

7 TIPS FOR GROWING STAFFING FIRMS

Out of all 19,000+ staffing firms in the US, only 140 have exceeded the \$100 million mark - less than 1%. So for the ones who did manage to grow - how'd they manage do it? Here are seven tips for staffing firms looking to grow.



1

STAND OUT FROM THE CROWD.

Differentiate yourself in a meaningful way and provide a high level of customer service to your clients, but also to your temporary workers so they choose to work for you.

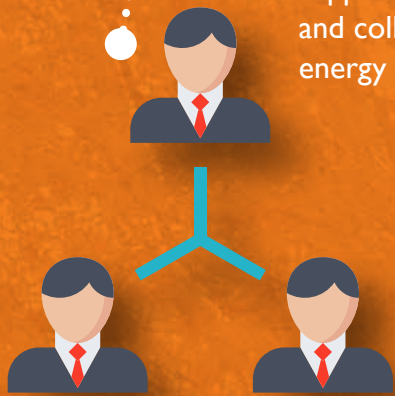
FOCUS ON YOUR STRENGTHS.

You probably didn't get in to staffing to spend hours doing invoice collecting or payroll taxes. Focus on revenue generating activities that make your business strong, like sales and business development efforts.

4

OUTSOURCE WHAT YOU CAN.

Increasing complexity in compliance, insurance and HR makes it is wise to consider outsourcing more of those activities than in the past. Outsourcing crucial back-office support to help with credit decisions, invoice accuracy, and collection can allow you to focus your time and energy where you need it to grow.



UNDERSTAND THE TRUE DRIVERS OF BUSINESS.

What are the metrics and drivers of your business from an operational and financial perspective? Some kinds of work require you to invest more, in insurance or recruiting, for example. To be able to grow, you need to really understand where your net margin is coming from.

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CHOOSE YOUR PARTNERS WISELY.

When it comes to both working capital and back-office and technology support, it's important to choose vendors and partners that really understand and are focused on the complexities of the staffing industry.



2

SECURE YOUR WORKING CAPITAL.

What happens when you are receiving payments for 10 workers but have grown and need to pay 20? Access to working capital doesn't have to be a limiting factor, and a flexible, staffing-focused working capital program can help staffing firms grow.



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5

REINVEST YOUR SAVINGS.

If you get savings from outsourcing or have an unexpected boom in business, don't pocket it. Figure out how you want to invest it — perhaps in training or in hiring more recruiters or technology. It's a better play for long-term growth, to invest back in your business.



Adam Stern is the Senior Director and General Manager at Advance Partners. During his 16 year tenure, Advance has grown from approximately 15 employees and 50 staffing firm clients to more than 160 employees and more than 400 clients.



Read Adam's full article about Playing for Growth here.



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