

# EXPLORE DIRECT HIRE AND CONTRACT PLACEMENTS AS A BUSINESS SERVICE

Alternative Staffing Alliance

September 19, 2015

# INTRODUCTIONS

- Morez Gutierrez, Mi Casa TalentSolutions
- Ann Janquart, DPS Pro
- Kathy Hardy, YUPRO
- Tina Jackson, Work Skills Corporation/Action Associates

# DIRECT HIRE vs. CONTRACT

## ***DIRECT-HIRE MARKET AND GROWTH TRENDS***

- The U.S. direct hire market grew by 8% in 2013, to a size of \$7.4 billion. We estimate that the U.S. market will grow by 7% in 2014 and by 10% in 2015, reaching a total 2015 market size of \$8.7 billion, still well below the 2007 peak of \$12.2 billion.

*-SIA, November 2014*

# *COMPOSITION OF DIRECT HIRE MARKET*

25% - IT

19% - Engineering

14% - Finance/accounting

11% - Office/clerical

9% - Clinical/scientific

9% - Health care

5% - Industrial

5% - Legal

3% - Other

## *COMPOSITION OF DIRECT HIRE MARKET*

- “Compared to temporary staffing, the direct hire market is relatively fragmented, as no company accounts for more than 4% of total market revenue, and only three account for more than 1%.”

*SIA – (Robert Half and Management Recruiters International, 4% each, and Allegis at 2%)*

WHY DO IT?

# SKILLS, SYSTEMS AND PROCESSES

- *Process: Temp vs. Direct Hire*
- *Order Criteria*
- *Recruiting*
- *Technology and Software*
- *Indemnification*
- *Marketing*
- *Metrics*
- *Billing*
- *Guarantee*



# FILL RATES AND TIME-TO-FILL

Median Performance	Industrial Staffing	Office/Clerical Staffing
Temporary staffing order fill rates	90%	80%
Temporary staffing time-to-fill	2 days	4 days
Direct hire order fill rates	60%	52%
Direct hire time-to-fill	20 days	20 days

Source: Staffing Industry Analysts, 2014 Staffing Company Survey - North America

# TYPICAL BILLING POLICY

SIA – “We asked staffing firms: ‘On average, what is the percent of salary your company charges for a direct hire/permanent placement?’”

- Staffing firms reported the median percent of salary charged for a direct hire to be 20%.
- SIA looked for differences in direct hire fee charged by primary segment offered, primary industry served, and firm size, but were unable to find any conclusive differences.

# *ASOS' MAIN VALUE PROPOSITIONS*

# BEST PRACTICES

- Implement an Order Qualification Process.
- Ensure the recruiter is customer-centered.
- Establish minimum timeframe up front and include it in the Statement of Work.
- Bill weekly with manager-approved timesheets, and pay close attention to a need for PO#'s and payment terms to assure a smooth relationship with accounting up front.
- Establish milestones in the contract where the agency and the customer will review satisfaction in the areas of: contractors' professionalism, performance, and potential for continued assignments.
- Always be asking what else they would like to see from the contractor for continued value.
- Obtain the job description PLUS details on cultural fit, examples of past hires that did/did not fit in, as much information as possible up front before the search begins.
- Drive the search for 2/3's of the time and qualify final candidates for the last 1/3 of the time you have to present.
- Candidates you finalized but didn't use should be skill marketed to other companies so you don't waste your sourcing efforts!
- Establish a payback policy or a backfill policy and stick to it!

# CONTACT PANELISTS:

Suzy Hanson (Moderator)  
Work Skills Corporation/Action Associates  
[suzyh@wskills.com](mailto:suzyh@wskills.com)

Morez Gutierrez  
Mi Casa TalentSolutions  
[mgutierrez@mctalentsolutions.com](mailto:mgutierrez@mctalentsolutions.com)

Ann Janquart  
DPS Pro  
[ajanquart@oppinc.com](mailto:ajanquart@oppinc.com)

Kathy Hardy  
YUPRO  
[kathy@yupro.com](mailto:kathy@yupro.com)

Tina Jackson  
Work Skills Corporation/Action Associates  
[tinaj@wskills.com](mailto:tinaj@wskills.com)