Following is a compilation of our members’ responses to the question, “What advice would you offer to someone considering alternative staffing as a strategy in their community?” Their replies underscore the importance of a strong business orientation, and counsel others to:

- Thoroughly understand your local market and target industries
- Invest in sales talent and internal systems
- Anticipate and manage cash flow needs

Know your market, both its staffing business demand and the supply and abilities of the talent you can engage. Every city is unique, and employer demand and the skills they need are constantly shifting and changing. This business is a roller coaster ride. That said, I feel blessed to be here!

Know your market, and customize your plan to this market. Develop strong collaborations in your community; you can’t do it alone. Work with people – both candidates and clients – at their level of readiness. Be welcoming and respectful to all. Finally, stay true to the business and the mission. We think DePaul Industries’ approach of “51% profit, 49% mission” is the right balance to ensure we maintain a viable business while also fulfilling our social purpose.

Engage someone with staffing industry experience. Staffing is a challenging and dynamic business and having a team member who understands how staffing works can help you avoid a lot of missteps. Second, it’s critical to invest in good software systems for the job matching piece, to manage cash flow, and to track performance in order to manage effectively and document results.

Understand the staffing industry, know your competition, and never lose sight of your mission. Also, it’s important to take good care of your staff. We value our team and work hard to keep them happy, healthy and growing professionally. This is key to preventing burnout, which is high in the staffing industry, and it helps to ensure consistent, high-quality service.
My advice is to look for niche markets to exploit. Lobby staffing has been a good fit with our workers’ skill set and there’s been very little competition. Front desk staffing is also the first step on a property management career ladder and to hospitality industry opportunities as well.

Focus on the customer. That’s the key to success!

Approach it with passion and deliver on your promises. Be in it for the difference you’re going to make. It’s important to have a mission beyond making money. Helping people succeed at work builds their self-worth, strengthens the economy and benefits the whole community.

Be realistic about your market and if at all possible, begin with a couple of large contracts in hand as well as political support. Choose your partners carefully. Also, beware of the cash flow challenges of staffing and be prepared to address these, particularly as you grow.

Alternative staffing is a business. You have to relate to your customers and prospects on that level. Build trust with employers by showing them what you can do to address their specific needs. Demonstrate your professionalism by investing in staffing industry software and credentialing your staff.

I firmly believe in this workforce development model because it has the potential to be self-sustaining. Our workers have value and both they and we deserve to be compensated for our services. If our workers don’t perform, the organization won’t succeed, which is appropriate. Alternative staffing is no different than any other business, though. Success is harder and takes longer than you ever expect, so you need to be committed for the long haul.

Go into it with a strong dose of reality. Staffing is a tough business and highly competitive. It’s simple to operate but hard to make money, and I think the premise that you can sell on mission is a false one. You have to compete with mainstream staffing companies. Do a serious business plan and plan to operate as a business. I learned from my consulting days with Goodwill that a staffing agency’s level of success correlates directly with its adoption of good internal systems. Finally, as you do succeed, make sure you have access to a line of credit to support your sales growth.
Temporary staffing has been a great business for fulfilling our mission. My advice is to focus on sales and find people with experience in operations and data management systems. It has taken us a long time to establish good internal systems and that is so important.

Do your research to understand the market opportunities and human service resources available in your service area. Be aware that the staffing business is filled with ups and downs; it’s important to love what you’re doing.

Do your homework, engage people with a staffing background, establish customer relationships quickly, and budget sufficient dollars for advertising and promotion to get your name out.

Treat it like a business: carefully study the market, develop a sound business plan with a realistic marketing strategy, and hire skilled staff.

Make sure your mission is fundamentally aligned with your ‘business’ model, so neither compromises the other. Gain intimate knowledge of your local labor market, your people and your competition’s people. In reality, you are a broker trading on the information you have gathered.

Compete courageously. Focus your value proposition on what really matters to your customers. Great customer service and a focus on total delivered cost usually trump low hourly rates.

Nurture and support your workers. They are a source of both good will and business intelligence.

This being a people business, prepare yourself for surprises ... plenty of them. Maintain a sense of humor to get through it all.

To fulfill your social mission, run the staffing agency like a business. Focus on growing revenues and controlling expenses. Hire the best people and deliver great customer service.

In developing employer customers, tap into the resources you have through your Board and other contacts, and find like-minded companies and other organizations who understand your mission. Identify employer “partners” with whom you can build long-term relationships.
Be strategic and understand your market, including the supply side to ensure you have a sufficient level of worker referrals. Operating a staffing service requires a lot of planning, including financial modeling ... invest the time to do this.

Develop a thick skin ... staffing is a competitive business and you need a high tolerance for rejection. Remain focused, learn your customers’ business and persevere.

Plan well for marketing and transportation. It’s so important to get your name out into the market. It’s also critical for workers who lack personal transportation to be able to access jobs. Anticipate this need and have a strategy and financing in place to provide this service.

People need to understand this is hard. That said, identify a target population to serve well and be well-capitalized to cover payroll and to finance growth. Understand that the staffing program needs to act like a business in the sense that you need to create and perpetuate a high-energy environment and recognize and reward staff for their hard work.

People should be prepared for cash flow issues which are huge and demand a lot of time to manage. Employees are paid weekly and customers pay in 60 days – or even later. This aspect of the staffing business is brutal, and it’s critical to have adequate cash reserves.

I would strongly emphasize that staffing is a business, not a traditional rehab service. Therefore, do a market study and know the niche you’ll serve. Be sure you have cash flow to handle weekly payroll. Hire good internal staff that’ll last. And don’t go it alone – get business expertise.