

## **8 PHENOMENAL TIPS TO GET YOUR STAFFING BUSINESS**

### **OUT OF THE COMMODITY BUSINESS!**

Ok. Now I want to address every single staffing or recruiting firm and their big problem! It affects a majority of you reading this and the money that you make...

Want to take a guess? (ok, the title gave it away)... Well, if you don't then you should, as the big problem is:

#### **Commoditization!**

Are you unsure if this affects your desk or business?

#### **Here are a few indicators that it does:**

The prospects ask you what your fees or markups are **EVEN BEFORE** you get too far into the presentation.

Your clients make buying decisions by comparing prices from the competitors and they will often even tell you that.

After reviewing your competitor's fees or prices you decided it might be a good strategy to lower your fees or markups.

Your Average fee % and your GM fall each year!

You fear that if you raise your fees or markup that you will lose a lot of business and clients.

**Sound at all familiar?** Guess what, my friend, you might as well be in the business of selling pork bellies or wheat. Heck, I can't even count how many times recruiters or staffing managers told me that "we're in a commodity business". UGGH!

#### **So, WHAT ARE YOU DOING ABOUT IT?**

Unless you have a plan, you will constantly be facing decreasing fees and margins and will constantly be trying to put in more hours and work longer... all to get back what you had before... Then, you realize that all of this hard work just leads to smaller and smaller commissions! YUCKYPOO!

So, **what is the SOLUTION** that the best in the industry are doing? Let's walk through these six tips so that you can get back into the staffing & recruiting business and leave the commodities to the traders! Heck, you will even increase your fees/rates without **LOSING ANYONE!!!**

Here's how you do it...

### TIP 1- Re-Define your Niche now!

We all know that our industry has general service firms and boutique or specialty firms. General firms started off doing everything for everyone and then the specialty niche came into being. Probably one of the most famous success stories in building a niche came from a young Man named Bob Half, who decided to specialize his placements back in the 40's to only focus on accounting. Well, the rest is history as they say, and Robert Half international dominates in the finance & IT markets. The lessons were learned.. The more specific you get and the greater your specific network and knowledge base, then the greater your value and thus prices.

Well, where have we evolved from there? Where have you? We all get WHY that works and the extra value it provides to our customers (and thus margins and fees), but why did it stop so long ago? Why do SO FEW OF US drill down to an even finer niche? Ask yourself how much you have evolved since you started doing this?

You might be curious to know that the great leaders of the mega GENERAL SERVICE staffing firms have learned that they still have to specialize to create the value that they need to stop being a commodity. They can still be a general service firm, but will really be the conglomeration of many sub specialists. They are spending 100s of millions of dollars to make this happen! IT WILL TAKE THEM A LONG TIME IF EVER! They are too big... However, a smaller firm can act on this now and beat them to the punch. What is your excuse?

My dad gave me some great advice growing up, and we all have our fatherly versions. He told me that I should never aim to be a jack-of-all-trades because I will be a master of none. He told me when it came to schoolwork and other ventures that I simply can't try to be **everything to everyone** or I will simply end up being **nothing to anyone!**

How have you applied all of this to your business or desk?

Do you know that the most successful recruiters and sales reps that I can think of ALL developed a specific expertise? The people I know who always got higher fees than anyone else did it because they offered something different! Two of the top recruiters that come to mind are two people who both started placing accountants. They found themselves caught in a huge competitive landscape chasing the accounting leads, but each stumbled into their new niches by accident. One got a job order with the head of a derivative trading desk. She didn't even know what that was but started recruiting and networking for it. Even though she didn't place the job, she had worked so hard at recruiting for it that she started to pitch the candidates. The rest of the story goes that she then started to ONLY focus on these Financial Operations positions. She led the company with producing almost \$1 MILLION in sales, while the average producer was doing perhaps \$150k. The other story is almost identical, except he landed a job order with a medical insurance company and just focused on jobs within one specific niche in this medical community. Both quickly became viewed as the experts and go to people in that market. Both earned more money than they ever imagined. To this day, both have far less competition than the "General service" SPECIALIST. Both get to utilize their recruits and network over and over again. They don't work any harder than the rest. They just work smarter and make sure that every call that they make creates more value for the same time invested.

I am not talking about re-creating the wheel here, I am talking about digging deeper and limiting your focus. It is a scary idea to actually not focus on areas where you know there is business, but get really good in a particular area and network and develop your candidate and client base only there and you will make more money than you ever thought possible.

## **TIP 2- Grow your niche**

No matter how long you have been doing this, you really do already have a very valuable group of core clients. They respect what you know, they like you, they trust you. They also aren't nearly as focused on price as many others.

First of all, do you know for SURE which ones they are (besides the obvious one or two that you are thinking of)? You need to make sure you take a step back and review what clients seem to "get it". Then, just for this core group, make it your MISSION to know all about them. What exactly they do for their work, what they do for fun? Where they socialize, what networks they belong to, what their views on the world are, etc. This is too daunting of a task to do this with all prospects and clients, which is why many don't bother using tips like this. BUT, if the group is small enough then you know that you MUST!

So, now that you have come up with your list, guess what you found out? THEY ARE ALL PRETTY MUCH THE SAME!!!

And we also know that people tend to hang with people who are similar to them...So, we start with this core group and that's where we focus on the networking!

So. Frankly, if you want to double your margin or billing in the next year, then you basically need to double this core group, by doubling your client base with the same TYPES of people. Knowing just to focus here is probably enough to make your time reading this pay off. However, now that you have your list of 5/10/15/20 clients, go to them and ASK them to actually refer three possible clients to you! Yes, you all know to network and to ask for referrals, but I am talking about getting very granular and specific in how you go about this. Don't take them out to dinner or lunch once in a while and ask them to think of you for their next opening!!! In fact, ask them to go out to dinner with you and to bring the other department head or two or an old friend from their old company that they can introduce you to.

Many of you have learned this concept when it comes to recruiting or networking for candidates (you know, that "A" candidates tend to have a circle of influence with other "A" candidates), but too many of you don't apply this to the moneymakers! -THE CLIENTS. Do this and you will find your new clients are the keepers.

## **TIP 3- Stop offering your service and start offering your "EXPERIENCE"**

Ok. I will puke if I hear another Starbucks example, but I can't resist the obvious analogy. They also did it better than anyone and did it with a commodity with a pricing model that most were assured would fail. Long story short, you really don't go there for just the coffee (sure it's good. It HAS TO BE), but you like the colors and the mood and the feel and the chairs and the music... well, you like the experience. That is what you are buying and also what you buy when you go to a favorite restaurant or funky chain that costs more than the normal burger joints, etc...

So, how does this help you make more money?

Simply put and not hard to do if you have a plan, is that you need to make sure that you aren't just selling temps or placements or onsite arrangements or outsourcing projects.... They need to get this "experience" that they won't get elsewhere. You have way too many competitors that offer the same service. Your new brochure touting how you are better or your points of difference just won't make any real difference.

**You can do it a lot of ways...** So, Ask yourselves the following questions:

Do your VALUE added newsletters or articles/flyers that you use utilize outrageous or shocking and fun copy or headlines?

Do you offer FREE seminars or classes to your clients to help them.. Showcasing who you really are and being yourself?

Do you give away any free goodies or your signature item when you are there TO HELP THEM FOR FREE? Are you perceived as fun?

Do you pass out goodies, cookies and other nice things during your workshop? In short, do you make your work fun?

Are you smart with your marketing and promo items? Do you create events that you can “theme” yourself? Are you spending a large portion of your time on bonding events instead of cold calling?

Can you describe how your style or way of doing business is more fun or different than the rest?

If you cant truly say “yes” to all of these and more then you aren’t selling an experience at all. So, you are just back to competing on the services of the staffing & recruiting industry. Gee, that sounds inspiring!

#### **TIP 4- Name your “Process”**

The great pioneers in many industries have learned this great trick- That is to make sure that you give a name to every stage of your offering!!

We don’t mean the normal boring phases that we use for internal training (“ok, Mr. Client, I will begin the researching phase and then will move onto the matching phase so that we can have a sendout. I will then call you for the brief and prep”)....

We mean a name that is really awesome and that shows in its name to the clients that they are about to get something of significant value. Don’t think this is just a trick. It is how the mind works!

A few examples could be “The candidate compatibility phase” or “The Per-Fit solution” or the “Market Target solution” (i.e. where you are showing that you will be hand recruiting candidates for them). I know you have seen some of your competition do this. Well, THAT IS BECAUSE IT WORKS. Do this for all stages of the process. Anyway, you get the gist. Have fun with it and it will also become a key part of your “experience” (and yes, you can get silly with the names if that is the experience you are going for).

#### **Tip 5- Learn from the large marketing or manufacturing companies**

And that is to make sure that you find out what works and systematize that! Once you find an approach that works best for landing a hot prospect, generating leads, finding new prospects, generating fills, etc then SYSTEMIZE IT! This is especially key for any managers or owners reading this! You can’t just train people on best practices!

The practice needs to be IDENTIFIED then the Process created! Then you test the process and finally make it a system. The goal is to make your desk or your firm work WITHOUT YOU! It also ensures stability and gives a much more standardized experience...oh yeah, it will also help you get your prices higher.

### **TIP 6- Keep your focus on growth!**

I am constantly shocked at how few people really reach the upper limits of success in our business. It seems to be an industry fraught with mediocrity. Even when the industry “four minute mile” might be broken in a company or branch (i.e. new levels of margin or perm billings, etc), so few people follow the normal laws of behavior and don’t accomplish at these levels. There seems to be a level of success where people stop growing. Now, I KNOW that you know what I am talking about. That level varies by position and of course, personality. But the syndrome isn’t an atypical one. I see it happen all of the time with perm or temp producers. They get to a level of success (say going from a \$40k/year job to suddenly making \$150k in earnings per year) and then just feel like they’ve made it. They have the new apartment or new car and the toys, etc. They have made it indeed..Made it to the end of their success! The top producers in any market or niche never feel like they’ve made it and always know that there is the next level to conquer. Our clients constantly change and constantly have different needs. The markets that we focus on ebb and flow as does our supply of candidates, etc. The second that one sits back and feels that they have the base to sustain their existing business by not working as hard, then the beginning of the end has started!

How many people reading this “made it”, perhaps because of a handful of large clients or one or two large contracts? Then your client base dwindles, but you are still the shizzy, as you are out-producing everyone and win every award. Well, where are some of you now that you have lost those two clients? I will tell you what, you are in a heck of a lot worse place than those who kept trying to grow and change their desks. If you aren’t ALWAYS looking for ways that you can ADD VALUE to your most important relationships in business then you are, at best, on your way down.

### **TIP 7- Create your own social community of similar clients or candidates.**

EVERYONE wants to belong to something and you can offer that. Taking advantage of the candidates’ needs to belong during a normally stressful time for them will also put you in a much better competitive position! We also know that our candidates very often can become our clients or at least refer us to clients.

So, give your clients and candidates the ability to belong to a certain club. If you do this, the odds of losing them over price dwindle. Make it exclusive and make it as small or large as you want. Let me give you some examples.

Candidate side- Why just hoard your “A” candidates and hope you place them or maybe only do a decent job of staying in touch with them. What if you decided to take all of the people you rated as “1” or “A” or from a certain industry, etc and create an invitation only club for them. At a minimum, they will reject the offer but be flattered and you will find many that will join.



Client Side- Find clients in similar positions or industries or volume and invite them into your club. Now, I'm not suggesting this has to be a large time commitment on anyone's part and also not suggesting they were the raccoon lodge hats...Just an elite group that you have put together. You should create separate groups for Clients and Separate groups for prospect.

### **Easy ways to build this community:**

Create a monthly newsletter just for them- It is a great way to keep in touch and you will fill it with great content for them that provides value. You won't advertise your business and won't make any pitches. You won't have to! You will make it fun and full of your own personality. Next week's lessons will expose the secrets that internet marketers use to launch Million dollar projects and how you can use these techniques with your newsletters to build loyalty forever!

Conduct your own webinar - This is so cheap and easy to do. If you don't want to create the slides, etc, then just have a teleconference. Set up a frequency that works with your audience. You can bring in a guest speaker or expert from your office or ask one of your candidates or clients to speak. You will be shocked at how easy it is to get experts to volunteer! They want to promote themselves and you are giving them a free opportunity to do this. This is so simple, so why aren't most of you doing this?

Members only forums- Why is your firm not capturing all of your clients and giving them some sort of access to you or each other? If you work for a large company and this is out of your control, then spend a few hours today researching how easy it is for you to set up your own forum or chat room for \$20 and no hosting fees. Invite these people and allow them ask questions, etc... If you are a business owner and don't have several forums already set up, then get on with it right after you are done reading this.

Organize Client & candidate events – Some of you do this on your own or you were forced to and did it a few times. Well, remember? You loved it...and you got some great business and good will from it! You loved that it was a relaxing atmosphere and it was fun and cool. Why don't we do this enough in our business? Like anything, it has to be part of a plan and your system and you have to make it happen. Like every week, your desk gets filled with phone calls and distractions...But you are wasting your time following lame leads or making cold calls, when you should be building your community.

### **Tip 8- Don't believe what people tell you the competition is charging!**

I cannot emphasize enough that the information that you are getting about what the competition is charging for fees or markups is WRONG! Really, it ALMOST ALWAYS IS! If you are getting your information from your clients, then, well, DUH! You have been clients before. What do you say when your salesperson asks you what you are paying elsewhere or what the last vendor quoted you? OF COURSE we give them something lower. We want their price to be lower. It doesn't take a lot of street smarts for us to figure out that the lower the price we give, the lower our price likely will be.. So, really, you just can't listen to it! Even if they are telling the truth, they will just tell you what they either WANT to pay or usually pay!

If you are getting it from other sources and the buzz in your office is that the big firm down the street is doing 10% fees or has a much lower markup, then think again. I have proven it over and over again throughout my career? How did I PROVE it? Simple. Every once in a while, we would end up hiring someone that actually worked for that “10% perm firm” or worked for the firm where there was supposedly a much lower markup. I was first exposed to this when I was working at the world’s largest search firm and we really did believe that the number 2 firm in the market (our biggest competitor at the time) was charging 15-20% max fees, while we were aiming for 30% (and averaging 25%). We also really believed that we were pricing our temp business very high, averaging over a 70% markup consistently. The number 2 firm, we “KNEW” was giving away 50-60% markups. Well, if you read my bio, you know that I ended up working for this number 2 firm. I was shocked at two things that I found. First, their perm fees and markups/margins WERENT ANYWHERE NEAR what we were told. In fact, they were virtually identical to my old firm (aiming for 30% perm fees with a floor of 20% and markups at 70%). What I learned next was even more shocking- When I trained the group on how we have to do a better job at pricing, they all told me how we were losing business to my old firm, because my old firm (yes, you guessed it), were giving away the perm business much cheaper and marking up the temp orders much less. Well, LOL (and “LOL” wasn’t even coined back then). It was my first insight into the phenomenon. I have seen it OVER and OVER and OVER again in many different branches throughout North America and later saw the SAME THING over and over again throughout the world. I also saw it disproved OVER AND OVER again once we actually hired the people who could put those “myths” to rest once and for all!

Pheww. Well how’s that for 8 tips. None of these are rocket science, but only you can be honest with how much of this you put into practice and how much you are really planning to do. Remember, if you do this, your clients will keep coming back and price won’t be the first thing, by a long shot, on their minds. I hope this gave you some good food for thought. If you have not yet watched my free video on why lowering prices to get more sales volume DOESN’T work, then click here now! [Lowering Prices Video](#)



#### **About the Author:**

*Neil Lebovits, industry guru and executive, is the founder of [The Dynamic Sale](#), a learning, coaching & development company. The Dynamic Sale enables individuals to shatter their performance expectations in the Staffing & Recruiting industry. Neil has done it all in the industry: Permanent & Temporary Placement, Sales, Branch Management, Regional Management, COO & President. Neil shares the secrets & systems that he has developed and harnessed while working himself up over his 20+ years in the industry, landing himself as Global President on the Global Executive Team of the world’s largest Staffing & Recruiting Firm. He has been an inspirational leader while helming one of the largest companies in the industry. Neil has also been a renowned leader, motivator, trainer and speaker. He has been a top rated forum and keynote speaker at every conference he attends due to his fresh, dynamic and entertaining style. His content is unique, stripping down the lesson’s to their core. Neil is a graduate of the Pennsylvania State University with a BS in Business Administration. He also graduated with a certificate from the prestigious Stanford University Executive Program. His earlier career included three years with Ernst & Young, where he obtained his CPA designation. Neil is also a Certified Personnel Consultant and Certified Temporary Staffing Specialist. You can learn more about Neil and sign up for his free online training course at <http://www.TheDynamicSale.Com>.*