View Point

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Staffing Industry
Challenges & Solution

Abstract

The staffing industry today works in an exceedingly dynamic business environment, perhaps the most transformational the industry has seen in the 50 years of its evolution. It no longer functions solely in the capacity of replacing absentee workers with temporary ones, but has slowly emerged as a strategic partner for its clients by providing an entire gamut of employment solutions and services.

The staffing industry has seen a huge swing towards recruiting professionals from varied streams such as Finance, Sales, Engineering, Information Technology, and Management While this trend provides myriad opportunities for growth, it has also bought a set of unique challenges with it. Hence the growth challenges are Customer Retention & Serving new industries, Applicant loyalty, soaring operational cost due to disintegrated systems in usage, high percentage of manual effort involved in the process of matching the right people with the right job there by prohibiting a quick response to the customer for an order & integration of the business processes across geographies. These challenges needs to be addressed by a Go-To-Market solution that provides a real- time visibility into opportunities and resources, finding, bringing and retaining the best talent across the globe, managing clients, applicants & orders from a single source, fully integrated to manage both the front office and back offices seamlessly and inculcates the best industry practices so as to deliver the high quality service thereby adding more value to the customers while reducing the costs and maximizing profitability.

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Introduction

Staffing Management provides the all essential strategies, tactics and processes for identifying, sourcing, recruiting and retaining the human resources needed to support all business activities both in the present and the future. It also includes managing programs that are in compliance with equal employment opportunity laws and regulations, — as well as for succession planning and organizational exit. In addition, staffing management also includes matters focusing on careers and communications, legal and regulatory issues, technology and outsourcing, budgeting and metrics, staffing management best practices and global staffing management issues.

Fragmented Market Space

The global HR services market is very fragmented, but the competitive landscape varies considerably from one country to another. The three biggest markets – USA & Canada, Japan and UK & Ireland – are highly fragmented, with the Japanese market showing the highest number of staffing companies, followed by UK and the US.

The fragmented market space provides an opportunity for the staffing firms to grow by consolidation particularly in fragmented markets by strategic acquisitions. Moreover, the consolidation process is accelerating as general staffing companies seek a stronger foothold in the professional staffing markets in order to achieve a more diversified service range and access to the more profitable specialist segments.

Deregulation

The regulatory framework of labor markets in individual countries is a significant influence on the staffing market size and growth rates. There is a direct relationship between the regulatory framework of labor markets and staffing market size - more flexible labor markets lead to higher penetration rates for staffing. UK, one of the most liberal labor markets, also enjoys one of the highest penetration rates of around 4.5% in temporary staffing. Other countries such as Germany, Spain, Italy and Japan have all seen an increase in opportunities as a result of labor market liberalization in recent years.

Economic environment

Demand for HR services is sensitive to changes in the level of economic activity. In good times, when GDP expands, demand for temporary employees increases. In a downturn, companies tend to reduce their quota of temporary employees before permanent staff, resulting in lower revenues for the staffing business, with a negative impact on profitability and the financial position.

Given the opacity of the staffing business, it is important that management at country level is aware of economic developments in order to adapt the cost base to revenue trends. Corporate and regional management need to maintain an active dialogue so that capacity can be adjusted as and when necessary. Close monitoring of monthly results and updated forecasts ensures a rapid response to business developments.

Client attraction and retention

The Staffing firm's business potential and long-term profitability depends on attracting and retaining clients. Client satisfaction breeds loyalty and leads to consecutive assignments. Failure to provide this is a business risk.

Staffing firms can conduct a global & local Client Satisfaction Survey with management-defined short-term targets. The results will help to draw up local sales action plans, support salespeople, and gear the services to client needs. In addition, staffing firms can also continue to review the delivery models and optimize sales processes.

External Talent attraction and retention

The successes of the Staffing firms depend on their ability to attract and retain external talent who possess the skills and the experience to meet clients' staffing needs. With talent shortages in certain sectors and intensive competition for skilled individuals, providing suitably qualified candidates is both a challenge and a risk. The continued success of staffing business depends in part on the ability of the staffing firm to offer attractive conditions to retain colleagues.

A key to retaining external talent is to offer consecutive assignments and competitive wages. The Global Client Satisfaction Survey can also address external and internal colleagues while helping the offices around the world to identify their needs.

Staffing firms can continually evaluate and upgrade the supplied pool of qualified people to keep up with changing client needs and emerging technologies.

Notion and Reality that the individual rules

The rapid rise of a new class of employees comprising essentially of young people with an entirely new set of expectations and motivations when combined with the talent shortage, has shifted the power from the employer to the individual, resulting in the retention of talent becoming all the more elusive. This significant role reversal has triggered considerable changes in the way companies project themselves as employers. While strengthening their brand equity, the companies have to emerge as an individual centric management rather than a homogenous group management.

IT Solution: The Strategic Tool

Streamlined Processes

Many staffing companies may still be using Excel spreadsheets and even handwritten notes to manage central processes like recruiting, prospecting, matching applicants to orders, and billing. Today's staffing industry depends on the speed to find top talent and fill job orders, using manual processes like these puts the staffing firms at risk for losing clients to the competition.

The Staffing solution automates the time-consuming aspects of staffing office business processes such as client, applicant, and order management so that the employees of the staffing firm can focus on filling more job orders and better serving the clients. It also streamlines the pay-to-bill process, improving efficiency and reducing errors so that the staffing firms can decrease DSO and increase cash flow. As a result, employees are empowered to work more efficiently and effectively to grow the business.

Efficient Order Management

Manual processes can be challenging for a single-office company. Yet, for a company that operates in multiple locations, manual processes can become overwhelming. This can significantly inhibit the ability to fill job orders quickly and, ultimately, grow the business.

The Staffing solution provides a single source for managing and viewing your job orders and assignments, thus eliminating the need to search through stacks of handwritten job orders and assignments to understand your pipeline or track down a recruiter to get the status on an order.

Front to Back Integration

Disparate systems create multiple versions of information that impede the ability of a staffing firm to manage the business efficiently. Decentralized information prevents your employees from having realtime visibility into available resources, open orders, and client requests. And it prevents you from having realtime insight into your pipeline, cash flow, and business trends.

The Staffing solution completely integrates the front and back-office systems to provide a consistent, centralized data source for clients, applicants, orders, projects, and billing information. Your employees can easily view and share the same data directly from a Web browser. By connecting employees throughout your organization to a single source of information, you can dramatically increase efficiencies, reduce errors, and eliminate redundancy.

Powerful Search and Match Capabilities

One of the most important tasks for a staffing firm is to find the best resource for a job. Even with an enviable pipeline of job orders and a top-notch pool of resources, staffing firms may not realize the full potential for profitability unless they efficiently and effectively match the resource to the job profile.

The Staffing Front Office solution delivers the extensive search and match capabilities that make it easier to find the right person for any job based on skills, location, availability, and billing rate from a single labor pool. It not only increases the operational efficiency but also reduces the risk of losing business to competitors'.

Simplified Workforce Management

Good recruiting means finding, bringing on board, and retaining the best talent. It means quickly identifying the right person for a job without paying fees for skills that already exist in the system. The above objective can be achieved scrupulously if the staffing firms can source across geographic areas.

The staffing solution provides the ability to the staffing firms to manage their pool of employees, subcontractors, and applicants in a single, centralized repository while minimizing duplicate entries and non-functional information. There by staffing firms can easily track and update a resource's skills and availability anytime, anywhere to enhance their sourcing processes.

Scalable Architecture

Large clients are increasingly expecting the staffing solution providers to manage all their staffing and human resource services needs to achieve greater efficiencies, cost savings, and quality of service. As growth in the staffing industry today is being driven by new business models like single-source partnering and vendor-onpremise contracts, it becomes essential that the staffing firms equip themselves to provide their clients with consistent, high-quality service across states, countries, and continents.

The staffing solution takes you global. It not only provides the staffing firms with international expansion capabilities but also supports the multinational client operations. It handles multiple currencies, multiple languages, global payroll and billing-functions, and local employment laws, so that staffing firms can execute on the international staffing objectives effortlessly. It can also scale to support the staffing firm's operations round the world, with employees requiring only a simple Web browser to access the information they need.

Proactive Relationship Management

Each day a staffing firm employee spends on an average about 40% to 60% of their time at administrative tasks such as reminders and to-do lists. These tasks are no doubt important to manage the client accounts, but they also take the time away from developing deeper and more meaningful client relationships.

The staffing solution streamlines the client administration process by using delivered templates and empowering clients with online self-service, thereby allowing the staffing firm employees to spend more time on the development of each client into a more profitable, long term business partner.

IT-BPO & SaaS Solution for Staffing Industry

Staffing firms selects the usage of technology mainly for optimizing costs and gaining strategic outcomes such as enhanced service delivery, Business process realignment.

On the other hand, staffing companies must balance these desirable outcomes with the challenging consequences of technology implementation, such as training costs and misalignments between software and strategy that can threaten the bottom line.

Therefore, staffing firms can leverage the usage of technology in any one of the following ways depending on their needs to optimize the cost and gain strategic advantage.

IT-BPO integrated solution For the Staffing Industry Integrated IT-BPO solution for staffing industry extracts the synergy across IT and BPO that covers front-office, mid-office and back-office to make an impact in areas of revenue generation, cost reduction and customer satisfaction.

An overview of the synergized IT-BPO integrated solution approach

Differentiator	Innovative techniques to reduce cost, reduce risk, and accelerate results		
	Key Benefits	Approach	Description
Spend based Pricing	• Operational expenditure model • Pay as per usage model simplifies cost mgmt	Price modeled on spend basis	• Spend based price ensures that Client pays in line with the system usage. • Pay per use model also provides lesser per spend cost as the spend base increases
Accelerated on-boarding	• Shorter time to Value realization • Can help in further rollouts	Pre-implemented process templates	• Pre-implemented operation flows helps shorten Business Blueprinting
Dynamic Infrastructure Management	• Reliable & secure service operations based on industry best practices / frameworks • State of the art technology in an on-demand model	Economies of scale & Better technology leverage	• Service management framework, industry leading security certifications • Dynamic and Virtualized Infrastructure driving optimization in utilization
Robust Delivery methodology	• Lower unplanned expenses • Achieve economies of scale in size/time due to multi-tenancy	Shared services execution interweaved with ERP lifecycle best practices	• Robust non-functional requirements management process for solution performance • Best in class ERP services best practices optimized through a shared delivery structure and automation (thru' BPM and workflow)
Certified Advantage Partner	• Strategy & roadmap guidance • Insights into upcoming product enhancements • Support & dev services program for key projects	Integrated Partner ecosystem across all technology layers	• Global alliance and strategic planning • Joint Product and Solutions Development programs • Early access to new product and training Product beta testing partner

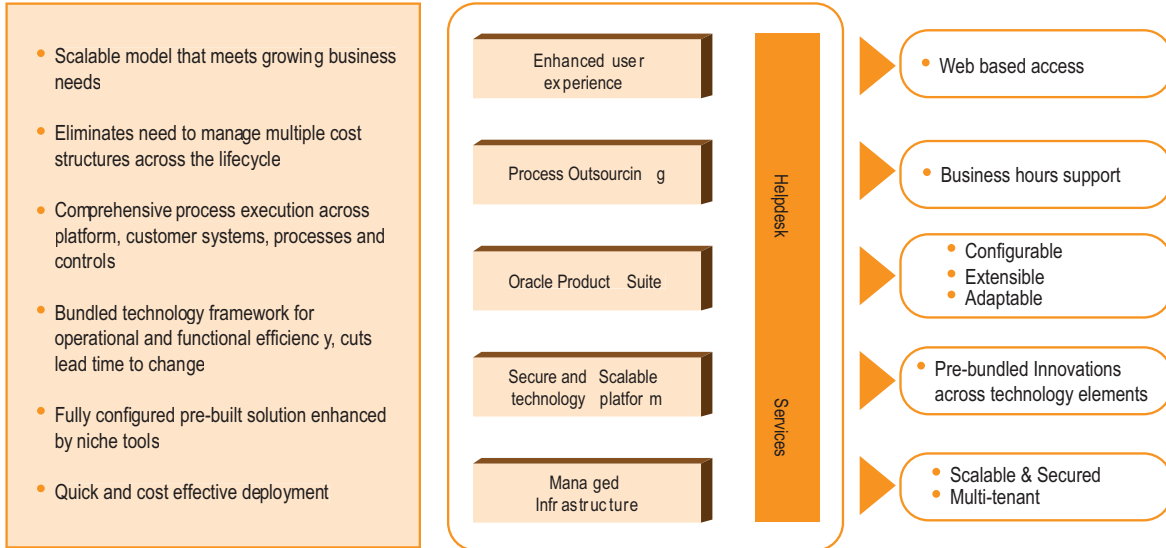## SaaS-based offering For the Staffing Industry

In a SaaS model, the onus of operating, supporting and maintaining applications resides with the SaaS vendor. Hence, there is no hardware or separate licenses to purchase, no servers to maintain, and no IT staff required to manage it. With SaaS you get automatic updates, eliminating upgrade expenses and system down time. SaaS cuts those costs, allowing you to focus on growing your business. This allows companies to realize cost and efficiency benefits. The 'pay-as-you-go' model also provides companies better visibility into their operating expenses.

Staffing solution integrates the Staffing Front Office, Customer Relationship Management, Human Resource Management, and the payment and billing processes there by eliminating large upfront investment for multiple software applications and implementation time which can take months to install. As there is minimal upfront investment in hardware and software, capital expenditure is vastly reduced.

Since SaaS eliminates the need to assess hardware through its end-to-end develop-host deliver- operate model, time to market is reduced significantly. Further, enterprises using SaaS can leverage new best practices, upgrades and releases virtually in real time.

The following is an overview of the SaaS-based offering with process outsourcing capabilities for Managed Service Providers in the Staffing Industry

Solution Stack

- Scalable model that meets growing business needs

- Eliminates need to manage multiple cost structures across the lifecycle

- Comprehensive process execution across platform, customer systems, processes and controls

- Bundled technology framework for operational and functional efficiency, cuts lead time to change

- Fully configured pre-built solution enhanced by niche tools

- Quick and cost effective deployment

Enhanced user experience

Process Outsourcing

Oracle Product Suite

Secure and Scalable technology platform

Managed Infrastructure

Helpdesk

Services

- Web based access

- Business hours support

- Configurable
- Extensible
- Adaptable

- Pre-bundled Innovations across technology elements

- Scalable & Secured
- Multi-tenant

Infosys among the world's top 50 most respected companies

Reputation Institute's Global Reputation Pulse 2009 ranked Infosys among the world's top 50 most respected companies.

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About Infosys

Infosys provides its clients with business and technology consulting services that deliver measurable business value to help you build tomorrow's enterprise. Through a well-integrated end-to-end range of consulting, technology, engineering and outsourcing, Infosys clients derive the business value they've always been requiring from enterprise transformations. Our extensive research teams, including the award-winning SET Labs, ensure Infosys solutions are always cutting-edge and relevant. Our high investment in training – over 10,000 graduates a year pass through our Mysore campus, the world's largest corporate university – ensures our people stay best-in-class. Infosys (NASDAQ:INFY) also believes in giving back to the communities with scholarships, libraries, schools, and many other fields through the Infosys Foundation.

Global presence

The Americas	Europe	India	Asia Pacific
Atlanta	Amsterdam	Bangalore	Brisbane
Bellevue	Brno	Bhubaneswar	Dubai
Belo Horizonte	Brussels	Chandigarh	Hangzhou
Bentonville	Copenhagen	Chennai	Hong Kong
Boston	Dublin	Gurgaon	Kuala Lumpur
Calgary	Frankfurt	Hyderabad	Manila
Charlotte	Geneva	Jaipur	Melbourne
Chicago	Helsinki	Mangalore	Moscow
Detroit	Łódź	Mumbai	Perth
Fremont	London	Mysore	Shanghai
Hartford	Madrid	New Delhi	Sharjah
Houston	Milano	Pune	Singapore
Los Angeles	Milton Keynes	Thiruvananthapuram	Sydney
Minneapolis	Oslo		Tokyo
Monterrey	Paris		Wellington
New York	Prague		
Philadelphia	Stockholm		**Africa**
Phoenix	Stuttgart		Reduit
Plano	Swindon		
Reston	Toulouse		
Toronto	Walldorf		
	Zurich		

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Building Tomorrow's Enterprise

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