

WHERE STAFFING PROFESSIONALS GO FOR ANSWERS

staffdigest

SINCE 1984

NOVEMBER/DECEMBER 2008

VOL. 25, NO. 3

Smooth sailing
or rough seas?

Get ready **NOW** to start
the new year,

off right!

By **Jack Terrana**

Starting a new staffing business in this economy? **You CAN Be Successful!**



Jack Terrana



Kathy Dawson is the founder and President of Dawson and Dawson Staffing in Mission Viejo, California

1. Hi Kathy, thanks for speaking with me. How did you get started in the staffing industry?

I relocated to Orange County 25 years ago from Georgia. I was working for the Pacific Bell Telephone Company in the Yellow Page sales division. They processed each prospective candidate through a very tough and rigorous sales training program where there was a 75% drop out rate. I was one of the few that survived. I started to enjoy my new-found career of helping people/companies solve their problems creatively by designing and selling yellow page ads. I was promoted to a division manager which allowed me to train/teach other sales reps on how to become effective.

My husband was transferred to Irvine, California and I started the job search process. I responded to a small ad in the newspaper where a private staffing owner was looking for a direct hire consultant/recruiter. Even though I had no staffing experience, I felt I could transfer my Bell telephone skills to the staffing business. I was hired . . . and the rest is history . . . 25 years worth and many more to follow.

2. How did you know it was the right time to strike out on your own?

I always felt that I wanted to be part of something special in the business world. Over the years, I saw that my "secret serum" for success was not being duplicated in the market place. I listened to the frustrations of clients and potential customers and that most staffing companies were not meeting their needs.

I knew that I had a proven successful system that would meet many client's frustrations and that I could not implement this system while working for a larger corporation.

We have a unique combination of talent, education, training and an execution plan that ensures success for our clients. We have a team approach to all searches with a quality versus quantity candidate presentations to the client. Our business practice and ethics have impressed many executives. The true partnership mentality is foremost on our mind when we work with our clients and candidates. *Ann Henstridge* and *Sophia Konugres* have over 17 years experience in the staffing industry prior to Dawson & Dawson.

3. How did you go about getting your doors open? What are the steps involved?

Foremost was developing a well thought out business plan with realistic time lines. Then, executing all the business initiatives based on urgency. Initially, I had to decide what my focus was to be. Here are some of the items that I looked at prior to opening our doors:

- a.) **Marketing** – Developing the company identity.
- b.) **Training** – Giving the staff the company vision.
- c.) **Operations** – Setting up vendor contracts.
- d.) **Human Resources** – Coordinating all hiring.
- e.) **Sales** – Develop a focused

strategic sales and recruiting plan.

4. What are the smartest moves you made and what turned out to be not such a good idea?

The smartest move I made was having a well thought out business plan with realistic deadlines. This has been our guide to growing our business at a rate where we can still be effective. My plan has been very helpful in securing resources and people in a timely manner. This has allowed me to keep the growth at the correct rate to be able to provide the service level that we promise.

The "not such a good idea" would have to be trying to do it all myself initially. I learned very quickly in the beginning it really helped to get the right team members involved to help with the execution of the tasks needed to be successful.

5. Kathy, what was the adjustment like from large staffing company executive to an on-your-own entrepreneur suddenly not drawing a paycheck? What aspect did you find most surprising?

When I first started in this business, in 1983, the company I was with was small and mighty with just a single branch location. We only did direct hire at that time. We specialized in banking, administration and office support types of positions. For 15 years I was the vice president and general manager for that firm. We had up to five branches that ran direct hire and the added temporary divisions. When I ended my corporate staffing experience I personally was responsible for Alaska, Washington, Oregon, California and Nevada. I did direct hire training for the entire company which encompassed 150+ branches nationally. My passion has always been in helping people be their best. Unfortunately, I had reached a level in

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corporate business where I wasn't able to achieve my goals and implement my "secret serum". It became the right time to start on my own so I could go back to my roots; by providing a service that is better than the rest of our competition and I could gain a larger portion of the market. It became clear to me that somewhere along the way "we" started viewing the numbers as being more important than the service. I knew that my clients wanted a customized service specific to their needs.

From my past "corporate" experience, I already knew the difference and that is why I started my own company. I missed the ability to make quick decisions and to be flexible with new types of clients. Our clients get personalized service with the experience of national expertise. This gives our clients the best of both worlds. With us they get professional and tenured experience with the flexibility and quickness to satisfy all of their requirements.

The most surprising thing I found was how quickly people are willing to listen to a new way of doing staffing. The prospect/client desires someone to help them do quality hiring. They are tired of the larger staffing firms who have to support their corporate offices by making the required high volume of calls verses calling with a logical plan to assist them with their staffing challenges. My company is different in that we are not forced to make thousands of calls to satisfy a corporate objective. We make calls because it makes sense to educate the prospect/client on how we do it better. There is no pressure from our team to use us. The prospect/client likes this approach as it shows that we are not desperate for their business. We want to bring them into our "private club" of relationship clients because we know we can give them superior service.

6. Dawson and Dawson is a truly blended, full service staffing company. Why should our readers who own temp staffing companies consider adding executive search to their business?

The additional revenue stream and client exclusivity would make

sense for most owners. I have never met an owner who hasn't been interested in adding more revenue to their bottom line. I have personally been part of branches/companies that have had every discipline of placement nationally – executive search, temporary, contract, direct hire in the areas of legal, administrative/clerical, accounting/finance, engineering, technical, call center and light industrial.

When you look at opening a search division you need to look at your core business. What does it look like? What type of clients do you have currently? Who is your biggest client? What industry? What type of job openings do you place for them now? The reason why it may make sense for them to start a search division now is based on the answers to these questions. If you have a client base that you are missing out on filling other positions for them, then it may make sense. Executive search is a way to keep your clients working exclusively with you. The recruiting process is very much the same at every level. You would be interested to know that you usually only need to change a few steps in your current staffing process, ask a few more questions and then you are off to executive search! I have taken many light industrial branches/clients and created a new business line with them on the executive search level. The additional revenue stream is welcomed as it goes directly to your bottom line. The overhead start-up cost is minimal with a return on your investment being much more than the initial investment.

7. How would an entrepreneur with little or no experience in direct hire/permanent placement best go about learning (and thriving) in that side of the business?

Great question. There are some great trainers out there in our industry. I believe in being a constant student in your area of discipline. I have been a trainer for 24 years in every area of staffing. My advice is to do your research on who makes sense for your firm based on location, area of discipline and style. You can teach anybody any subject if they are motivated to learn. This is why it is crucial to have a great trainer. I find that having the sup-

port of an expert who can teach you what to look for and give you the foundation for success makes your success assured. Look for people who have actually performed the job. When my firm was first acquired. I was running a \$5.5 million clerical temporary and direct hire business. I was personally running a direct hire desk of over \$400K and managing the day-to-day of the branch. My average tenure of my direct hire consultants was 15 years. This is the type of experience that you want to find to help you build a team. Once you find a great mentor, this will ensure that your business will thrive.

8. You seem to be all about sales activity and client satisfaction. Tell us about how you are able to deliver great results for your customers and still run the other aspects of your business.

You are exactly right. We are all about client satisfaction. That is how I am able to convey the Dawson and Dawson way to our clients/prospects through our sales activity . . . showing them a unique process is a great way to get their attention. Leading a company to success takes someone to pay attention to the details. I have been fortunate to have the ability to focus on the sales and recruiting side of the business. Our CFO, **Larry Dawson**, graduate from the Naval Academy, handles all the operations for the company. He has over 25 years experience in business management and profit/loss. Because of this planned business management separation, I can focus all of my attention to my client's needs.

9. In this column, we repeatedly urge new entrepreneurs to do what they do best and not be distracted by non-revenue producing tasks. How does Dawson and Dawson juggle while riding a unicycle?

We are big advocates of time management and goal setting while holding each other accountable. I feel this is the single best piece of advice that you can give to someone who is starting out. We can all get easily distracted on non revenue generating activity. The opposite of non revenue generating activity is

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what I call IPF time (Income Producing Function). When setting your goals for daily, weekly, or even monthly timelines, be sure to block out your IPF time or productive time. Make an appointment with yourself for two to four hours a day to focus on marketing, recruiting, client visits and networking. Make sure you stay true to the 70/30 formula, (70% IPF and 30% operations). Check yourself daily, weekly and monthly. If you are off track, get right back on. Without clients, we don't exist... so clients are the king!

10. We also advise a "lean and mean" m.o. Orange County is an expensive place to do business. How do you contain costs without your clients feeling it?

I am in agreement with the 'lean and mean' philosophy. We have established a clearly defined process that is effective with less overhead costs. I have cut costs in the operations areas but not in the quality of our service. Most of my costs are in the areas of marketing campaigns, advertising, candidate and client sourcing, retaining quality employees and employee incentive plans. The CFO continues to look for ways to cut operation costs (ie. he performs all system requirements such as computer networking, website interface, office system networking, to save outsourcing service cost). ■

Jack Terrana is a well-traveled staffing industry veteran. He currently serves as the managing director of Prosperity Funding, a leading provider of financial and advisory services to independent staffing companies. Jack takes a particular interest in helping launch young staffing companies and provides expertise in all facets of their development. Contact Jack at (516) 424-5500 or jack@prosperityfunding.com.

A different way to get your fee.

Match.com for employers?

Jobless claims are still showing signs of a lackluster economy, but there's now an electronic way for people to put themselves in front of potential employers – the InterviewStudio.com.

What do you really know about the staff you employ or send to your clients?

- Pre-Employment Screening
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- Personal Reference Verification
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- Criminal History Checks
- Tenant Screening
- Business Screening
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The brainchild of **Colleen Aylward**, founder of Devon James, a Seattle recruiting firm that spent a year helping Amazon find employees, said the software package lets job seekers showcase their talents on the site with their résumés, a video interview, recommendations and other helpful items for \$150 a year. Companies pay Aylward \$1,200 to \$5,000 a month to keep an InterviewStudio link on their Websites for hiring purposes, enabling them to more efficiently screen potential candidates, without hiring a high-priced executive recruiting firm or being constantly spammed by them.

"Management search savings could be in the tens of thousands of dollars," says Aylward. Consider that an \$85/hour internal recruiter might screen 15 candidates at two

hours each, for approximately \$2,500. Calculate a six-hour round of interviews in one day with six to eight highly paid employees, at say, \$134 an hour. That's approximately \$6,500 for each day that is wasted on a round of interviews with a candidate that isn't the right fit," says Aylward. She adds that generally at least two of these exercises in futility take place in a large organization each month. Add flight, hotel and cab expenses and, well, you get the picture. (The site has a return-on-investment calculator built into the employer page.)

So far, InterviewStudio is gaining fans. Recently, Gartner Group dubbed it as one of 2008's four "Cool Vendors for Human Capital Management Software." ■

SOURCE: Barron's, New York, New York