

YOUR PATIENCE IS APPRECIATED...



... **LUNCH WITH HALEY** will be served shortly.



What's Coming in 2024

Part 1

David Searns | Co-CEO

So, where are we now?

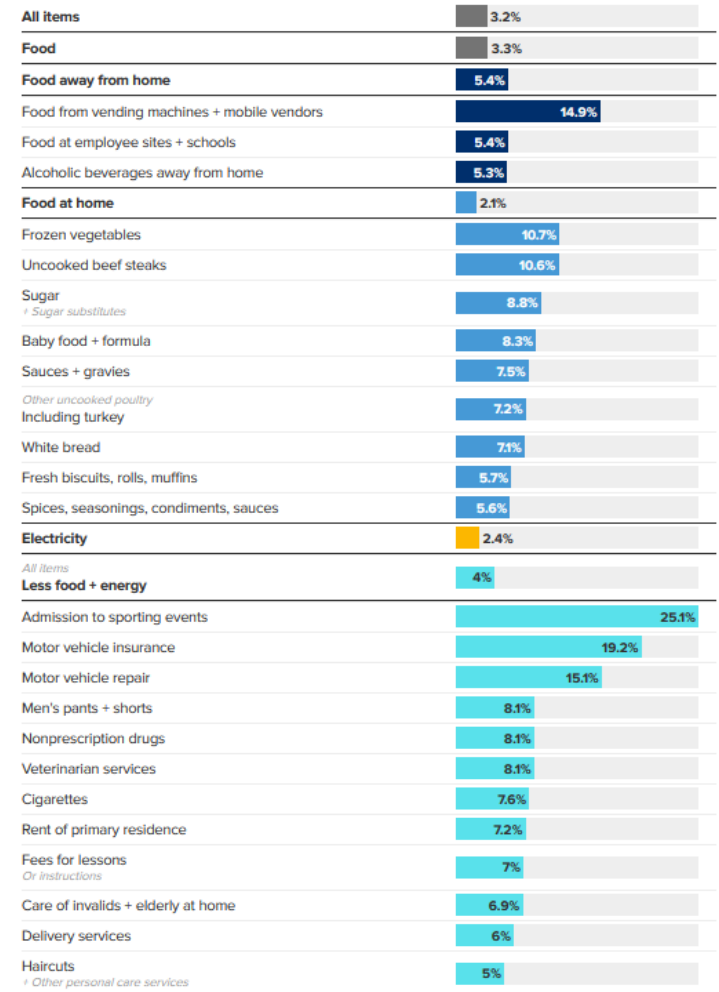
The economy & the staffing industry



WHERE ARE WE NOW?

Good news!

- Not in a recession
 - GDP grew 5.2% in Q3, 2.1% in Q2
 - Company profits increase 3.3% in Q3 after increasing 0.2% in Q2
- Interest rates are falling (a bit)
- Inflation is back to a manageable 3.3%
- Unemployment ticked higher to 3.9% in November



WHERE ARE WE NOW?

But it's not all good news.

- Staffing industry will decrease 10% in 2023
 - 8% decline in commercial staffing
 - 3% decrease in IT staffing
 - 30% in travel nursing
- Only sectors increasing:
 - Engineering (5%)
 - Locum tenens (12%)
 - Education (20%)

	2022 Staffing Revenue (Billions)				Staffing Revenue Y/Y Change		
	USD	EUR	LC	LC Symbol	2022	2023	2024
Canada	8.5	8.1	11.0	CAD	15%	-6%	3%
US	224.7	213.4	224.7	USD	20%	-10%	3%

LC=Local Currency

Source: Staffing Industry Analysts

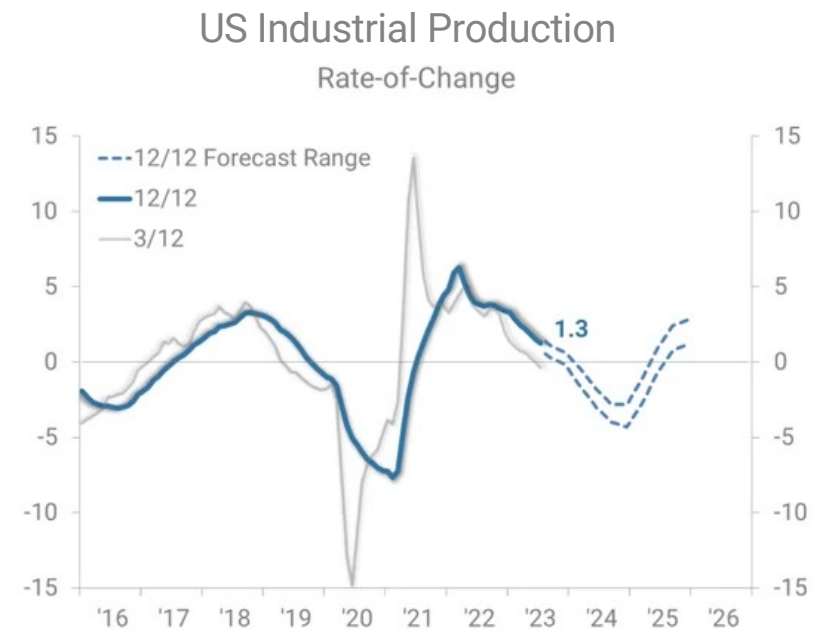
What about 2024?

Predictions from people with a better crystal ball than me

WHAT ABOUT 2024?

A recession looks unlikely (YAY!)

- **ITR economics:**
Mild recession (-3.6%) with strong growth in 2025
- **OECD:**
1.5% growth in 2024 and 1.7% in 2025
- **Bank of America:**
Soft landing in 2024 with 0.7% growth

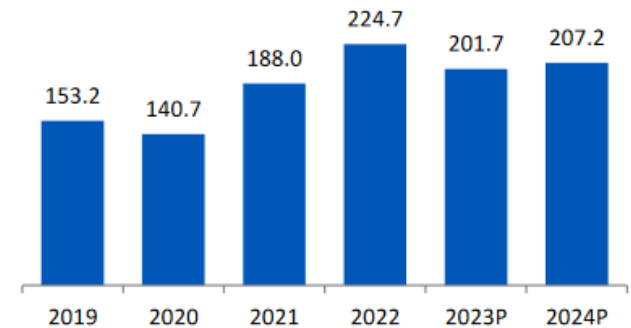


WHAT ABOUT 2024?

And staffing will (mostly) be on a growth track!

- Staffing industry will grow 2.4% (Staffing Industry Analysts)
 - Industrial & Engineering +4%
 - IT +7%
 - Travel nursing Continued decline

US staffing industry market size (\$billion):



Source: Staffing Industry Analysts

So, what does this mean for you?

Preparing your staffing company...no matter what happens



WHAT DOES THIS MEAN FOR YOU?

Sales implications for 2024

- Selling staffing will remain difficult.
- Competition will be fierce as everyone ramps up sales efforts.
- Margin pressure will get worse.
- According to a recent sales survey we conducted, the #1 challenge for staffing salespeople is getting through to people...with work from home and inbox overload, it's become exceptionally hard to connect with people.



WHAT DOES THIS MEAN FOR YOU?

And recruiting won't get any easier

- We have a structural shortage of talent.
- Continued wage growth will make recruiting people for temporary jobs harder (unless you can get clients to pay more!).



WHAT DOES THIS MEAN FOR YOU?

Strategies to ease the recruiting bottleneck

- Skills-first hiring (rather than past job titles)... could increase the talent pool 10-fold!
- 25% of COVID retirees are expected to return to the workforce.
- AI-enabled workers (the greatest gain in productivity from AI is for less experienced people)

How can you prepare for 2024?

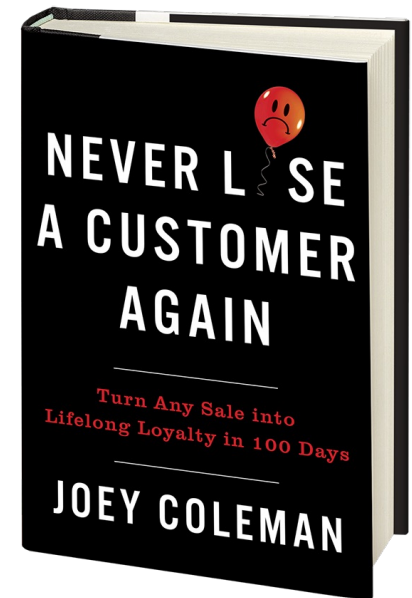
Lessons from the past...and ideas for the future



HOW CAN YOU PREPARE FOR 2024?

Lesson 1: Get closer to clients

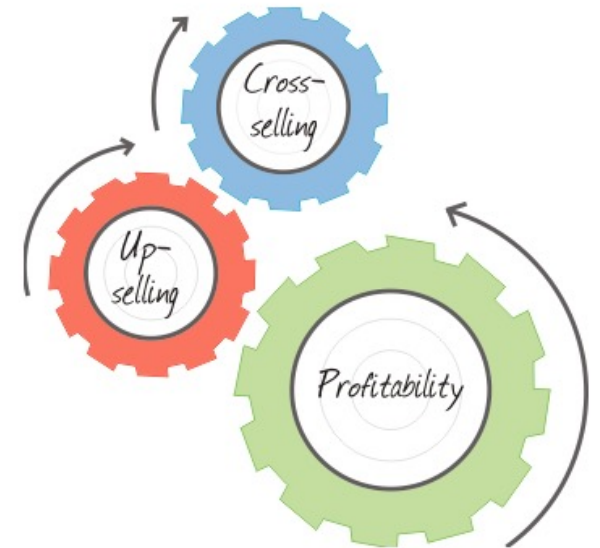
- Proactive planning
- 3x3 networks
- First-call agreements
- Build moats (increase switching costs)
 - Custom reporting
 - Custom onboarding programs
 - Technology integration (VMS, mobile apps)



HOW CAN YOU PREPARE FOR 2024?

Lesson 2: Maximize client relationships

- Upsell
- Cross-sell



HOW CAN YOU PREPARE FOR 2024?

Lesson 3: Speed wins

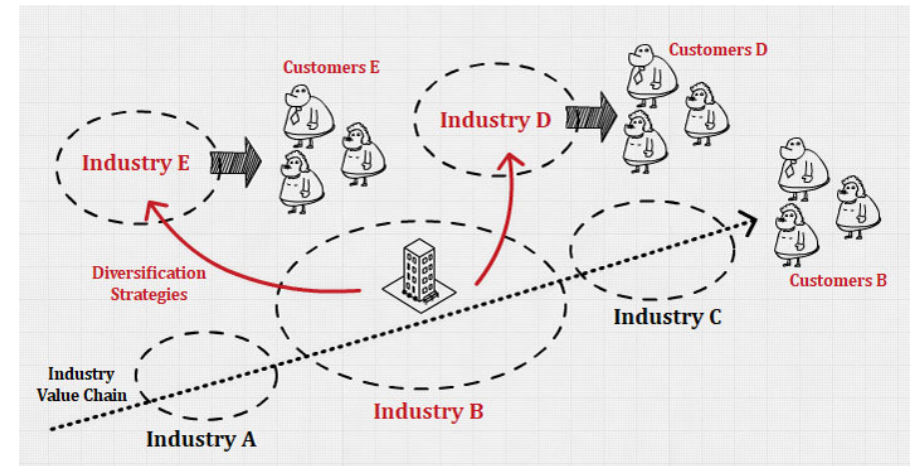
- Strengthen your recruiting capacity and capabilities
- AI & Automation to accelerate time to fill
- But don't neglect quality!



HOW CAN YOU PREPARE FOR 2024?

Lesson 4: Reduce client concentration

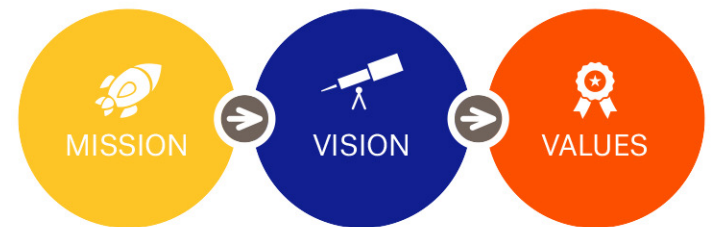
- No client >20% of sales (10% even better)
- Define your ideal client persona...then go after them
- Bring in more onesy-twosy clients...then grow them
- Go where the competition isn't going



HOW CAN YOU PREPARE FOR 2024?

Lesson 5: Change your message

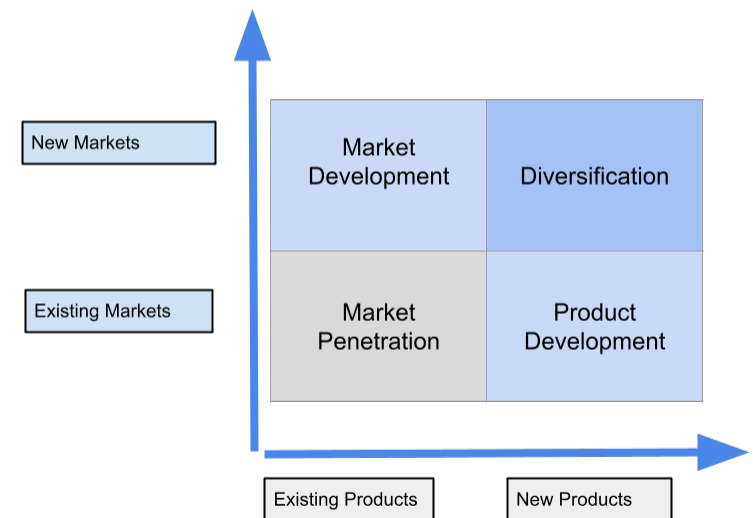
- It's not about "why you are a better staffing firm?"
- It's about "what problems can you solve?"
- Focus on the economic value of staffing services and workforce planning in this market.
- Put yourself in your client's shoes.



HOW CAN YOU PREPARE FOR 2024?

Lesson 6: Diversify...intelligently

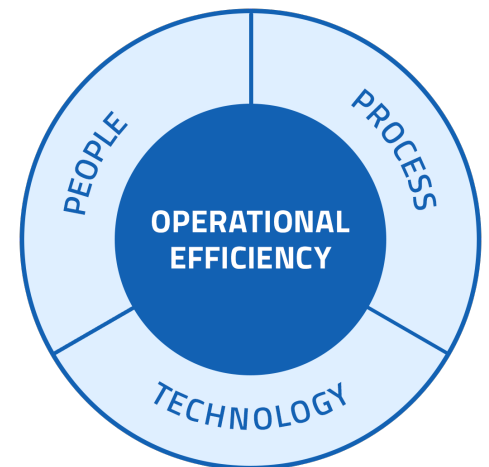
- Service line extensions
- Geographic expansion
- New business models



HOW CAN YOU PREPARE FOR 2024?

Lesson 7: Improve efficiency

- Automation and digital transformation
- Offshoring
- Outsourcing
- AI (more this in a bit)
- Build flexible capacity



HOW CAN YOU PREPARE FOR 2024?

Lesson 8: Manage cash more aggressively

- Improve A/R management
- Provide incentives for faster invoice payment
- Shop expenses
- Pay down debt (or build a cash cushion)
- Evaluate build versus buy decisions (can you outsource cheaper?)



HOW CAN YOU PREPARE FOR 2024?

Lesson 9: Get more aggressive about marketing

- Increase visibility
- Strengthen your positioning
- Improve the impact of your sales efforts
- Keep your company top-of-mind



Increase Sales Leads

Sales Team

Call | Network | InMail

Inbound Lead Gen

Improve Sales Process

IDM Campaigns

Automation

Collateral

Nurturing

PowerPoints

Blog / Newsletter

RFP Templates

Automation

Brochures

HaleyMail

Proposal System

Insights
Magazines

Retargeting PPC

Social Media

Improve Sales Tools

Automation

Video Email

Asynchronous Selling
Video | Landing Pages

Skill marketing email

Website Conversion

CRO/Landing Pages

Chatbot

Talent Showcase

Retargeting PPC

Lead Tracking

Get Found

SEO

Blogging

PPC

Search Social Local

Social Pro

Reviews

Traditional Media &
Outdoor Ads

Events

Attend / Exhibit /
Sponsor

Create Events

Pre- and Post-Event
Marketing

OPS

Webinars

Podcasts

Guest blog

Live Seminars

PR

HOW CAN YOU PREPARE FOR 2024?

SMART MARKETING IDEAS

- Growth marketing to expand relationships with current clients
- IDM/ABM to improve sales impact
- Build a digital marketing system and conversion funnels
 - Signature content
 - SEO, PPC, Social media
 - Automation and lead tracking
 - Email and SMS for nurturing



Weekly inspiration for the staffing industry

How can you prepare for 2024?

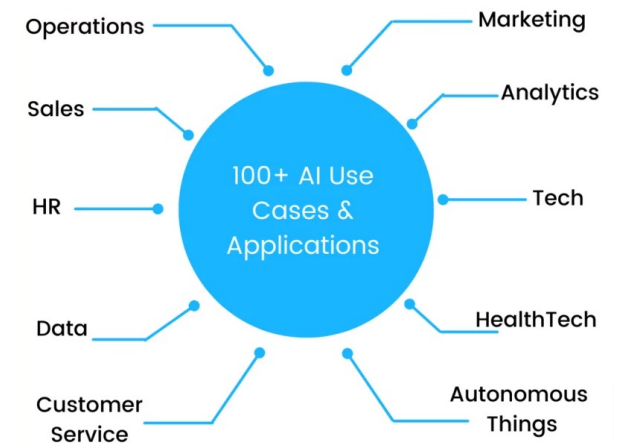
Issues to address

HOW CAN YOU PREPARE FOR 2024?

Issue 1: AI

- Content creation (but ease of creation will make it harder to stand out!)
- Personalization
- Process automation
- Training
- Increased expectations of responsiveness and quality content
- The next generation of AI
 - Video: training, job posts, employment branding
 - Conversational: recruiter outreach, real chatbots
 - Microbots for task automation (GPTs)
 - Data and trend analysis (predictive analytics as a tool for everyone)
 - Intelligent agents trained on all your knowledge (text and voice)

*How will you help your clients use AI in their operations?
Will you supply AI-enabled talent?*

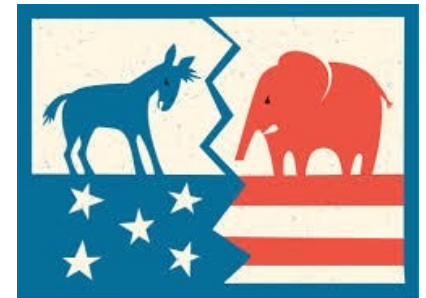


HOW CAN YOU PREPARE FOR 2024?

Issue 2: Election year

- Lots of NOISE
- People will crave authenticity, calm, positivity

How will you change your sales, marketing & recruiting?



HOW CAN YOU PREPARE FOR 2024?

Issue 3: Continued globalization of work

- Offshoring has been in overdrive for the past several years...
70% increase in IT roles
- While not a new trend, it accelerated with the rise of remote work
- Offshore staffing is growing 2x faster than traditional staffing

Should you deliver offshore talent as part of your service offering?

HOW CAN YOU PREPARE FOR 2024?

Issue 4: Gig and fractional work

- Our relationship with work is changing.
- From UBER and DoorDash to fractional CEOs, every job function is being broken down into outsourceable tasks.
- On-demand staffing platforms are forecasted to grow from \$164M in 2022 to \$386M by 2028 (14.8% CAGR).

How will you capitalize on this trend?

HOW CAN YOU PREPARE FOR 2024?

Issue 5: CX versus efficiency

- Staffing is a relationship business.
But it is also a customer experience business.
- How your clients and candidates react to your service will make...
or break...your reputation.
- Great service = high costs, but margins are being compressed.
- The solution?
 - Map your CX (sales and recruiting processes)
 - Streamline – what can you eliminate?
 - Simplify – what can you make easier for the client, candidate, and your staff?
 - Automate – cut the low, repetitive tasks.
 - Elevate – take all remaining human process steps and make them better.
- In today's market, clients and candidates expect your service to be as seamless as Amazon, as engaging as Disney, and as cost-efficient as Walmart.

And finally...

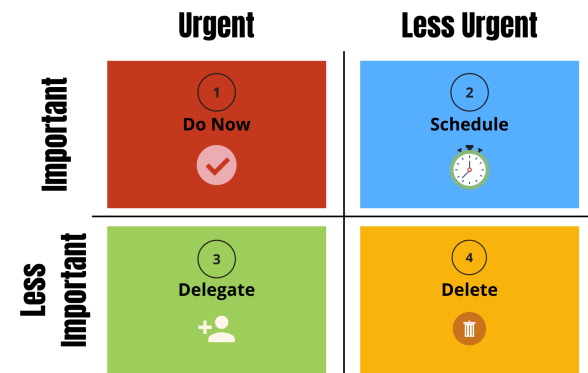
Driving growth in 2024



DRIVING GROWTH IN 2024

A few take final thoughts

- You will have to work harder...expect 2x the effort for ½ the results
- But work smarter
 - Build a deliberate brand for your business
 - Target your ideal clients
 - Be bolder to capture attention
 - Be more relevant to engage people's interest
 - Prove your value (better processes, better tools, better results)
 - Be persistent – nurture relationships
- There's no one thing that will drive success in 2024...
not AI, not automation, not service
- You are going to need them all, working in combination,
to outperform the industry and drive growth for your business



ADVICE FROM SOME SMART PEOPLE IN OUR INDUSTRY

Mike Jacoutot | Founder & Managing Partner

Butler Street

I believe AI will be the biggest change not only in our lifetime, but it will also be the biggest change in the history of lifetimes.

My advice to leaders is to think differently. Think Augmented Intelligence. AI is not the enemy; it is a tool that can make your company better. Determine what tasks AI can do better than your employees. List them and figure out how to augment. Think “technology for transactions, people for relationships.”

Productivity gains will separate the winners from losers in the next 24 months and speed is the currency of today.

Prediction for 2024: **Mild decline**



ADVICE FROM SOME SMART PEOPLE IN OUR INDUSTRY

Tom Erb | President

Tallann Resources

Don't ever stop selling or recruiting!

We never have a perfect mix of available talent and open orders, and as we've seen, the pendulum can swing fast from one side to the other. When orders are slow, strengthen your candidate network. When jobs are plentiful, but talent is scarce, keep bringing in better clients and orders.

Prediction for 2024: **Small increase**
(But, I'm an eternal optimist, so hoping for a strong increase!)

ADVICE FROM SOME SMART PEOPLE IN OUR INDUSTRY

Terry Keating | CEO
Access Capital

Focus on fundamentals.

The pandemic made it easy to see crazy growth and outsized margins.
Those days and the liberal government support payments are over.

Sharp strategic focus, sharp execution, and cost containment are good advice
in any operating environment, and now more than ever.

Prediction for 2024: **Small increase**

ADVICE FROM SOME SMART PEOPLE IN OUR INDUSTRY

Tom Kosnik | President
Visus Group

A lot of staffing firms are currently forgetting about “recruiting” and focusing on “sales, sales, and more sales.” This is a mistake. Labor demographics show that we’ll continue to face talent shortages. Build your database x 10.

Get smart with technology, not overwhelmed. You don’t need to boil the ocean with tech to succeed. Don’t listen to the technology messaging coming out of the National Association Conferences.

- (1) What is the “business model” you are attempting to take to the marketplace?
- (2) Find the technology to support the implementation of that business model.
- (3) Automation and AI, yes, put some thought into these tools and improvements. Use the Agile Process.

On the sales side, keep it simple = “ideal client profile” + “value proposition” + a simple “sales methodology”.

Internal Employees:

- (1) Get your hiring process down: job analysis + personality profile tools + interviewing questions.
- (2) Get your onboarding down. Hiring new employees and throwing them in the water is a recipe for turnover.
- (3) Get the employee engagement practice down. And stop bitching about millennials and Gen-Z’s.

Invest in “Management Training.” This is more important than investing in sales training or recruiting training.

Prediction for 2024: Slow growth Q1 & Q2, Strong growth Q3 & Q4

ADVICE FROM SOME SMART PEOPLE IN OUR INDUSTRY

Jerry Grady | Managing Partner
UHY Consulting

Keep your eye on the overall ball.

Set up a KPI system that functions on AR turns, Gross Margin analysis, and Sales Mix analysis. Analyze your commission structure and review the overall payments to gross margin earned by quarter to make sure you are not overpaying upfront. Analyze your overhead costs, and don't be afraid to request price increases.

Workers' comp will be an extremely large increase in 2024, which follows on the heels of lower costs over the years and many losses that need to start being collected. Risk management in workers comp should be a key for all staffing firms, and tools should be used to keep loss ratio low.

Cyber and ransomware continue to be the #1 issue businesses are facing and it will not slow down at all. Make sure that your WFH model is set.

Finally, in downturns, you start to see employee fraud, and owners must take a proactive approach to review monthly bank statements, monthly check payments, and review payroll to make sure dollars are being approved to pay out the door.

Prediction for 2024: Small increase



Questions?

Need help with your 2024 marketing?

Reach out to our team today.

1.888.696.2900 | info@haleymarketing.com

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UPCOMING WEBINARS



Preparing for 2024 – Part 2
Advice for the Staffing Industry's top content creators
Thursday, December 14 at 2:00 PM ET

Reserve your seat
www.lunchwithhaley.com

Marketing Trends for 2024

A few last things to consider



MARKETING TRENDS FOR 2024?

Ideas to consider

- AI will do more for content creation...and create more commoditization
Weak content will be penalized by Google (and humans!)
- Email marketing must evolve...more relevance, better quality, short-form content
- Watch for a backlash against automated email engagement platforms!
- Inbox overload is real. The solution isn't to stop emailing;
it's to reinvent your email marketing.
- Conversational systems with AI (smart bots)
- VR/AR – create more immersive brand experiences
(recruiting and onboarding? training?)
- Sustainability/ethical marketing. You need to be good and do good!
- Differentiation will be even more about who you are, not just what you do

MARKETING TRENDS FOR 2024?

Ideas to consider

- Hyper-personalization
people will expect you to know them at every point of engagement (AI and automation will make this possible, delivering precise information to people at the right time via the right channels)
- Video marketing dominance will continue – sorry folks, but people don't read
- Short-form content essential – and they don't have much of an attention span
- Personal branding > company brands
you need to help your team members build their brands

MARKETING TRENDS FOR 2024?

Ideas to consider

- Traditional B2B tactics will need to evolve
 - More based on emotional reasons to connect
 - Hyper-focused topics (immediate relevancy, tactical advice)
 - More focus on growth marketing not just client acquisition
- Increased emphasis on owned audiences – not being found via SEO or social.
 - Your website & blogs
 - Email publications
 - YouTube channels
 - Slack groups