



MSP as a New Road to Growth for Professional Staffing Companies

- Session Slides and Resources: staffingworld.net/materials2019
- Use the App to Rate This Workshop

 American Staffing Association

Introductions



Claudette Cunitz, CSP, TSC Certified



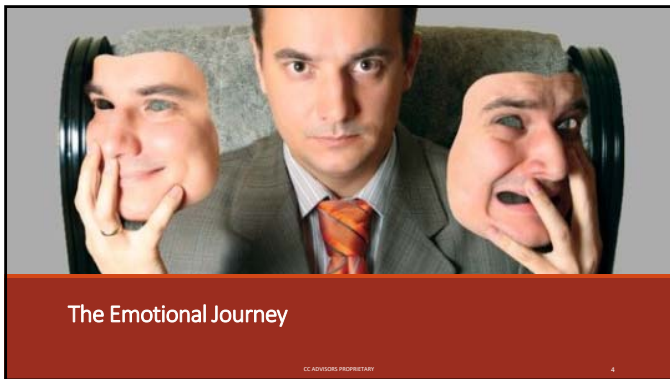
David Ballew, Founder, MSP GURU



Two very different opinions
and backgrounds!

CC ADVISORS PROPRIETARY

3



Attention Span

Average Attention Span
2013 – 12 seconds
2018 – 8 seconds

Americans check their phones 46 times per day
Millennials check their phones more than 157 times per day

CC ADVISORS PROPRIETARY 5


Managed Service Provider

One of the most controversial topics in staffing, then and now.

- MSP is a service company that takes primary responsibility for managing an organization's non-employee workforce
- Typical responsibilities include overall program management, reporting and analytics, vendor selection and management, order management and often consolidated billing
- An MSP may or may not be independent of a staffing supplier

SA/Crain Communications Inc.
Contingent Workforce Strategies Council

MSP LANDSCAPE



2016 → 2017 → 2018 →

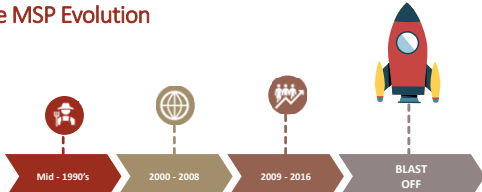
21 PRIMARY Managed Service Providers

(Everest Group 2019)

- 114 Vendor Management Systems (VMS)*
- 89 of the 114 VMS are also an MSP*
- Technology Innovation – VMS, ATS, HRIS, Direct Sourcing
- Client buyers are better educated
- Shift from mega firms to large and medium taking advantage
- Many firms are considering offering MSP solutions
- Today we are discussing the details of WHY

*ISA/Cran Communications Inc. Contingent Workforce Strategies Council


The MSP Evolution



Mid - 1990's	2000 - 2008	2009 - 2016	BLAST OFF
Customer "Farming" Master Vendor Volume & Price Risk Transfer	Global Expansion Vendor Neutral VMS Reporting	VMS Analytics Vendor Performance Vendor Consolidation SOW Administration	Technology Innovation Direct Sourcing SOW Strategic Sourcing Total Talent Acquisition

CC ADVISORS PROPRIETARY

Why clients change MSP providers



In baseball, you get three strikes and you're out. In business, you only get one!

- Gen1, 2, and 3 strikes and you're out!
- Entitlement leading to apathy
- Lack of innovation
- Conflict of interest
- Lack of compliance
- Lack of vendor engagement
- Mergers & Acquisitions
- Employee churn
- Transition to hybrid or insourced model

CC ADVISORS PROPRIETARY

Topics for today!



- MSP Journey
- Vendor Perspective
- MSP Perspective
- The Right MSP Partner
- Question Everything
- MSP Options for smaller firms
- Q&A - Anytime

CC ADVISORS PROPRIETARY

10

MSP EXPERIENCE



- A – SUPPORT AN MSP
- B – HAVE AN MSP SOLUTION
- C – CONSIDERING CREATING AN MSP SOLUTION



Staffing Firm Employee Size



- A – SMALL: 1- 25
- B – MEDIUM: 26 - 50
- C – LARGE: 51 – 100
- D – MEGA: 101+



The MSP Emotional Journey

Not all MSP programs are created equal.

CC ADVISORS

CC ADVISORS PROPRIETARY 13

MSP Case Study

- Global MSP Brand
- Global Customer Brand – NA Operations
- Consolidated from 4,000 to 45 staffing vendors (0.01125)
- Non-vendor-neutral with 10-day lead time to fill orders
- 80% hit rate before the MSP, dropped to .3 after
- Customer's on-boarding process: 8-10 steps and open to manager preference
- MSP's on-boarding process: 88 steps (included drug testing and multiple compliance documents)

CC ADVISORS

CC ADVISORS PROPRIETARY 14

MSP Case Study

What we did to succeed

- Re-engineered Service Delivery Model
- Partnered with the MSP for specialized skill sets
- Improved performance score card

WHICH STEP HAVE YOU REACHED TODAY?

CC ADVISORS PROPRIETARY 15

MSP Partner Viewpoint



Local Staffing Firm

Light Industrial, Minority Certified

- Award based on client references and minority certification
- Limited to light industrial – in top 3
- Expanded to professional – in top 5
- Awarded a workforce transfer of 50 contractors

Local Staffing Firm

Information Technology

- Requested access to new orders
- Denied request – however, invited to join vendor networking/forum activities
- Engaged a Tier 1 vendor as a mentor for working within an MSP model
- Approved subcontract relationship for specialized skill Tier 2

CC ADVISORS PROPRIETARY

16

MSP Development Viewpoint

Easier point of entry!



National Staffing Firm

Education & Healthcare

- Strong investment, continuous growth
- Strong client relationships
- Decision to start an MSP solution
- MSP solutions development
- VMS partner selection
- Sales training... first win within 60 days!



CC ADVISORS PROPRIETARY

17



What does the right MSP partner look like?

CC ADVISORS PROPRIETARY

18

MSP of Choice
Only accept WIN-WIN relationships





LEVERAGE your good performance!

- Always approach with a spirit of compromise
- Always push back using common sense logic
- Only accept strategic vendor tiering
- Only accept reasonable insurance types and limits
- Only accept sustainable pricing
- Only accept reasonable limitation of liability
- Only accept terms AFTER a legal review!

KNOW this...
The MSP often needs you, more than you need them!

CC ADVISORS PROPRIETARY 19


As a vendor what's in it for me?
Your financial sustainability is non-negotiable.



- If the client P&L is losing money, KNOW THIS...
 - It's okay to make a reasonable profit
 - Contract terms are and should be negotiable
 - It's okay to fire a customer!
- BUT NOT BEFORE...**
 - Creating awareness and educating the client/MSP
 - Going open-book and sharing the client account financials
 - Asking for reasonable accommodation!


CC ADVISORS PROPRIETARY 20

MSP of Choice
Reasonable Expectations

ETHICAL	INFORMED
REASONABLE	ENGAGING
RESPONSIVE	FLEXIBLE
INNOVATIVE	REWARDING
WINNING NEW BUSINESS	

CC ADVISORS PROPRIETARY 21



MSP of Choice Reasonable Expectations

- **ETHICAL**
 - No conflict of interest
 - Equal opportunity based on performance
 - Published rules of engagement
 - Confidential information
- **REASONABLE**
 - Sustainable pricing
 - Consistent communication
 - Commercials – insurance, indemnity...
 - Vendor management strategy
- **INNOVATIVE**
 - Thought leadership
 - Continuous improvement
 - Technology
 - Active change management
- **ENGAGED**
 - Order process
 - Relationship driven – all levels
 - Vendor development
 - Know their client – have awareness
 - Labor legislation/tax

CC ADVISORS PROPRIETARY 22



MSP of Choice Reasonable Expectations

- **RESPONSIVE**
 - Candidate workstream
 - Issue resolution
 - Performance analytics
 - Billing/Payment
- **FLEXIBLE**
 - Direct client communication
 - Partner vs. vendor relationship
 - Market driven pricing strategy
- **REWARDING**
 - Performance recognition
 - People recognition
 - New tier-level opportunity
 - External new client opportunity
- **WINNING NEW BUSINESS**
 - Minimal client negative turnover
 - **"When you stop growing you start dying."** Lou Holtz
 - "Pac-man" acquisition is buying, not winning!

CC ADVISORS PROPRIETARY 23



Define your target MSP client

Take back control and profits

- Be selective of where you invest...
 - Sourcing Budget
 - Recruiter Capacity
 - Candidate Resources
- Expand the depth and breadth of MSP and client relationships
- Win daily battles in the "War for Talent"
 - Technology Innovation
 - Process Optimization
 - DARE TO COMPARE Candidate Attraction

CC ADVISORS PROPRIETARY 24

No.1 CEO Concern 2019



"CEOs cited the ability to attract and retain quality workers as their top internal concern. This comes as no surprise given the challenges posed by today's tight labor market. With work opportunities abundant during this time of record-low unemployment, people are leaving their jobs at the highest rate since 2001."

What we do matters! Be proud of being a staffing professional!

CC ADVISORS PROPRIETARY

25

10-Minute Breakout



Have you considered offering an MSP solution to your largest clients?

What are potential road-blocks?

CC ADVISORS PROPRIETARY

26


WHAT IF? WHAT
WHAT WHAT IF? IF?
IF? WHAT IF?

WHAT IF you offered your clients an MSP solution?

CC ADVISORS PROPRIETARY

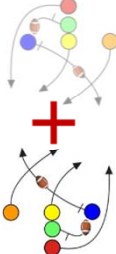
27

Are you ready to be the MSP? Why now?



DEFENSIVE Strategy

- War for Talent
- War for Data
- Competitive Risk
- Direct Recruitment




OFFENSIVE Strategy

- Industry disrupter
- Visibility as a market leader
- Relationship Development
- Trending in staffing

Know Your Audience

What can you solve for them?



UNDERSTANDING WHAT EACH TARGET IS INTERESTED IN HEARING					
MSP	What makes you different	Current Clients	Performance	Skills Supported	What's on offer
Hiring Manager	What makes you different	Skills Supported	Price	Placement Timing	What's On offer
Procurement	What makes you different	Skills Supported	Price	Acceptance of Terms	What's On offer
HR	What makes you different	Current Clients	Performance	Skills Supported	What's On offer

CC ADVISORS PROPRIETARY 29

SWOT: STAFFING FIRM

STRENGTHS-WEAKNESSES-OPPORTUNITIES-THREATS



STRENGTHS	WEAKNESSES
OPTIONS to decide where to focus resources	Lack of MSP Experience
Market Experience/Reputation	Employee Churn
Agile Operations – Flexible/Scalable	Financials / Cash Flow
Localized brand recognition	Self-doubt
OPPORTUNITIES	THREATS
Revenue Growth – organic and new	War for Talent – Candidate & Staffing Vendor Competition
Customer Relationship Development	MSP Customer Restrictions - Communication
Employee Morale/Retention	Commoditized Pricing
Direct Placement and SOW Resources	Risk Transfer from Customer/MSP to Staffing Firm


CC ADVISORS PROPRIETARY 30



MSP TAKE-AWAY
EMPOWERMENT
QUESTIONS



Q&A
THANK YOU!



One
Powerful
Statement

“The only person you should try to be better than is the person you were yesterday”
— *Matty Mullins*



Claudette Cunitz, CSP, TSC Certified



David Ballew, Founder, MSP GURU

THANK YOU
FOR CHOOSING
TO SPEND YOUR TIME WITH US!
