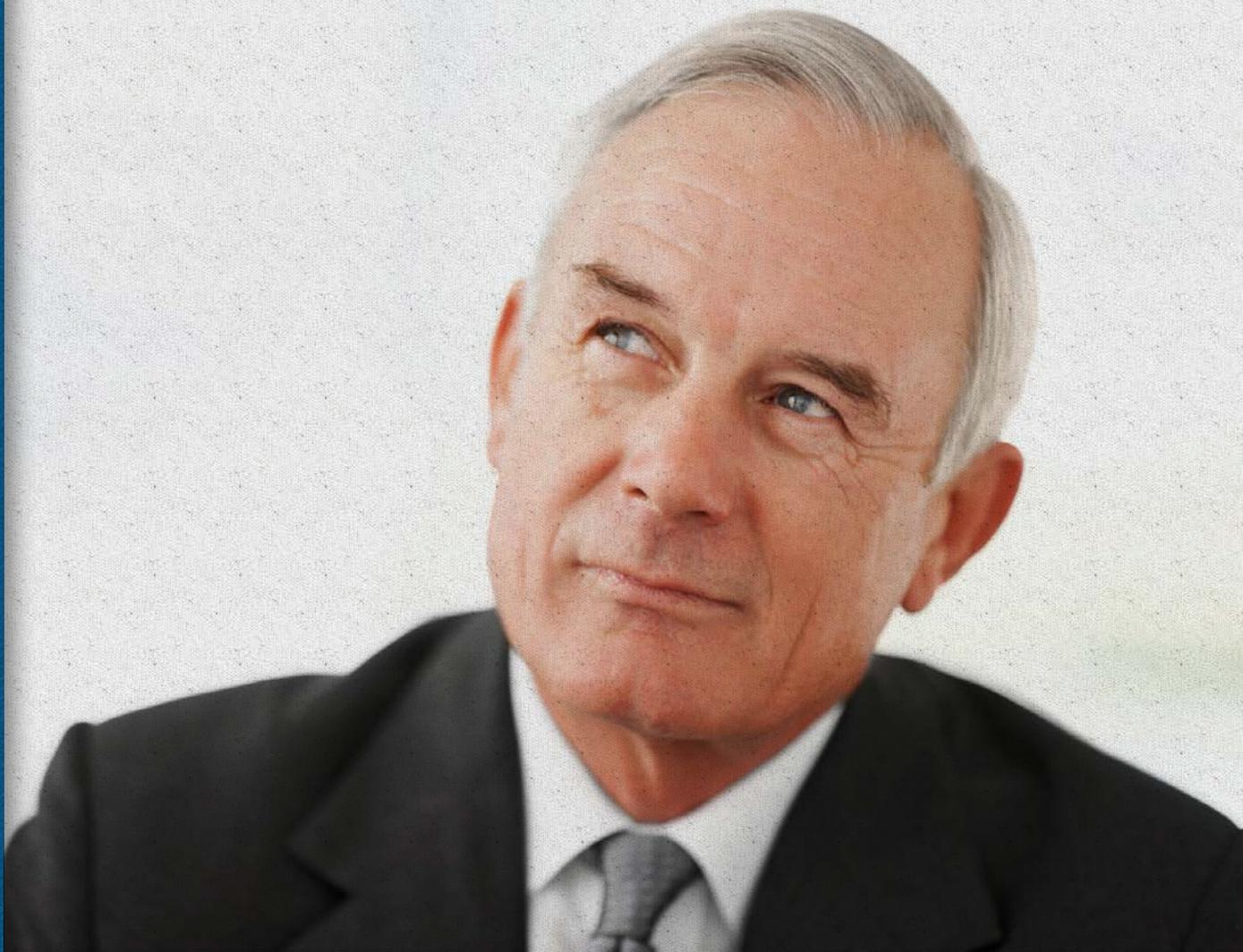


The Future of the Staffing Industry

A landscape photograph showing a dirt road that splits into two paths. The path on the left leads to a dry, golden-brown field. The path on the right leads to a lush green field with a waterfall in the distance. The sky is blue with white clouds. The text 'Which path will you take?' is overlaid on the bottom right of the image.

Which path will you take?



A look back at the GLORY DAYS...

Remember 2007?

The staffing industry employed more than 3,000,000 workers each day.
Margins averaged 24.1%.

Getting a job order wasn't much more difficult than picking up the phone.
And with unemployment below 4%, the real challenge was finding qualified workers.

Ahhh, the good old days.

But then something happened...

Actually, a couple of things happened.

Buyers got a lot tougher.

In an effort to control staffing spend, employers trained their HR managers to negotiate harder. They turned staffing over to the purchasing department. And they readily adopted tools like VMS to control--and commoditize--their staffing expenditures. In the past five years, average margins have declined more than 9.5%.

The economy collapsed.

If you owned a staffing firm prior to 2009, you know the pain the industry suffered. It was the industry's worst collapse ever with a loss of more than 37% of temporary jobs. While our industry has heralded itself as the provider of workforce flexibility, we are now the first victim of every recession.

So what can you do to protect your firm?

Back to the Future?

If you ask any independent staffing firm owner about their strategies for growth, most will tell you that they are looking to hire sales reps, become more consistent and aggressive about their sales plan, and focus on clients where margin pressures are less severe.

**They're hoping for a return to the glory days.
Unfortunately, they're likely to be disappointed.**

While the staffing industry will always do well when the economy is recovering, and it will always play a vital role in providing workforce flexibility, the days of high margins for commercial staffing are over.

As an industry, we've taught our clients to buy based on mark-up. We've accelerated the adoption of VMS and MSP programs. And we're employing sales methods that increase commoditization pressures.



There is no going back to where we were.

Or is there?

Staffing Firms are Problem Solvers

If you go back to the early days of the staffing industry, the “Kelly Girl” days of the 1950s, you’ll see that our industry was founded based on its ability to help employers solve problems.

We solved the problem of sourcing talent.

We solved the problem evaluating candidates.

We solved the problem of temporary and seasonal work.

But, the speed of technology, internet job boards and resume databases have lead our clients to believe the providers of those solutions are now commodities.

To add value, and achieve higher margins, we must find new problems to solve.

Traditional temporary staffing and direct hire services no longer command the premiums they once did. It’s not that these services lack value; it’s that there are too many firms offering the same services to the same employers.

Over time, every service becomes a commodity.

And that’s when you have to find something new to offer.

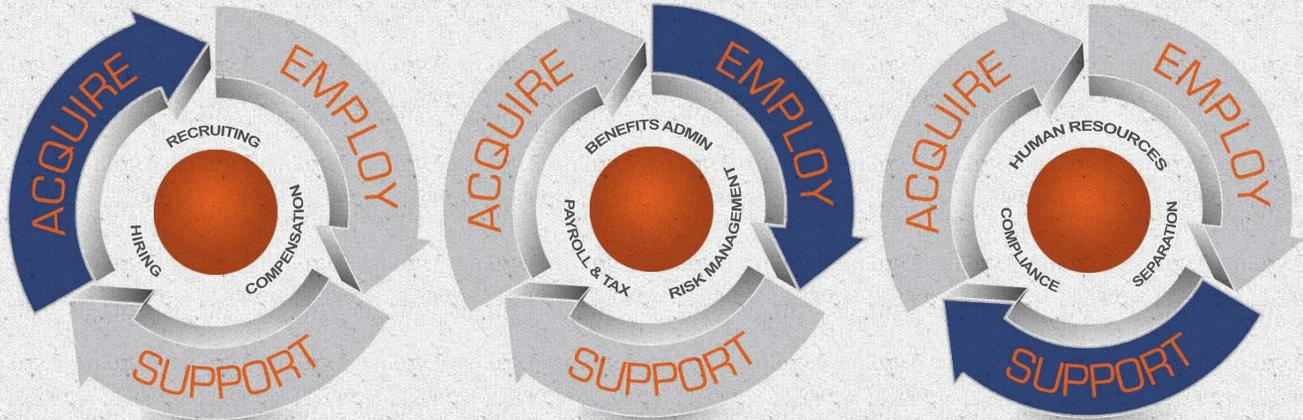
If you look at the big global staffing firms, you will see that they are rebranding themselves. They are no longer just staffing firms, they are workforce solutions providers. They are offering services like Recruitment Process Outsourcing (RPO), Human Resources Outsourcing (HRO), and Master Service Provider (MSP) programs in an effort to move up the value chain and improve profits.

But how can independent staffing firms compete?

From Traditional Staffing....

When it comes to providing high-value services, the best place to start is with your current clients. And for independent staffing firms, the opportunity lies in evolving your services to address the challenges your clients face across the entire employment lifecycle.

The Employment Lifecycle



Today, you provide staffing solutions for recruiting and hiring.
Tomorrow, what could you offer?

...to Workforce Strategies

Traditional staffing is about helping employers to be more efficient and effective in the acquisition of talent. But today, employers need more.

Managing people has become enormously complex. Talent shortages. Compliance issues. SUI & workers' comp costs. Healthcare. Productivity concerns. Retention and succession issues. These are just a few of the myriad concerns that employers must manage.

Companies need to become more effective, more flexible and more efficient in managing the entire employment lifecycle. They need to become more strategic about their workforce planning.

And that's where you come in.

The greatest opportunity for independent staffing firms is to become a workforce strategy provider. By offering a complete range of employment services, you can enable your clients to raise productivity through improved strategy, quality, efficiency and cost control across their workforces.

As a Workforce Strategy provider, you empower your clients to concentrate on their core business. You help them control costs. You help them mitigate risk. And you help them manage human resources more intelligently.

Take a look at the services you could be offering...

ACQUIRE:

There's a global war for talent going on. Despite continued high unemployment rates, highly skilled workers remain extremely hard to find. And separating top performers from the rest remains as difficult as ever.

As a Workforce Strategy provider, here are a few of the talent acquisition services you could be offering.



Talent Acquisition Services

RECRUITING

Assessment testing	Behavioral assessment Performance assessment	Customer service aptitude Sales aptitude
Background screening	Social Security verification Education verification Employment verification Professional certification verification Drug screening / Employment physicals Driving record	State district civil litigation records Federal district civil litigation records National database search
Skills testing	Basic office skills Clerical skills Industrial skills	Software skills Typing / Data entry

HIRING

Direct placement	Candidate sourcing Phone screening Initial interviews	Background screening Reference checking Offer preparation & negotiation
Temporary staffing	Fill-ins Project staff Seasonal support	Planned staffing On-site staffing management
Onboarding	Prepare employee manuals Safety and orientation training I-9 and W-4 processing	

COMPENSATION

Planning	Pay plan design Bonus plan design Compensation survey design and administration	
Compliance	FLSA compliance Compensation policy development	

EMPLOY:

Managing people is an expensive and complex process. And with new Federal and State regulations, skyrocketing costs, and an increasingly litigious society, employers need more help than ever to manage costs and protect the businesses.

Here are examples of the services you could offer to help companies more effectively employ their workers.

DIRECT DEPOSIT CONFIRMATION

Current \$659.16	Year to Date \$3,954.96
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Description
TAXABLE NET PAYMENT

payment has been direct deposited to your

\$659
\$3,954.96

Talent Management Services

BENEFITS ADMINISTRATION

Benefits management	Benefits plan design Benefits enrollment Benefits administration Retirement / 401(k) COBRA administration
Flexible spending account management	Medical FSAs Dependent Care FSAs

PAYROLL & TAX PROCESS

Payroll management	Payroll administration Vacation and paid leave tracking W-2/1099 processing Federal and State withholding tax filing & reporting Supply Federal employment posts Assist in employee classification
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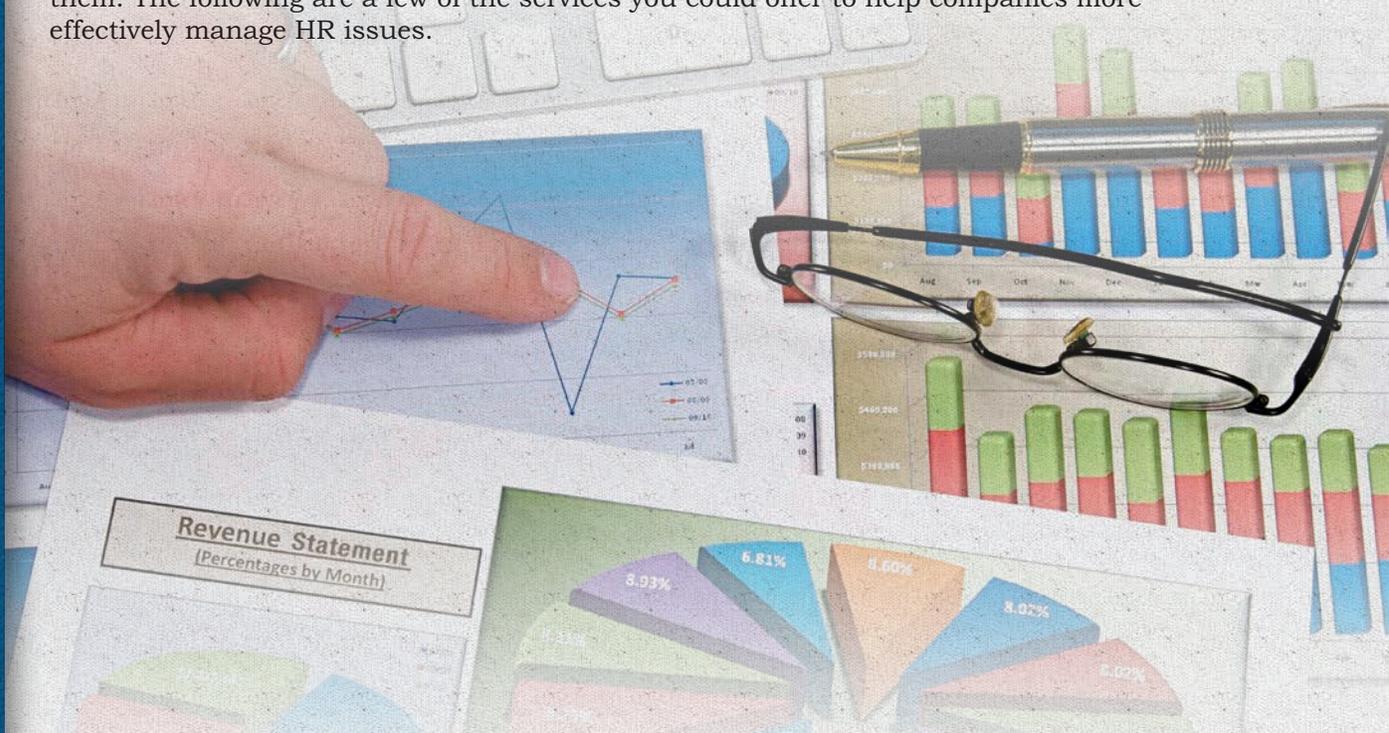
RISK MANAGEMENT

Assessment	Conduct risk audit Employment policy review
Safety	Review safety programs Provide video & print materials
Unemployment	Unemployment claims managed
Workers' Compensation	Determine worker classifications Manage premium payments Manage / investigate claims

SUPPORT:

The biggest challenge in HR may be the shortage of people with human resources expertise. Many small companies don't have anyone on staff with HR training, and larger companies have been cutting back on HR staff and stretching people to their limits.

As a Workforce Strategy provider, you can deliver the HR resources employers need--when they need them. The following are a few of the services you could offer to help companies more effectively manage HR issues.



Talent Support Services

HUMAN RESOURCES

HR advisory services

- Compensation management
- Training
- Performance management
- Employee relations / discipline
- HR assessment
- Recruiting and retention

COMPLIANCE

Compliance action plans

(OSHA, OFCCP, Wage and Hours)

- Conduct compliance audits
- Remediate compliance issues
- Ongoing compliance education and training
- Compliance plan design
- Compliance reporting systems

SEPARATION

Retention and succession planning

- Termination services
- Employee retention programs
- Workforce satisfaction surveys
- Exit interviews
- Succession planning

So...Which Path Will You Take?

The future of staffing is happening today. The majority of staffing companies are continuing on the same path the industry has been on for the past 50 years. It's a familiar path, but a tough one. A path of commoditization. Margin pressure. And constant struggle.

But the industry leaders are recognizing the new path. The workforce strategies path. They are defining new ways to deliver value, creating new services, and repositioning themselves as solutions providers--true business partners helping employers to manage the entire employment life cycle more efficiently, effectively and profitably.



The future is yours to define!

This information brought to you by



NEXTAFF is a flourishing workforce strategy provider. We help independent staffing firms reinvent themselves & evolve their services. Our Workforce Strategies Partner program enables staffing firms to transition their business models from traditional temporary staffing to the higher value, lower turnover world of workforce strategies.

Expand your services. Without additional overhead.

The best part about becoming a workforce strategies provider is that you don't have to go it alone. In fact, you can add the workforce strategy service outlined in this booklet without needing to hire extra staff or change who you are.

When you become a **NEXTAFF** Partner, we provide all the expertise, resources and back office support you will need to expand your services and diversify your client base. You'll gain access to our VP of HR, Risk Manager, legal experts, marketing experts, technology, administrative support services and business development resources. You'll enjoy all the benefits of being part of a large, national organization while retaining the flexibility to control your own business.

At NEXTAFF, we're building the future of the staffing industry.

To learn more, visit www.nextaffpartners.com
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