Compilation of Regional Peer RoundTable Calls
2.23.2021

Attendees:

- Roz Quarto, Achieve Staffing
- Ayron Reeves & Jennifer Harvey, Blue Jacket Staffing
- Sasha Ongtengco, Cara Connects
- Emily Van Ostran, Chrysalis Staffing
- Venois Peebles Community Staffing Solutions
- Tom Grant, Concordance Employment Agency
- Marcia Nozick & Bethany Terracina, Embers Staffing Solutions
- Amelia Nickerson, First Step Staffing
- Hope Crumley, Galt Foundation
- Clarence Scott & Jim Fuller, GoodWork Staffing
- Suzanne Warsaw, Harmon Personnel Services
- Alvin Yu, Juma Ventures
- Tim Rettig, Staffanation
- Tessa Ford, StepUp Wilmington
- Christine Rylko and Lee Humason, Uplift Ventures
- Sherri Jensen & Kevin Schicker, Valeo Vocation
- Mark Winter & Maren Clifton, WinSource

Topic: **Measuring Success/Key Performance Indicators**

Guest facilitator: Steve Armstrong, Armstrong Advisory Services
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Introduction: Steve had a 30+ year career at Kelly Services U.S., a staffing company with $4 billion in annual revenue, about 550 brick and mortar locations, and 600 on-site locations.

Role Clarity

- **Steve:** Role clarity is foundational. It's critical for admin staff to have clear understanding and discipline around their particular jobs. Unless there's clarity and solid definition about what people are supposed to do every day, it's difficult to layer performance measures on top. Without those guardrails, people migrate toward what they like to do or what makes them feel good, which may not be part of their job. *Start with role clarity* for recruiters, salespeople, and operations staff. Likewise, if you have variable compensation plans, be sure that everyone clearly understands these.

Recruiting KPIs

- **Steve:** 4 key measures on continuum of recruiter activities are:
  - Number of candidate interviews
  - Number of candidate submittals to customer
  - Number of customer interviews
  - Number of candidates hired (i.e., placed)

  Plus, retention, and ultimately, customer satisfaction.
  You can measure each of those activities, but length of time will vary based on your candidate pool in terms of their job readiness and supportive services needed. Collect several months of baseline data to see what "good" looks like for your team and constituents.

- **Mark:** It's important to start somewhere and measure things consistently.
- **Steve:** I agree. Jump in; start somewhere. Metrics in this industry are fluid and because our "product" is people, service delivery failures are inevitable. Don't be too hard on yourselves when things fall off the shelf. If you have solid customer relationships, you'll get another shot.
- **Venois:** We're small, and recruiting is part of my job. I do 6 to 10 candidate interviews weekly (on Zoom or on-site), 30-minutes each, within blocks of 2 to 4 hours per day. What are realistic KPIs?
- **Steve:** Again, it will vary depending on the population you're serving. I think those activity levels on your side are more than adequate. You've touched on something important. Using call blocking to structure a recruiter's day is tremendously productive and can promote mutual learning when there are multiple recruiters.
- **Mark:** Venois, I suggest you start to compile data about your weekly appointments with candidates and number of calls required to get those. After 3 months, look at fill rates. If you're at 80% fill rate at that level of appointments, that's a reasonable start and you can figure out how much you need to increase activity to increase fill rate to, say 90%.
- **Tim:** How do you calculate fill rate?
- **Mark:** It's based on total open orders each week.
- **Amelia:** We measure the above activities. We also measure retention and we break down data by population at each customer site to ensure we're prioritizing placements of target populations to fulfill our mission.
- **Steve:** Another metric to consider is file utilization, i.e., what percent of candidate pool is being sent out on assignment. Good to measure by skill set; you don't want to recruit people that you can't put to work. For entry-level jobs, 70% is a good target before you reopen the recruiting funnel. Utilization by skill set will inform and drive your recruiting strategy. You can also do this by type of employee. Paying attention to file utilization will encourage recruiters to draw from your existing pool and reduce reliance on job boards.

Sales KPIs

- **Steve:** Stick to the basics and keep it simple. Key measures for salespeople are:
  - Number of "connects," i.e. appointments or presentations with prospects. This has gotten much harder as we've moved to virtual sales approach. I recommend you don't trade quantity for quality; number of quality connects is what counts.
  - Number of placements/hires – convergence of sales and recruiting

You need to have sales funnel management process to see industries where you're having most success, including acceptance and alignment with your social purpose.

Again, to get baseline, collect data for 3 months, then set future goals.

- **Mark:** I recommend you resist the urge to share every metric your system is capturing with everyone. Watch it in the background and present one or two things with your salespeople (and recruiters).
  Also, going back to role clarity, when I ask executive teams and salespeople how much time should be spent on various activities, I commonly get very different responses. Start there and be clear about the amount of time you expect people to devote to different tasks.
- **Hope:** How do you define "new accounts?"
- **Steve:** At Kelly, a salesperson got credit for a sale for 18 months, then it became a house account. If it was a net new division within an existing customer, we allowed that to be new. If it was an extension within an existing department, that was not new. We gave salespeople an 18-month runway so they'd have something to bank on during slow times.
- **Marcia:** For managing existing accounts, how many touches are the right number?
- **Steve:** At Kelly, if it was a true retail account, once per month. If it had growth potential, the expectation was weekly until we achieved what we defined as our "fair share" of the business at that account. By the way, it's a good practice to ask some of your best employees to gather intelligence about other staffing companies supplying people to work sites and pay them referral bonuses when you make additional placements.
- **Amelia:** We pay sales commissions based on gross margin, and our bonus plans for general managers are based on gross margin, SG&A expense goals, mission fulfillment and overall performance.
- **Steve:** It's a good practice to set pricing/margin targets for recruiters, too, to ensure consistency and accountability. (Also, make sure you have contract language that enables you to pass-through new state-mandated expenses.)
- **Jim:** For sales commission, we tie in a couple things. You need to have a new account every month, and your percentage is tied to your A/R aging. If an account is over 90 days past due, you don't get paid on that account.

ASO Practices

- **Steve:** How do you know you're doing well?
- **Lee:** We look at worker hours. We strive for "5X5"
- **Chris:** That means a customer employs at least 5 workers, 5 days per week, and mostly a full 40 hours per week. 70% of our workers are homeless when they come to us so we're trying to get them a high enough wage and hours to qualify for housing with our housing partners.
  - o **Steve:** A quick comment on hours … we used to consider an average 33 to 34 hours per week per number of workers out on assignment "full employment." As an economic indicator over time, if the average dropped below 29 hours, we started to get nervous about recessionary pullback. It's an early warning sign to help you prepare for slowdown. Chris, do you also look at fill rates?

- o **Chris:** We fill about 100% of jobs that come in, and about 100% of people who apply are currently getting out to work. The reduced volume of the COVID era has meant we can give people more attention and engagement.
- o **Marcia:** In construction we can only offer "5X5" placements to about half of our workforce, so it's hard to keep good workers going. Plus some people with disabilities want part-time hours; there's such a range.
- o **Steve:** That's why metrics have to be very tailored, by industry and customer type.
- o **Marcia:** We look at hours that we bill and number of hours. Last year we employed about 2,400 people and paid $10.5 million in wages, so overall it's not a large amount per person.
- o **Steve:** Balancing steady assignments like framing, e.g., and large, short assignments like construction cleanup is the ultimate puzzle, and very different for your recruiters than a more traditional staffing office.
- o **Marcia:** We work as a team so it's hard to split out tasks by person.
- o **Steve:** For your population and customer mix, that may be the best-case scenario, as long as the team feels accomplished and teams are small enough so there's no place for a poor performer to hide.
- **Tom G:** We look at candidate retention at 90 days. What number are still employed and what is length of employment. Our view is that our employees' success drives revenue. We require individuals to work 1,040 hours (6 months) minimum on our payroll before they convert to hire by customers. We do that to maintain the fidelity of our model.
- **Ayron:** We similarly prioritize fit of employee for job. We won't send just anyone. My goal is placing each person where they'll achieve long-term retention. Last year we had an 81% placement rate of our Career Academy graduates and a 67% retention rate.
- **Steve:** Smaller staffing companies tend to take better care of their talent and this translates to higher customer satisfaction. Your level of engagement with candidates gives you a unique advantage.
- **Clarence:** With our internal team, we try to be as transparent as we can. We share the monthly financials with everyone.
- **Steve:** Public posting of information is a powerful tool.
- **Roz:** How do others encourage a career pathway model? How do we reengage people we might first place in an entry-level job to earn immediate income, to improve their situation and move them toward self-sufficiency?
- **Sasha:** We use temp assignments to prepare individuals for permanent job placement. For temp assignments, we ascertain length of assignment and measure retention and completion. We have another metric called "send out eligibility," which means a candidate is ready for s permanent job opportunity. We gauge that readiness using brief surveys to customers when assignments end, asking them to rate a candidate's competencies in 5 areas: time management, communications, teamwork, conflict management, and professionalism. We communicate to staffing customers that our goal is a permanent opportunity for workers. If it can't be with them and another opportunity arises, we give the employer customer 2 weeks' notice and then backfill the position.
- **Steve:** Why do companies use your services?
- **Tim:** We sell that we care for our candidates and help those who are marginalized job seekers. Our tag line is you can change the world by changing your staffing company.

Some businesses like us because they know they can get better candidates. More are interested because it's good for the community.

- **Tom G:** Our employer partners buy into the big picture we present. Our message is that hiring our candidates makes our community safer and saves tax dollars. Plus they're getting productive, loyal employees.

Technology Platforms

- **Steve:** Over the years I've become more and more technology-agnostic. My rationale is they're all about 85% the same. I think it's all about the IT vendor's implementation team and the implementation team within the staffing company buyer. If there's a culture fit between those two groups and they drive a high level of trust, that's the technology I would go with. All implementations are ugly, none are simple, it's easy to finger point, and none of that gets you anywhere.
  Also, look at how contracts are designed. Most are punitive by design. Set up contracts so that if they outperform certain milestones they get paid extra. That makes for a much happier engagement going into this.