



U.S. HIRING FORECAST

careerbuilder®

Q4 2009

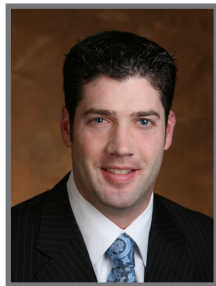
Dear Recruiting Professional,

Many economists and analysts are claiming the recession is ending, and it is safe to say that most are excited about this news and looking forward to 2010. What are you currently doing to prepare for the economic rebound? This forecast includes responses to this question from staffing industry leaders, along with more data supporting a soon-to-recover economy. Companies that take time to reflect and update their strategy now in light of the changing economic and competitive landscape will be better positioned to thrive in the short and long term.

This update includes data and insight to help you with your internal analysis, including:

- **CareerBuilder's Q4 2009 Hiring Forecast:** This quarterly data reveals that employers are, as in Q3 2009, less cautionary in terms of hiring. As optimism returns, the percentage of those that said they were going to decrease their headcount dropped to 10% in the fourth quarter, from 15% in the third and 17% in the second quarter.
- **CareerBuilder's Staffing Supply & Demand Outlook:** Corporate employers also report that they expect to use staffing firms more in Q4 than they did in Q3, with almost 15% expected utilization compared to 13% last quarter. The largest increases were from hiring managers at organizations with 20 to 99 employees as 7.5% expect to use staffing firms for temporary or contract workers in Q4 compared to only 3.7% in Q3.

As you read through this material, ask yourself and your team what you are doing right now to prepare for the future. How will your current initiatives differentiate you from your competitors whom are also eager to grow in 2010? **CareerBuilder is always here to provide you with the most up-to-date data and insight so you can evaluate your current situation and prepare for future growth.**



Sincerely,

A handwritten signature in black ink, appearing to read 'Todd McCormick', written in a cursive style.

Todd McCormick

President, Recruiter Business Unit, CareerBuilder
Todd.McCormick@careerbuilder.com

Q4 2009

U.S. HIRING FORECAST

The latest quarterly report from CareerBuilder and USA TODAY shows that, while employers are more optimistic and taking steps to prepare for an economic upturn, the majority plan to keep their staff levels the same for the remainder of the year. Continued moderation in job loss coupled with a hesitant approach to hiring is expected for the fourth quarter, similar to the previous three months.

“Companies are switching their focus from cost containment to growth. Employers who have instituted pay cuts or layoffs in the last year are reporting that they have begun to restore compensation levels and rehire employees,” said Matt Ferguson, CEO of CareerBuilder. “While these are positive indicators, the pace of hiring will remain restrained. It will take time to rebuild the confidence needed in the nation’s economy to trigger more robust recruitment programs.”

CareerBuilder and USA TODAY surveyed more than 2,900 hiring managers and human resource professionals nationwide across industries from August 20 to September 9, 2009.

HIRING IN Q3 2009

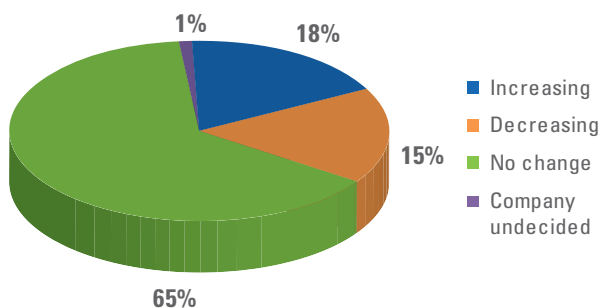
The number of employers who increased their full-time, permanent headcount in the third quarter was unchanged from the second quarter at 18 percent. In terms of headcount reductions, 15 percent of employers reported declines in staff levels in the third quarter, an improvement from 17 percent in the second quarter. Sixty-five percent of employers reported no change in their number of full-time, permanent employees while one percent were undecided.

Results for hourly workers were similar to the last survey. Fifty-six percent of employers reported no change in the number of hours offered in Q3 2009 compared to the same period last year. Twenty-two percent said hours were cut while 6 percent stated hours had increased.

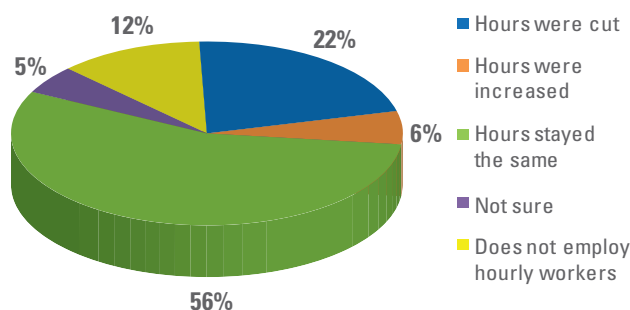
HIRING IN Q4 2009

Expectations for hiring in Q4 2009 are falling in line with the previous two quarters while planned staff reductions continue to trend down. In the fourth quarter, 17 percent of employers expect to add full-time, permanent employees while 10 percent anticipate a decrease in headcount. Sixty-eight percent anticipate no change while 5 percent are undecided.

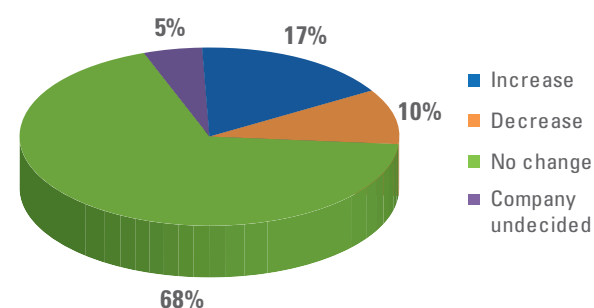
This quarter (3rd quarter, Jul. 1 - Sep. 30, 2009), is your company, at your location, increasing, decreasing or making no change in its number of full-time, permanent employees?



If your company, at your location, employs hourly workers, how have their hours on average changed in the third quarter 2009 compared to the third quarter 2008?



In the fourth quarter (Oct. 1 - Dec. 31, 2009), does your company, at your location, plan to increase, decrease or make no change in its number of full-time, permanent employees?

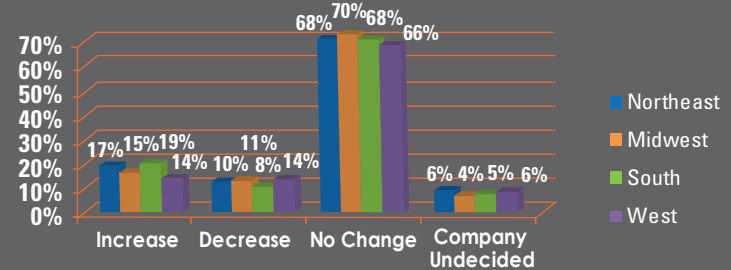


Totals may not equal 100 percent due to rounding.

HIRING BY REGION

Regional trends have held steady. Benefitting from growth in healthcare, education and energy, the South continues to produce more job opportunities. Nineteen percent of hiring managers in the South expect to increase their full-time, permanent staff in the fourth quarter followed by 17 percent in the Northeast and 15 percent in the Midwest. The West continues to trail the other regions in hiring at 14 percent with the coast being particularly affected by the housing market crash and slowdown in international trade. At the same time, the West also has the largest number of employers planning to downsize staffs. Fourteen percent of hiring managers in the West expect to trim headcount compared to 11 percent in the Midwest, 10 percent in the Northeast and 8 percent in the South.

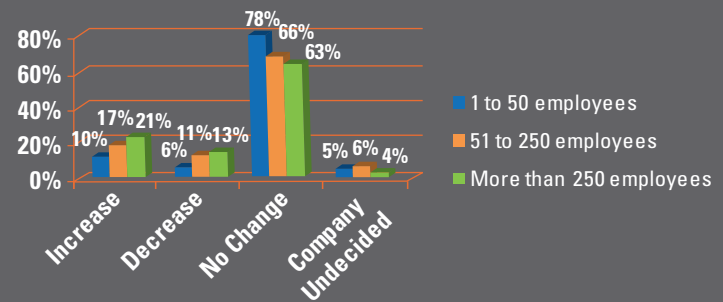
Hiring By Region - In the fourth quarter, does your company, at your location, plan to increase, decrease or make no change in its number of full-time, permanent employees?



HIRING BY COMPANY SIZE

Twenty-one percent of employers with more than 250 employees expect to add full-time, permanent positions in the next three months, up from 17 percent in the third quarter. The number of employers with 51 to 250 employees who are planning to add headcount was unchanged quarter over quarter at 17 percent. Ten percent of those with 1 to 50 employees plan to increase staffs in the fourth quarter, down from 12 percent in the last survey.

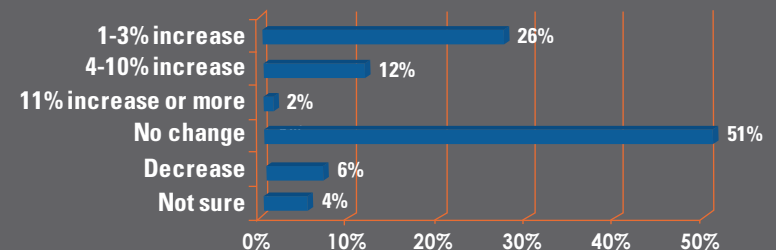
Hiring By Company Size - In the fourth quarter, does your company, at your location, plan to increase, decrease or make no change in its number of full-time, permanent employees?



COMPENSATION

Compensation trends from the last two quarters are expected to carry over into the fourth quarter. Half of employers anticipate no change in salaries for full-time, permanent employees in the next three months. One-in-four (26 percent) expect to raise salaries between 1 and 3 percent, one-in-ten (12 percent) expect to raise salaries 4 to 10 percent while 2 percent expect an increase of 11 percent or more. Six percent plan to decrease compensation while 4 percent reported their company is undecided.

What do you expect the average change in salaries will be for full-time, permanent employees, at your location, in the fourth quarter of 2009 compared to the fourth quarter of 2008?



EMPLOYERS PREPARING FOR ECONOMIC RECOVERY

While implementing measures to lessen spending, tighten budgets and scale back risk in the wake of the financial crisis, companies also recognized the need to secure their competitive standing. Twenty-seven percent of employers reported that, over the last year, they have laid off workers in one area, but hired in another. The areas they primarily hired in were those linked to revenue including technology, sales, customer service and research and development. As the U.S. economy shows signs of stabilization and employers see potential improvement in their business prospects, they are reversing strategies taken to manage through tough economic times.

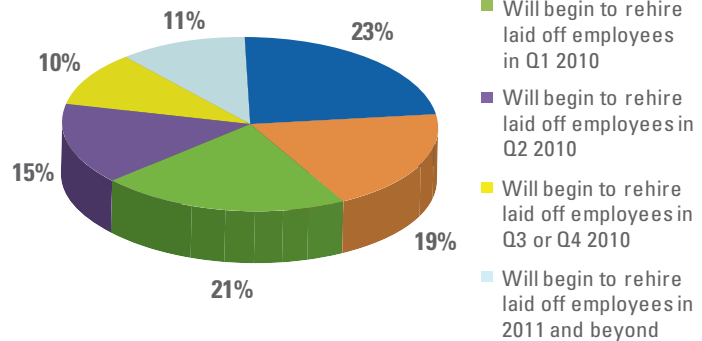
TIMELINE FOR HIRING BACK LAID OFF WORKERS

Of employers who had layoffs in the last 12 months, one-in-four (26 percent) reported their company is planning to bring back some employees they let go earlier in the year. Of those rehiring laid off workers, 23 percent already started extending job offers to former employees in the third quarter while 19 percent will begin to do so in the fourth quarter. Twenty-one percent will start bringing back laid off employees in the first quarter of 2010, 15 percent in the second quarter and 10 percent in the latter half of 2010. Others are holding off until 2011 and beyond.

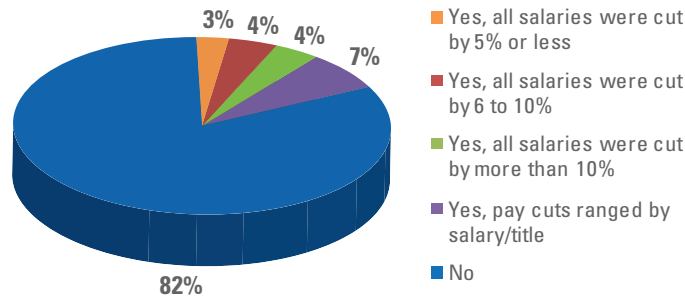
RESTORING COMPENSATION AFTER PAY CUTS

Nearly one-in-five employers (18 percent) reported their organizations implemented pay cuts in the last 12 months. Five percent of these employers reported they restored pay to previous levels in the third quarter while 12 percent plan to do so in the fourth quarter. Seventeen percent expect pay to return to normal in the first quarter of 2010, 7 percent expect it will be the second quarter while another 7 percent are predicting the latter half of 2010. One-in-ten (12 percent) stated their organizations don't plan to restore pay to previous levels until 2011 or 2012 while 41 percent are not sure.

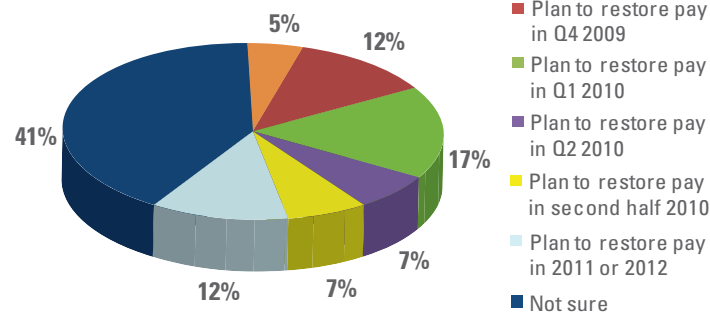
Employers Who Have Laid Off Workers in the Last 12 Months and Plan to Bring Back Employees - Projected Timing for Rehiring



Has your organization instituted pay cuts for employees in the last 12 months?



When does your organization estimate that pay will be restored to previous levels?



SURVEY METHODOLOGY

This survey was conducted online within the U.S. by Harris Interactive on behalf of CareerBuilder and USA TODAY among 2,924 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions; non government); between August 20 and September 9, 2009 (percentages for some questions are based on a subset of U.S. employers, based on their responses to certain questions). With a pure probability sample of 2,924, one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.81 percentage points. Sampling error for data from sub-samples is higher and varies.

Q4 2009

STAFFING SUPPLY AND DEMAND OUTLOOK

STAFFING KEYS FOR 4TH QUARTER

1. Hiring manager utilization of staffing firms expected to grow for second straight quarter
 - Increase in temporary and contract staffing expected to be most significant
2. Current utilization of staffing firms by job candidates relatively unchanged from Q3 to Q4
 - Willingness to consider contract work down slightly compared to last quarter

EXPECTATIONS OF HIRING THROUGH A STAFFING FIRM IMPROVE SLIGHTLY

For the second quarter in a row, a higher percentage of hiring managers report that they expect to utilize a staffing firm to fill open positions in the upcoming quarter, compared to 3rd quarter expectations (Exhibit 1). Nearly fifteen percent of hiring managers expect to utilize a staffing firm in the 4th quarter, compared to only 13 percent in the 3rd quarter. Unlike last quarter when only large organizations expected their utilization of staffing firms to increase, hiring managers from all sized organizations expect to need staffing and recruiting services more in the 4th quarter. In fact, organizations with more than 500 employees are expecting their needs to grow less than their counterparts at smaller organizations. These gains come after two straight quarters of flat expectations and represent the first significant gain in expected staffing firm utilization in the past year.

Overall results have been weighted according to the size of the organization (as outlined by the Bureau of Labor Statistics) to reflect the true expectation for staffing firm utilization in the quarter.

Percentage of hiring managers expecting to utilize a staffing firm					
Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q309	13.0%	1.9%	8.3%	10.4%	19.5%
Q409	14.8%	2.9%	12.5%	14.2%	20.1%

Exhibit 1: Overall Staffing Outlook 4th Quarter 2009

ADDITIONAL GAINS IN TEMPORARY AND CONTRACT STAFFING EXPECTED

The percentage of hiring managers who expect to utilize staffing firms to help fill temporary or contract positions increased by nearly 2 full percentage points over 3rd quarter expectations when adjusted based on the size of the organization (Exhibit 2). More than 7 percent of hiring managers and HR

professionals expect to utilize a staffing firm to help fill temporary or contract positions in the upcoming quarter, up significantly compared to the 5.6 percent last quarter. Hiring managers at large organizations are most likely to utilize a staffing firm to help with hiring temporary and contract employees, with nearly 10 percent of hiring managers at organizations with more than 500 employees saying they will leverage these resources during the 4th quarter. However, the largest gains from last quarter are in organizations between 20 and 99 employees where utilization is expected by 7.5 percent of hiring managers, compared to only 3.7 percent during this time last quarter.

The data is not seasonally adjusted, and some of the growth in expected utilization of temporary and contract employees is likely due to staffing related to holiday vacation and production needs. However, even accounting for seasonal activity, the expected gains represent a sizable increase from last quarter and 4th quarter expectations for temporary and contract staffing are higher than any of the prior quarters measured in this study.

Percentage of hiring managers expecting to hire temporary or contract employees through a staffing firm					
Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q309	5.6%	0.9%	3.7%	3.4%	8.7%
Q409	7.4%	1.9%	7.5%	6.2%	9.8%

Exhibit 2: Temporary and Contract Outlook 4th Quarter 2009

DIRECT HIRE EXPECTED TO RISE SLIGHTLY IN FOURTH QUARTER

An encouraging sign for overall U.S. employment, utilization of staffing firms for permanent placements is also expected to increase in the 4th quarter compared to more cautious expectations 3 months ago. Just over 10 percent of hiring managers expected to use a staffing or recruiting firm to help them search for permanent employees in the 4th quarter, compared to only 9.4 percent during the 3rd quarter.

Similar to temporary and contract staffing expectations, hiring managers at companies between 20 and 99 employees showed the largest gain, increasing by nearly 1.5 percentage points compared to last quarter (7.3 percent, compared to 5.9 percent a quarter ago). It is important to note that this represents expected utilization of a staffing firm as part of the search strategy, and not actual placements. This outlook is meant to deliver expressed expectations from hiring managers but cannot make assumptions on actions taken.

These projections are consistent with past expectations, as temporary and contract utilization appears poised for a quicker recovery than the permanent placement side of the staffing business. While not as large as the expected gains in temporary and contract placements, the increase over last quarter is a good sign for the industry as it shows hiring managers are becoming more optimistic about their full-time hiring needs, after flat or declining expectations in the past few quarters.

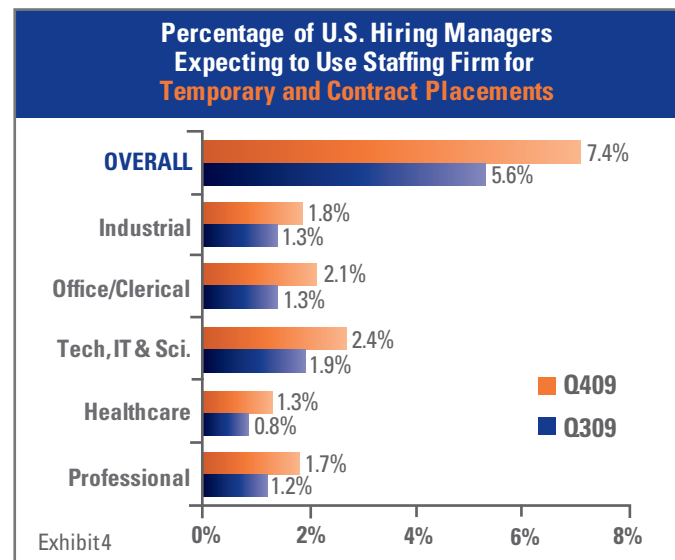
Percentage of hiring managers expecting to utilize a staffing firm as part of their search for permanent full-time employees					
Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q309	9.4%	1.2%	5.9%	8.6%	13.8%
Q409	10.1%	1.6%	7.3%	8.9%	14.6%

Exhibit 3: Permanent Placement Outlook 4th Quarter 2009

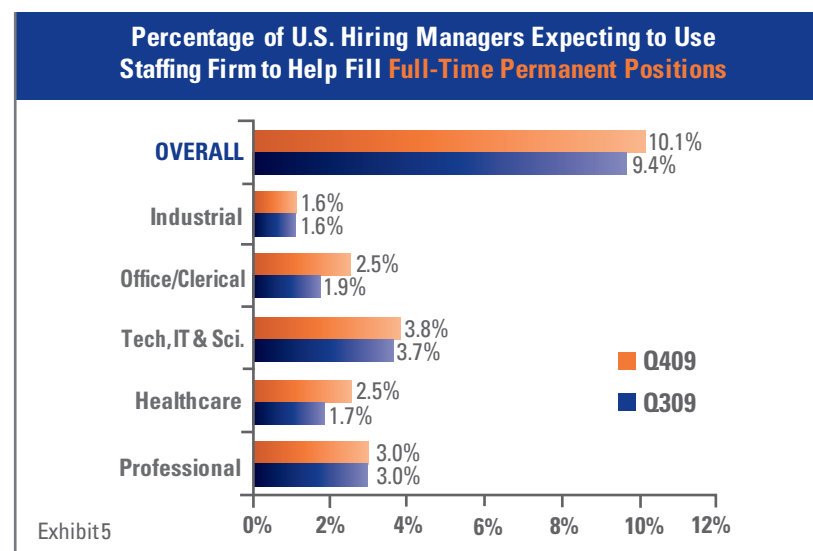
“As companies begin to shift their focus from cost containment to growth, they are evaluating their existing talent pool and filling any gaps with top performers that are essential in driving their businesses forward,” said Todd McCormick, President of CareerBuilder’s Recruiter Business Unit. “This is evident by the gains in both expected utilization of staffing and recruiting firms across temporary and permanent placements through the end of 2009.”

EXPECTED HIRING THROUGH STAFFING FIRMS UP ACROSS SECTORS

Good news exists across sectors on the temporary and contract side of the business, with hiring managers from each sector expecting to use staffing firms for contract positions more in the 4th quarter than they expected in the 3rd quarter. Hiring of office/clerical positions is expected to jump nearly a full percentage point, with just over 2 percent of U.S. hiring managers expecting to hire someone through a staffing firm in an office/clerical role during the 4th quarter (Exhibit 4). Hiring managers expect their temporary staffing needs to increase in similar fashion across each of the remaining sectors with each showing an expected utilization near a half percentage point higher than similar 3rd quarter expectations.



Hiring managers expect utilization of staffing firms for permanent, full-time positions to inch higher for office/clerical and healthcare-related positions, though the other sectors remain largely unchanged from 3rd quarter projections (Exhibit 5). The expected gain in utilization reported by healthcare hiring managers was highest as 2.5 percent expected to hire for a full-time position through a staffing firm in the upcoming quarter, compared to only 1.7 percent one quarter ago. Overall, expected utilization remains highest within the technical, IT and scientific and professional sectors, similar to what was found in past quarters.



UTILIZATION BY REGION

Utilization of staffing firms is expected to be highest among hiring managers from the West in the 4th quarter, up 4 percentage points from 3rd quarter expectations, and slightly higher than the South and Northeast. Expectations in the Midwest remain lowest amongst these four regions, as only 11 percent of hiring managers expect to utilize a staffing firm in the 4th quarter, though this is up from 9 percent in the 3rd quarter (Exhibit 6).

After experiencing gains in third quarter expected utilization, hiring managers in the Northeast are slightly less optimistic about their staffing firm needs in the 4th quarter, down 2 percentage points to 16 percent, compared to 14 percent one quarter ago (Exhibit 6).



4TH QUARTER STAFFING DEMAND FORECAST WHAT IT MEANS FOR STAFFING FIRMS

1. Hiring managers are expecting gains in staffing firm utilization for the second straight quarter – are you prepared to help them with their growth?
2. Organizations that have between 20 and 99 employees are expecting growth levels higher than many larger companies and represent a viable target for staffing firms.
3. Northeast hiring managers are expecting slightly lower staffing firm needs, although usage in all other regions is expected to increase in the 4th quarter.

CURRENT UTILIZATION OF STAFFING FIRMS BY JOB SEEKERS REMAINS STEADY

Current utilization of staffing firms remains unchanged from last quarter, with 4 percent of job candidates currently engaged with a staffing or recruiting firm as part of their job search strategy (Exhibit 7). This level of utilization remains unchanged

from last quarter, and is slightly higher than the 3 percent who reported engaging with a staffing or recruiting firm during the 2nd quarter of this year.

Professional sector job seekers increased their utilization of staffing firms in the 3rd quarter, with nearly 8 percent of those surveyed indicating they were currently engaged with a staffing or recruiting firm as part of their strategy, up from 5 percent one quarter ago. Staffing firm utilization was the highest for professional job candidates, while healthcare candidates were the least likely to be using a staffing firm. Technology and science-related job seekers also continue to engage with staffing firms as part of their strategy. Currently, 5 percent of candidates in the technical, IT & scientific sector work with a staffing firm, unchanged from the prior quarter. On the other end of the spectrum, only 1 percent of healthcare candidates and 2 percent of industrial candidates are currently working with a staffing firm to help find employment, the two lowest sectors measured in the study.

SLIGHT DECLINE IN JOB CANDIDATES' EXPECTED USE OF STAFFING FIRMS IN COMING MONTHS

After an increase last quarter, job candidate expected use of staffing firms declined slightly with 21 percent planning to include staffing firms as part of their search compared to 24 percent a quarter ago (Exhibit 7). Of those expecting to utilize a staffing firm, nearly half indicated they would search on their own for at least 3 months before using a staffing firm, while less than 7 percent indicated they planned to use a staffing firm within the next month. This represents a continued challenge and opportunity for the industry, as many job candidates view staffing firms as a resource to be utilized only after other job search resources have been exhausted.

Candidates in the technical, IT & scientific sector continue to be most open to utilizing a staffing firm in their job search, with 33 percent indicating they would consider staffing as part of their search strategy, a slight decline from 34 percent in the prior quarter. Industrial and healthcare job seekers, however, continue to look to non-staffing resources, as only 15 and 11 percent of candidates respectively, indicate an expectation to utilize a staffing firm as part of their strategy. Each of the sectors experienced a slight decline in expected staffing firm utilization by job seekers over last quarter's measures. This may indicate a slightly more optimistic job seeker, who is more confident in their abilities to find meaningful employment without the use of a staffing or recruiting firm. Staffing firms will need to continue to reach and educate job candidates as to the benefits of working with a staffing firm as part of their job search strategy to continue to attract more job seekers to the industry.

WILLINGNESS TO CONSIDER CONTRACT ASSIGNMENTS DIPS SLIGHTLY IN 3RD QUARTER

Another indication of the strength of the labor pool for staffing firms is the job seeker willingness to consider full or part-time contract positions. The outlook for the

coming quarter shows that while those willing to accept full-time contracts has dipped slightly, those willing to consider part-time contract work has remained steady, though differences exist by sector (Exhibit 7).

Currently, 13 percent of job candidates are willing to consider full-time contract employment as part of their job search, a slight decline compared to last quarter when 14 percent indicated a willingness to consider full-time contract work. Part-time contract work remained unchanged, with 7 percent of job candidates indicating they would be willing to consider a part-time contract assignment if one were available.

Willingness to consider full or part-time contract work declined slightly in most of the sectors studied. Those in the technical fields remain the most willing to consider contract work as an employment option, with 17 percent reporting they would consider a contract position if it were full-time and 9 percent if it were part-time, compared to 19 percent and 8 percent a quarter ago. Contract work is least desirable to the industrial sector job seekers, where only 5 percent reported a willingness to consider contract employment, less than half the percentage of any other sector.

“Candidates continue to face a tough job market and indicate they are using a variety of tools to find relevant opportunities,” said McCormick., “With nearly a quarter of job seekers saying they are willing to utilize a staffing firm, the recruitment industry now has a great opportunity to educate the job seeking public regarding the value of using a staffing firm.”

STAFFING LIKELY TO CONTINUE UPWARD SWING IN 4TH QUARTER

Based on the supply and demand forecasts, the 4th quarter of 2009 is likely to see growth in staffing firm utilization compared to one quarter ago. Hiring managers are more optimistic about their upcoming hiring needs through staffing firms than they have been within the past year for both temporary and contract, as well as direct hire needs. With exception of the Northeast, hiring managers across the country expect their 4th quarter staffing needs to exceed their expectations for 3rd quarter, and improvement is expected in each of the employment sectors measured in the study.

As orders start to pick up, the study indicates the supply of workers should remain strong initially. Although many sectors saw a slight decline in expected utilization and willingness to consider full and part-time contract assignments, the overall numbers

remain up compared to earlier in the year, indicating a strong pool of talent for staffing firms to draw from. While technology, IT and scientific job seekers seem reasonably comfortable working with staffing firms as they search for jobs, candidates within the healthcare and industrial sectors appear to be wary of working through staffing firms to find employment opportunities.

4TH QUARTER STAFFING SUPPLY FORECAST WHAT IT MEANS FOR STAFFING FIRMS

1. Job candidates may be more optimistic about their opportunities going into the 4th quarter. Focus your message and build your community of talent to position yourself for economic and employment recovery.
2. Many candidates have endured a long job search. Be empathetic to their situation, and look to be helpful, even if it doesn't directly lead to a placement.
3. Continue to focus efforts on establishing staffing as a viable option EARLY in a job search, as many candidates don't start their search with staffing.

SURVEY METHODOLOGY

This survey was conducted online within the U.S. by Harris Interactive on behalf of CareerBuilder and USA TODAY among 5,795 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions); and 9,592 U.S. employees (actively or passively looking for a job, not self-employed or retired) ages 18 and over.

CareerBuilder partnered with the Inavero Institute (www.inavero.com) to provide analysis and help guide the study design and implementation.

The analysis utilizes two waves of the survey, fielded between August 20 and September 9 (3,128 employers and 4,721 job seekers), and between May 20 and June 7, 2008 (2,667 employers and 4,871 job seekers).

With a pure probability sample of 2,667 and 4,871 (the lower of each of the waves), one could say with a 95 percent probability that the overall results have a sampling error of +/- 2.0 percentage points and +/- 1.5 percentage points, respectively. Sampling error for data from sub-samples is higher and varies.

JOB CANDIDATE WILLINGNESS AND UTILIZATION OF STAFFING FIRMS						
Exhibit 7:	OVERALL	Industrial	Office-Clerical	Tech, IT & Sci.	Healthcare	Professional
Willing to utilize a staffing firm	21% ↓	15% ↓	23% ↓	33% ↓	11% ↓	26% ↓
Currently utilizing a staffing firm	4% →	2% ↓	3% ↓	5% →	1% ↓	8% ↑
Willing to consider full-time contract work	13% ↓	5% ↓	12% →	17% ↓	14% ↓	13% ↓
Willing to consider part-time contract work	7% →	3% ↓	6% ↓	9% ↑	12% ↓	5% ↓

Increase since last quarter
 No change since last quarter
 Decrease since last quarter

STAFFING INDUSTRY INSIGHTS:

LEARN FROM THE EXPERIENCE OF PEERS AND TRUSTED INDUSTRY LEADERS

To give you more insight into how your industry peers are working to prepare for the economic recovery, we asked leaders from within the staffing industry to give their feedback on the following questions:

How do you see staffing firms currently preparing for the economic recovery?

What do you suggest that staffing firms do now to prepare for an economic rebound?

Starting from the right is the collective knowledge from this group. If you have questions you would like this group to answer in the future, please e-mail RBUStaffing@careerbuilder.com with your suggestions.



TODD MCCORMICK

President, Recruiter Business Unit,
CareerBuilder

Q: How do you see staffing firms currently preparing for the economic recovery?

We see clients evaluating their processes and people – from length of the application process for job seekers, to tracking the ROI of resources, to increased attention to activity from internal staff. What data do you have that can help you improve and differentiate in the future? What metrics are in place that can help you measure and optimize your success?

Clients we speak to are also focused on better understanding their audiences. By spending more time focusing on the true needs of candidates and clients, staffing firms can create messages that resonate and develop relationships that will last as the economy rebounds.

Q: What do you suggest staffing firms do now to get ready for the rebound?

Over the past several years, we have done a lot of research within the staffing industry that excites us, as it truly speaks to the opportunity that this industry has. Although the low awareness numbers could be perceived negatively, the truth is that it means there are no dominant players in this space and staffing firms can truly craft a message that speaks to the value they can offer their clients and candidates. Understand what you can offer in this space that is different, and then deliver a unique experience that will associate your brand with value and quality.



BARRY ASIN

Chief Analyst,
Staffing Industry Analysts, Inc.

Q: How do you see staffing firms currently preparing for the economic recovery?

I think that some are preparing and some aren't. The ones that aren't are mostly hunkered down and just waiting for the economy to "lift all the boats." The ones that are preparing are investing in their people in terms of training, maintaining their core capabilities and infrastructure and focusing on delivering excellent customer service and growing market share.

Q: What do you suggest staffing firms do now to get ready for the rebound?

- **Recognize that the world has changed.** In staffing terms this means that the world is not likely to go back to just the way it was before. Are you prepared and are you seeing reality rather than just wishful thinking that everything will return to how it was a couple years ago?
- **A relentless focus on your people.** Now more than ever you need to make sure you've got the right people and that you really value them, hold them accountable and give them the tools to succeed. If you keep them happy and positive about your business then they will keep your clients happy.
- **Don't stop your sales and marketing efforts.** Those companies that disappeared during the downturn in terms of awareness are going to have a very hard time getting back on the radar as things start to improve.
- **Manage for value.** Anyone can give business away at low prices and lose business on each transaction. As things start to improve it's a good time to look at your pricing and servicing strategy and ensure that you are focusing efforts on those clients likely to deliver the greatest bottom line profits, not just the impressive top line numbers in sales.



MARK ROBERTS

**CEO, TechServe Alliance,
formerly NACCB**

Q: How do you see staffing firms currently preparing for the economic recovery?

Two years ago, forward-looking owners and executives of IT staffing firms prepared for the downturn by paring costs. Now some of those same owners and executives are preparing for economic recovery by ensuring they have the right team in place. If you have the resources, there has never been a better time to invest and pick up great talent to augment the team.

Q: What do you suggest staffing firms do now to get ready for the rebound?

While everyone is busy talking with customers who still have requirements to dole out, IT staffing firms should also be getting in front of their clients/prospective clients who have no business. Are you and your team having lunch with those clients who currently have no requirements but will once the recovery takes hold? You need to be top of mind with current and prospective clients. If you are not the resource they think of when the budget opens up, you are ceding an advantage to your competitors.

You and your management team also need to ask yourselves how the economic downturn has altered the competitive landscape. What competitors have abandoned clients or markets? What opportunities have been created as a result of the inevitable disruption of the marketplace that occurs during a downturn? Out of every recovery, a group of firms will reach new heights as they seize opportunities that have been created out of the downturn.



RICHARD WAHLQUIST

**President and CEO,
American Staffing Association**

Q: How do you see staffing firms currently preparing for the economic recovery?

There are two points of focus: external and internal. Externally, most staffing firms have really stepped up their outreach efforts with existing and potential clients. While it varies by sector and geography, the firms that are beginning to see upticks in orders first are generally the ones that have been the most client-centric during the downturn. Their mantra is "get close and stay close to clients." Internally, firms are working to ensure they have sufficient access to capital to be able to fund expansion as the recovery takes hold. This is a very significant issue for businesses of all sizes and across all industries. And staffing firms are carefully reviewing their own talent deployment strategies. After a good deal of downsizing over the past year, we are beginning to hear reports that staffing firms are planning on ramping up the size of their sales teams.

Q: What do you suggest staffing firms do now to get ready for the rebound?

Clients often say that staffing companies fail to effectively differentiate themselves from each other. Clients also tell us that they want to work with relevant business partners who can help them advance their growth strategies. There's real opportunity here. Staffing firms need to develop and refine customized talent acquisition and utilization strategies for each of their clients. It begins with reviewing each client's past talent deployment patterns and strategies and helping them plan for growth in a way that will result in even higher levels of efficiency and productivity than they experienced prior to the downturn. You can also add real value to the relationship by demonstrating your firm's understanding and compliance with applicable state and federal labor and employment laws.



ERIC GREGG

**Managing Partner,
Inavero Institute for
Service Research**

Q: How do you see staffing firms currently preparing for the economic recovery?

We're seeing staffing firms focusing on their internal process and enhancing the experience they are providing clients and job candidates. The most successful staffing firms we work with have used the slower period to trim the fat, get closer with their existing clients and focus their marketing and communication efforts. With the cutbacks that many staffing firms have made, you should now have the right people in place, but they have to have the training, knowledge and empowerment to deliver exceptional service to both clients and candidates. The firms we see that are poised to jump ahead have a rare combination of excellence in both their people and their processes.

Q: What do you suggest staffing firms do now to get ready for the rebound?

We have seen through our research that strategies and campaigns focused on a very tightly defined client are most successful. Now is the time to focus your communication to both clients and candidates. I recommend looking at your clients and candidates and determining the three or four industries and job titles you are expert at filling. Focus campaigns toward others in that space. Become the "it" firm for a particular niche and then expand it as the economy recovers and grows. If your sales and marketing pitch sounds like everyone else you can't expect someone to pay a premium.

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