There’s even an additional positive twist involved: the fact that once companies are ready to start hiring on a full-time basis, they’ll take a look at their contractors first. “Companies use contracting as a way to hire employees for a specific period of time, until things stabilize,” said Noto. “And sometimes, they like them so much, they end up bringing them on full time.”

All of this is a win-win situation for the recruiter. You earn income for every hour the contractor works during the length of the contract assignment. Then, if the company decides to bring the same contractor on full time at a later date, you earn a conversion fee, too!