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North America

Getting Ready for 2012

Moderator: Subadhra Sriram, Editorial Director, Staffing Industry Analysts

Speakers:

Bryan Pena, VP of CW Strategy & Research, Staffing Industry Analysts

Jon Osborne, VP of Research, Staffing Industry Analysts

Diana Gabriel, VP Strategy & Solutions, Staffing Industry Analysts

Stephen Clancy, Director of CW Strategies, Staffing Industry Analysts



January 19, 2012
10 am PT/ 1 pm ET

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Q&A icon

A screenshot of a web browser window titled "Q&A". The window has a tab labeled "All (0)". Below the tab is a large empty text area for typing a question. At the bottom, there is a text input field with the placeholder text "Type your question here. There is a 256 character limit." and a "Send" button to its right. Below the input field is a label "Ask:" followed by a dropdown menu currently set to "All Panelists".

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**Bryan Pena
VP CW Strategy &
Research, Staffing
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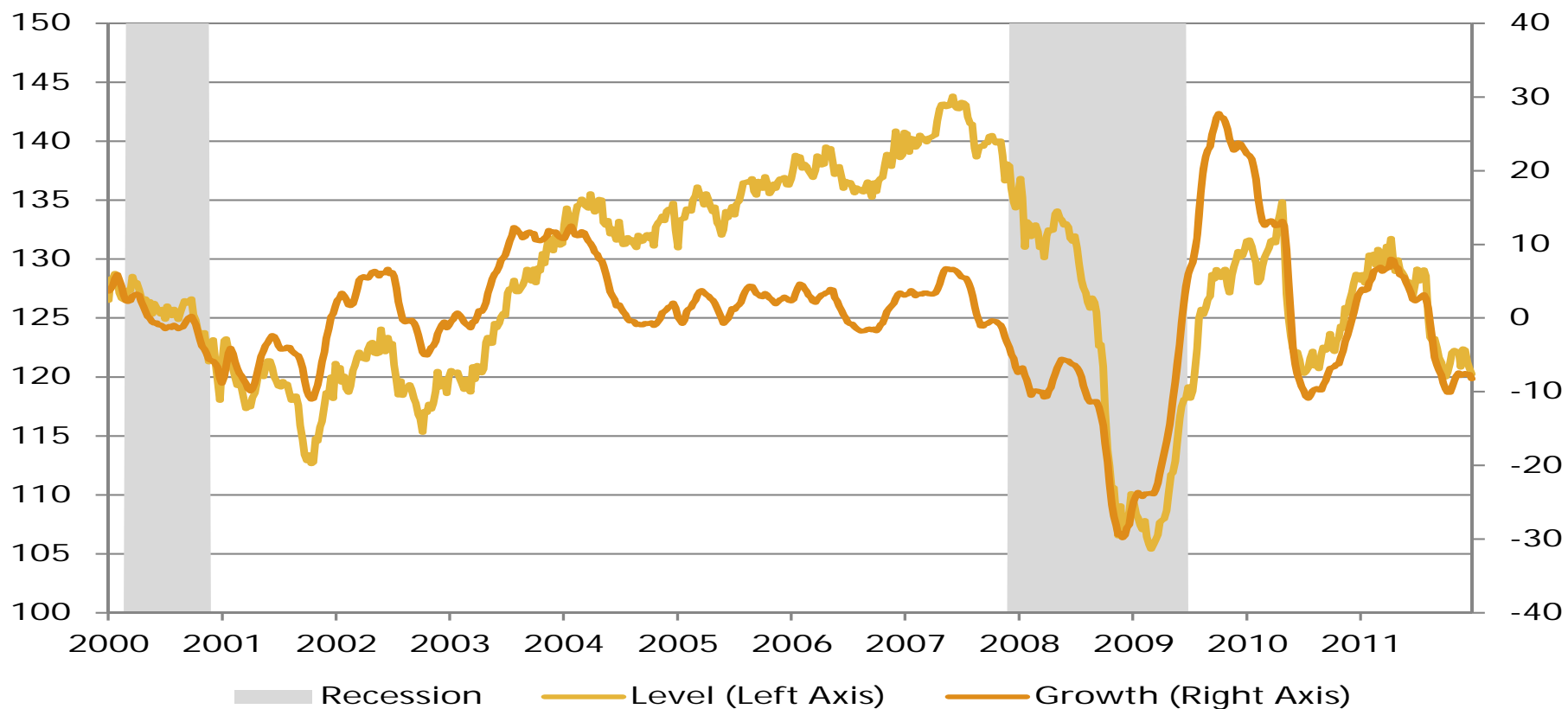


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Subadhra Sriram,
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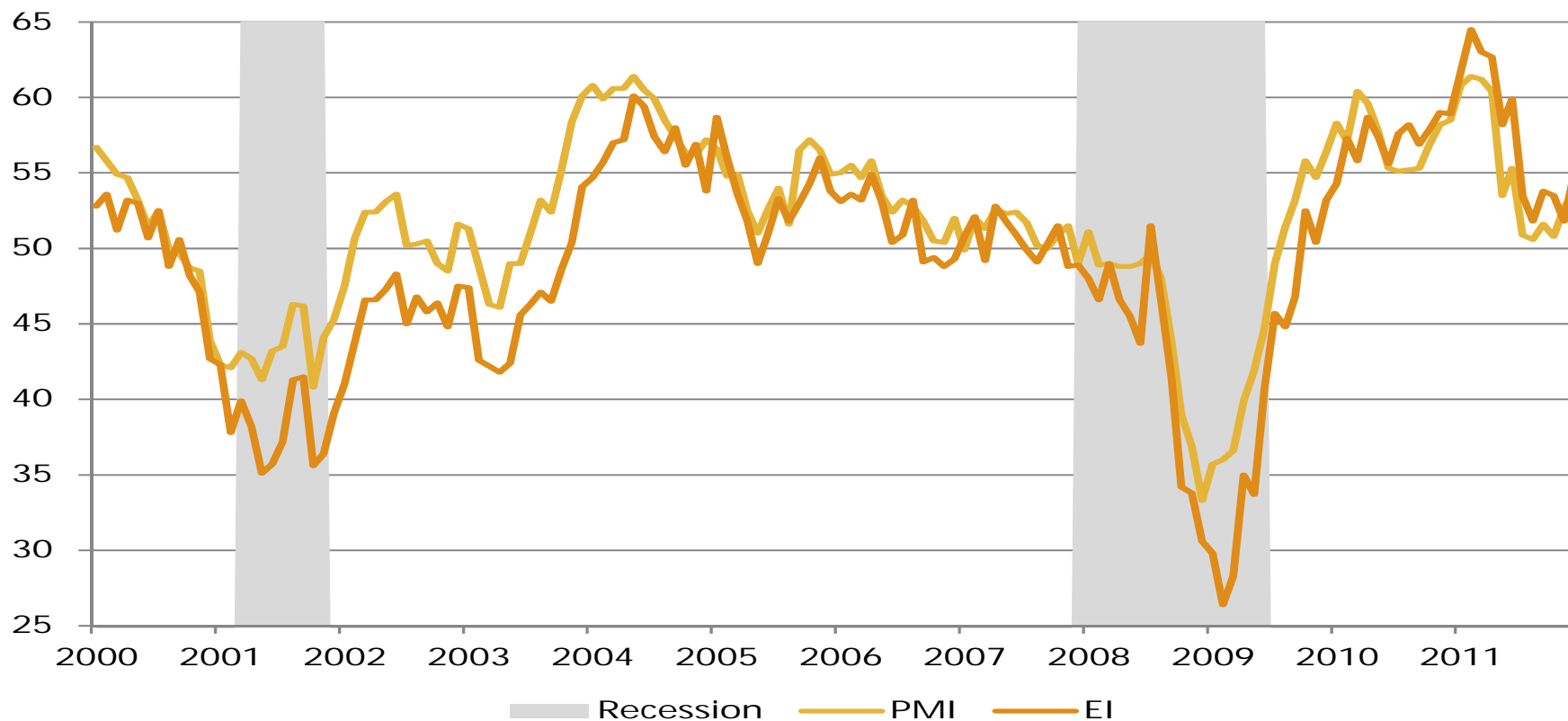
ECRI stands by recession call

ECRI Weekly Leading Index



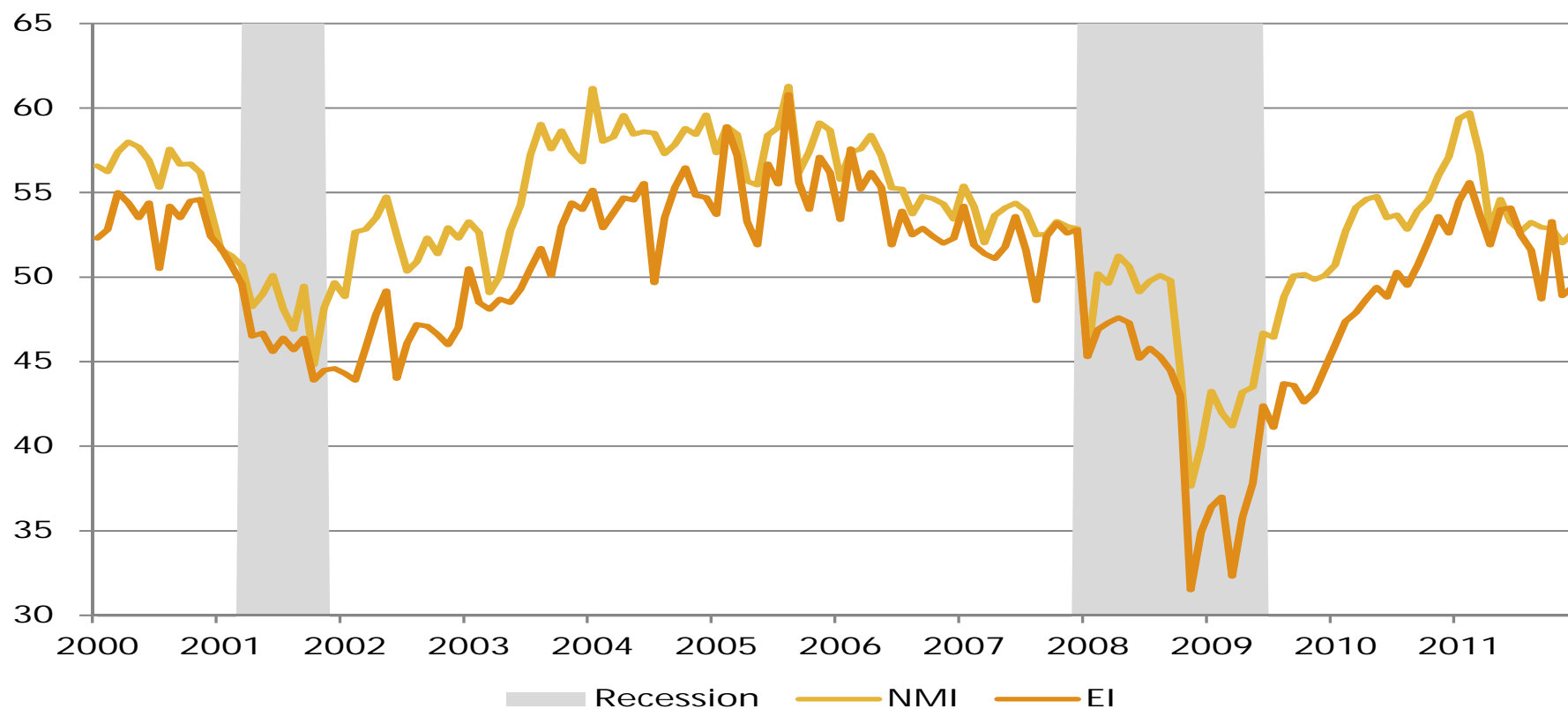
PM Manufacturing Index: distinct uptick

Purchasing Manager's Manufacturing Index



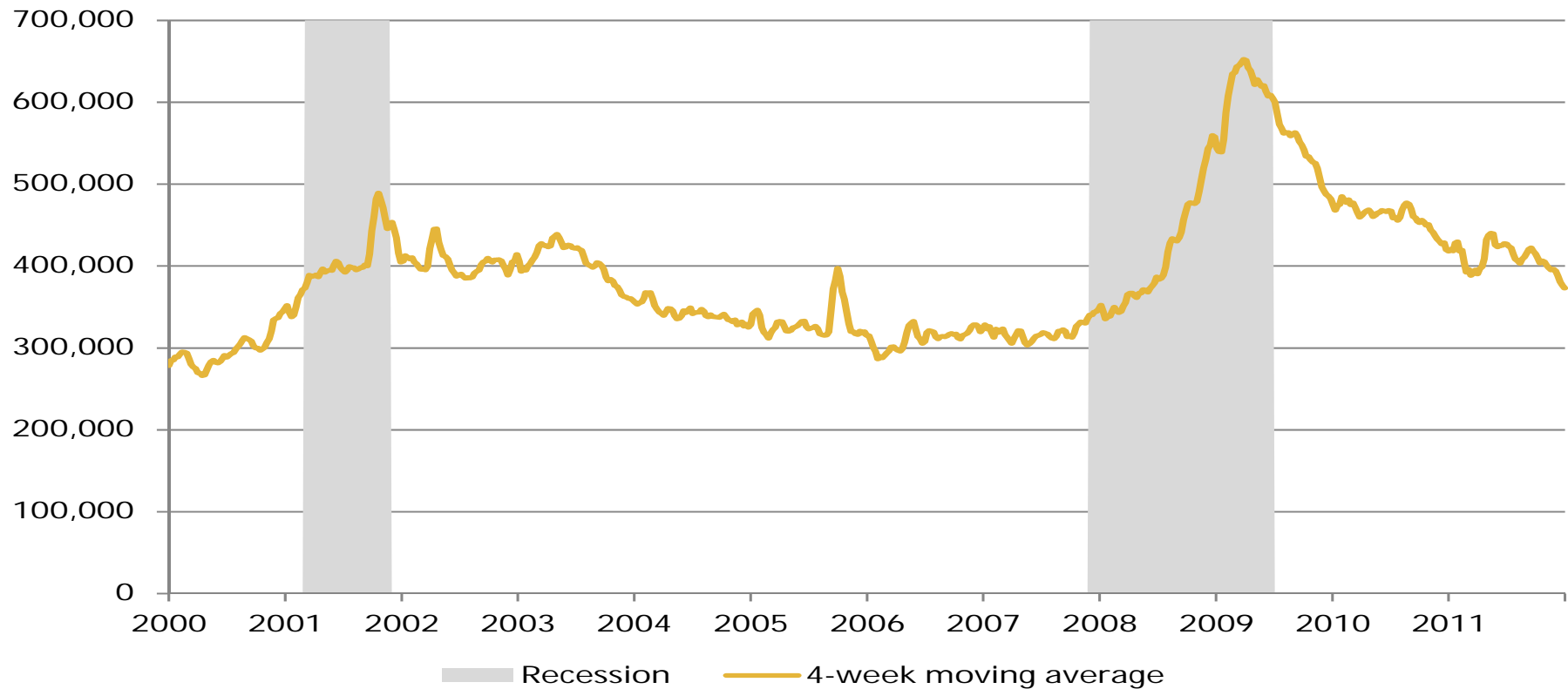
PM Non-Manufacturing Index: modest expansion

Purchasing Manager's Non-Manufacturing Index

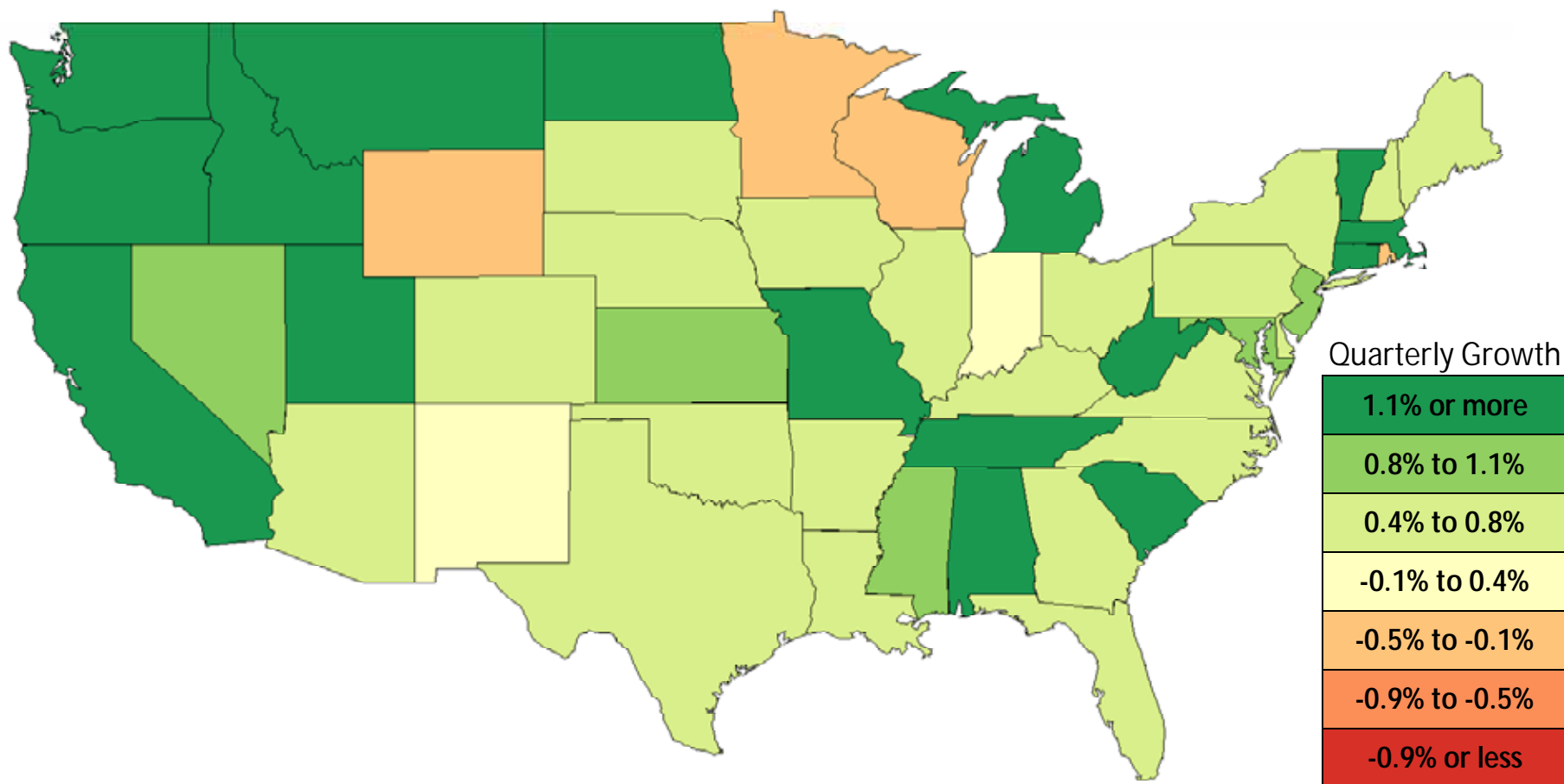


Finally: Unemployment claims giving way, 373K

New Unemployment Claims

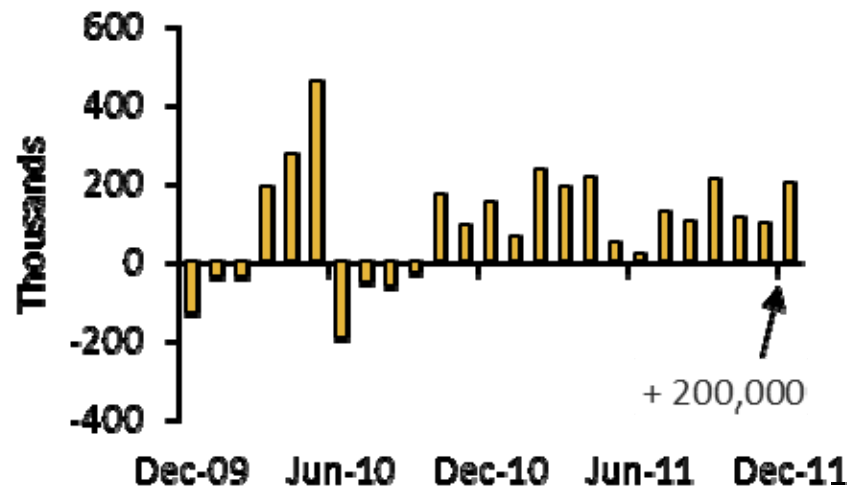


Where are local economies seeing growth?

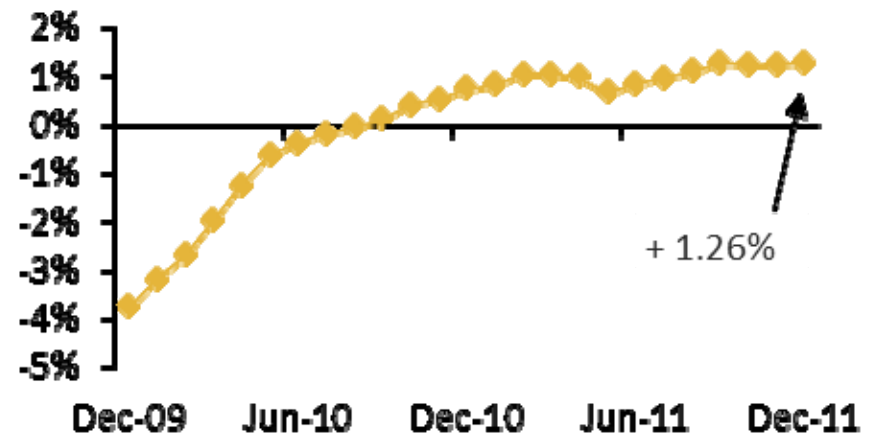


Trends in total employment

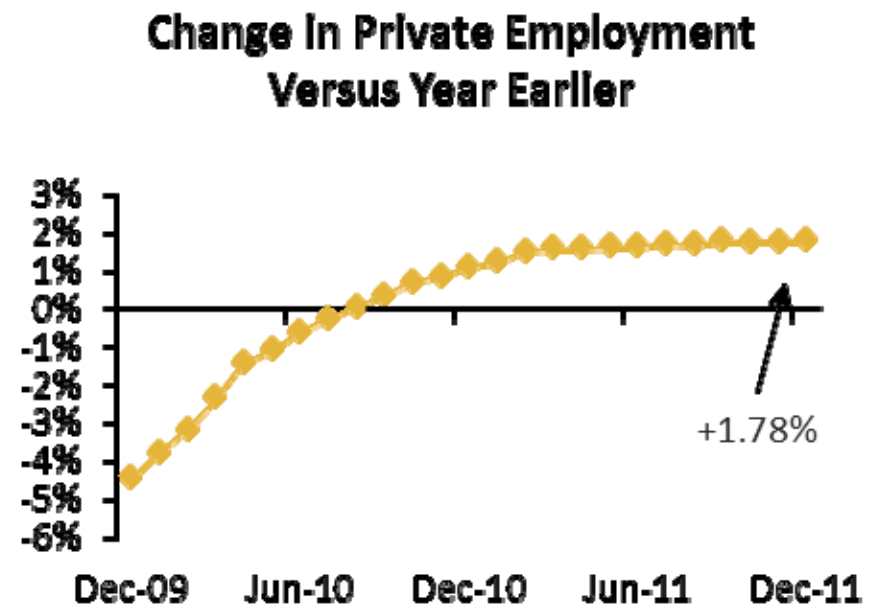
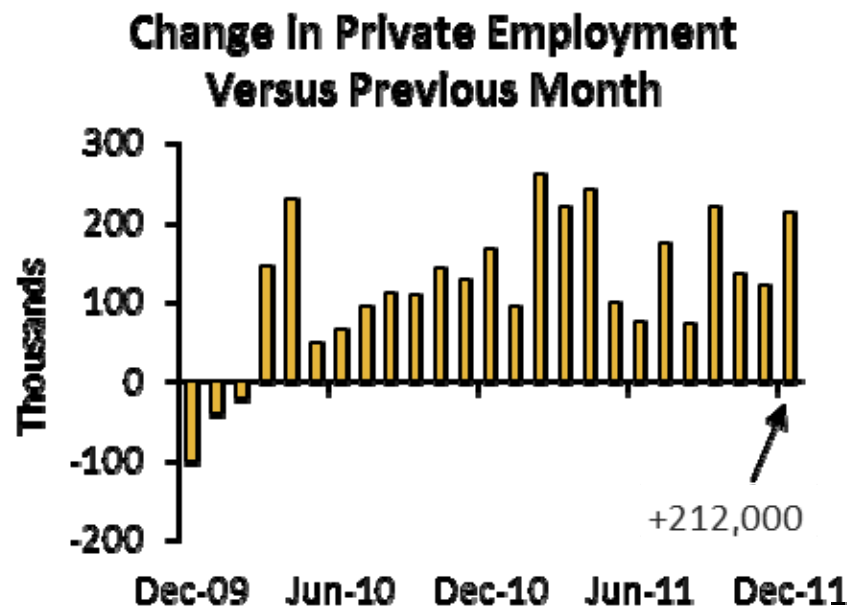
**Change In Nonfarm Employment
Versus Previous Month**



**Change In Nonfarm Employment
Versus Year Earlier**

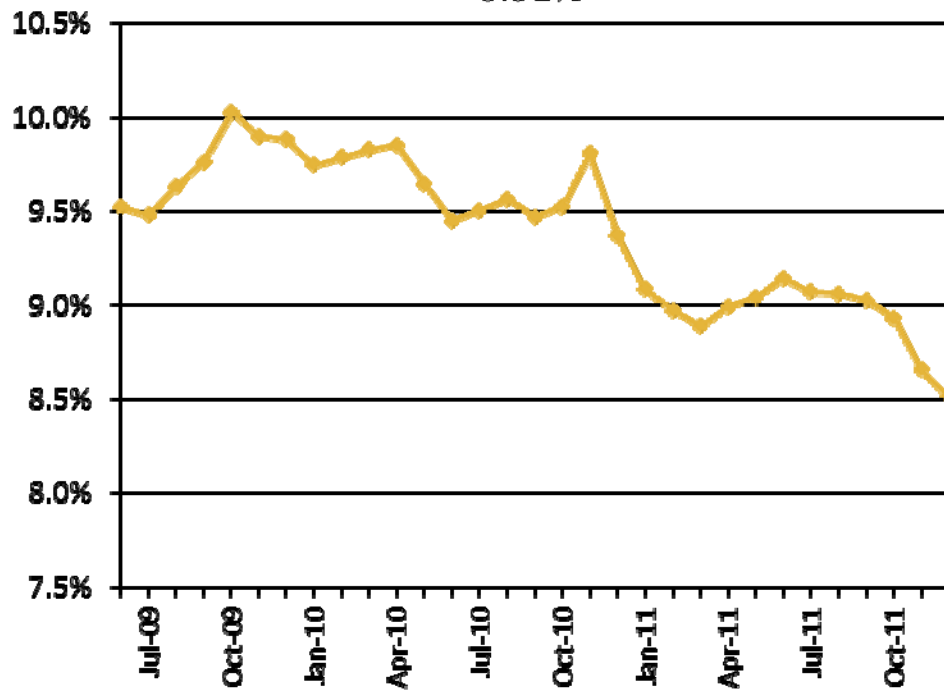


Trends in total private employment



Trend in total unemployment

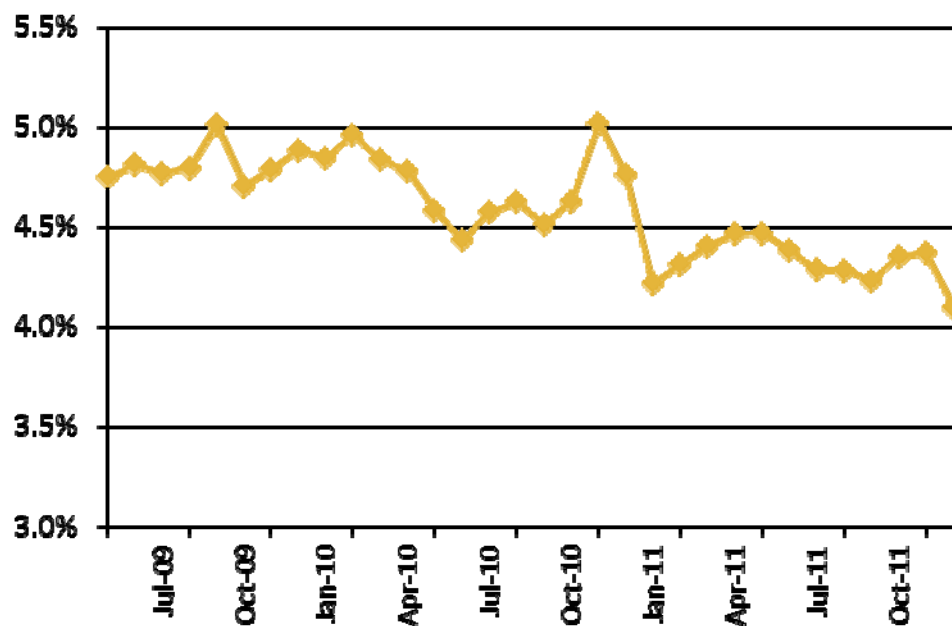
U.S. Total Unemployment Rate
Down fourteen basis points in December, at 8.51%



Change in...	Last 12 Months	Last 6 Months	Last 3 Months
Unemployment Rate	-0.86%	-0.63%	-0.51%
Employed	1,570	1,405	683
Unemployed	-1,296	-927	-800
Labor Force	274	237	-117
	😊	😊	😊

Trend in college-graduate unemployment

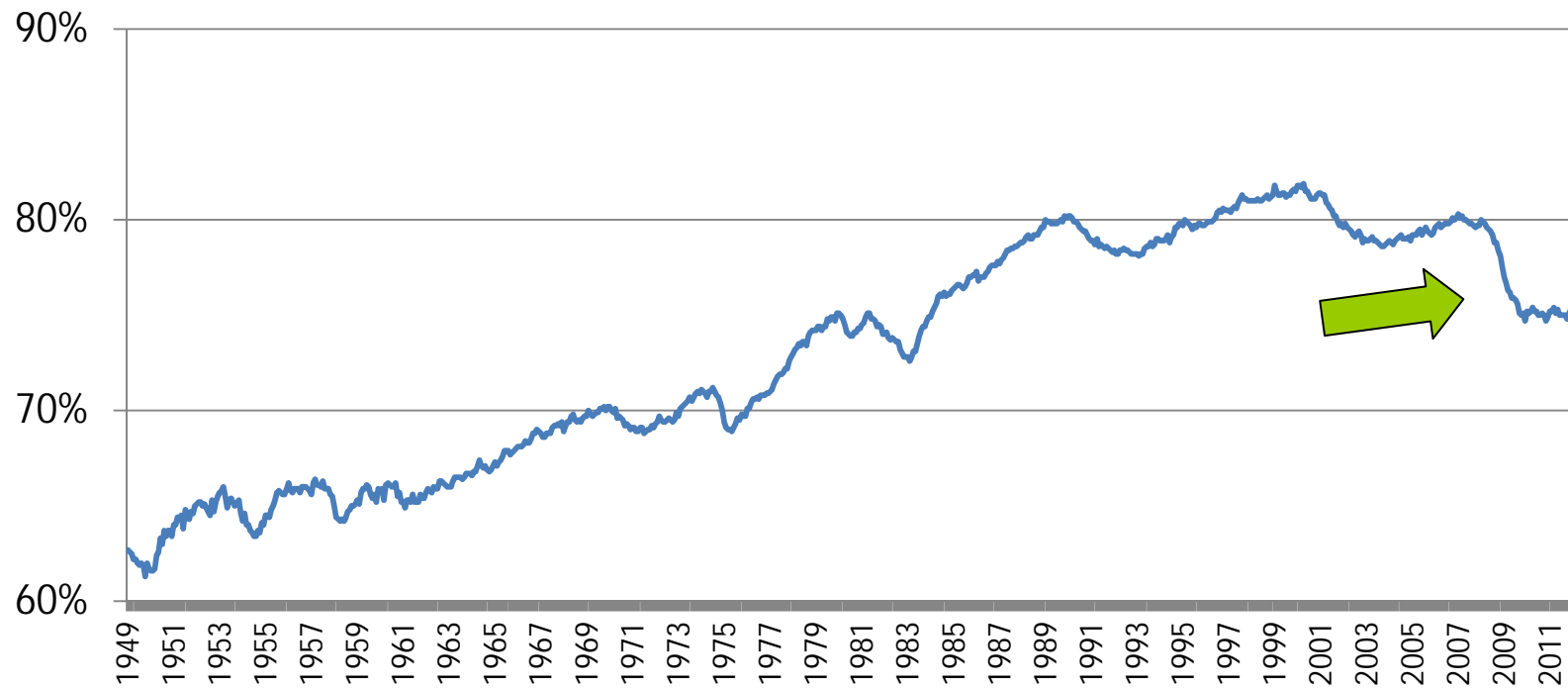
U.S. College-Graduate Unemployment Rate
Rate down 28 basis points in December, to 4.09%



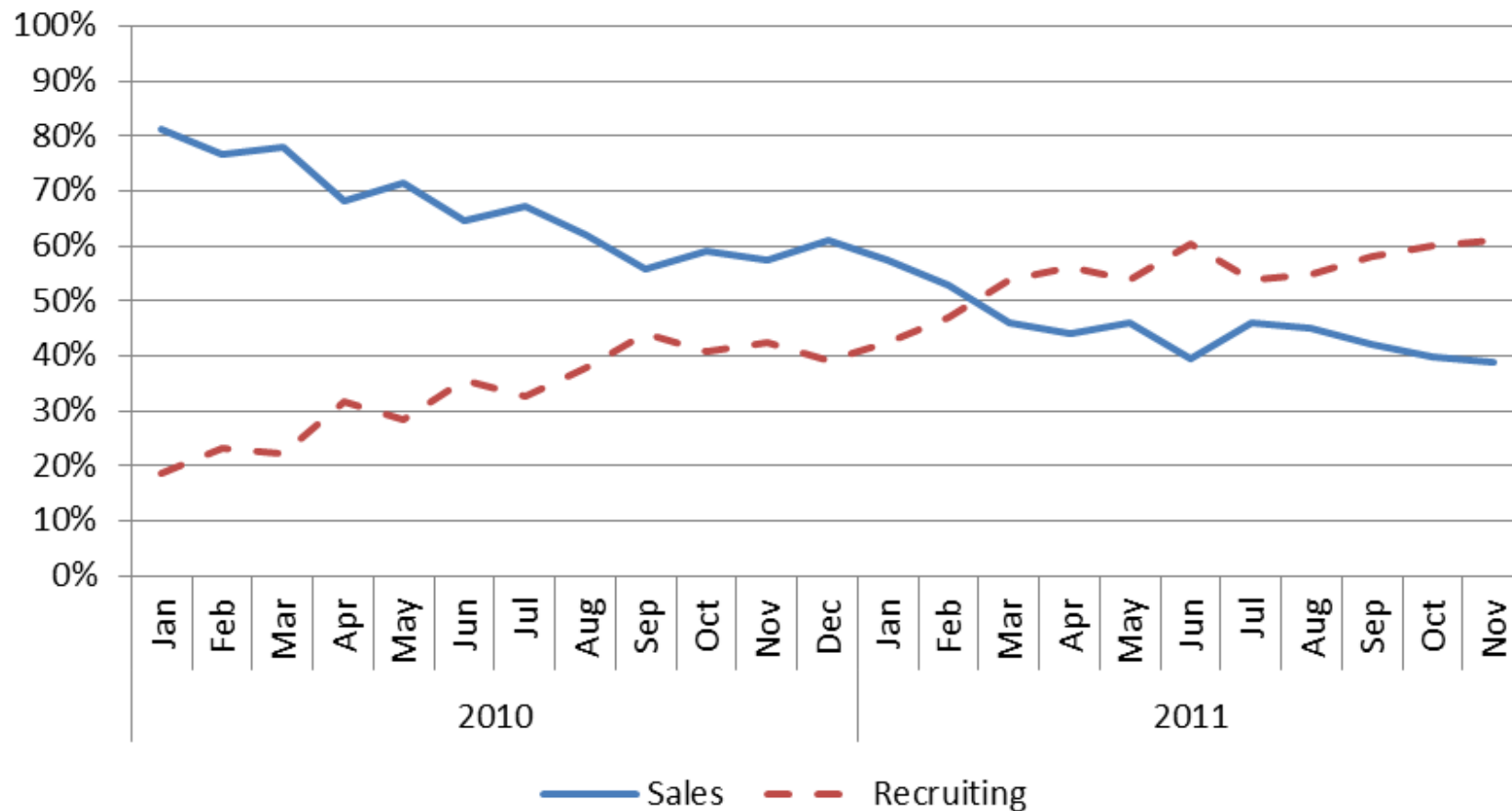
Change in...	Last 12 Months	Last 6 Months	Last 3 Months
Unemployment Rate	-0.66%	-0.29%	-0.14%
Employed	1,068	347	265
Unemployed	-275	-125	-56
Labor Force	792	221	208
	😊	😊	😊

But plenty of 'discouraged workers' still missing...

U.S. Employment/Population, Ages 25-54

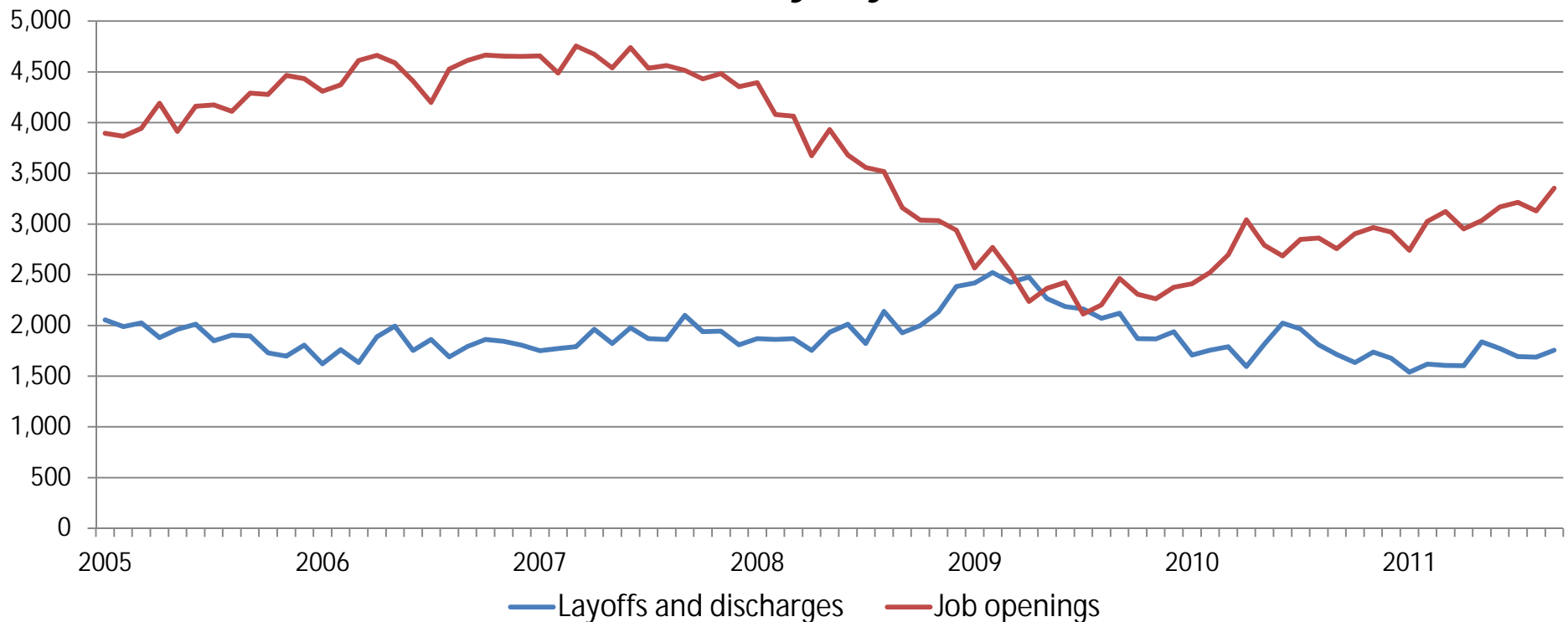


Which is greater challenge—selling or recruiting?



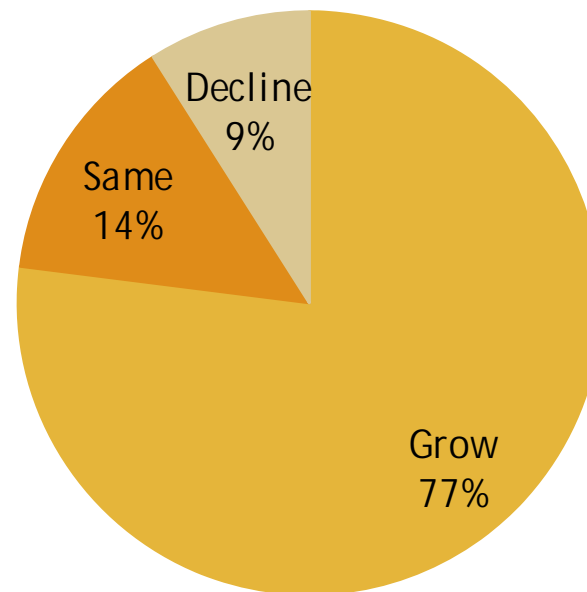
Openings/layoffs gap continues to improve

U.S. Private Sector Job Openings & Layoffs (Thousands) *Seasonally Adjusted*



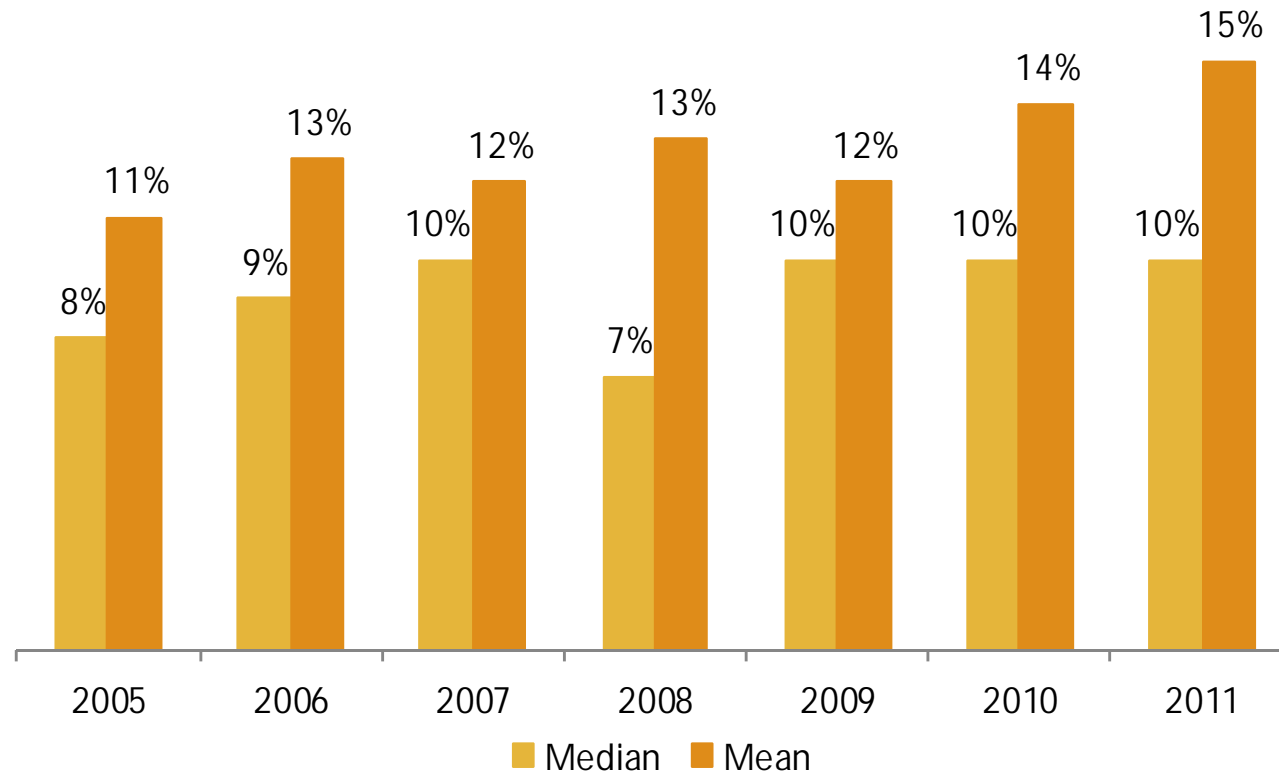
Buyers exceptionally bullish on hiring...

**How will your total workforce change
over the next two years?**

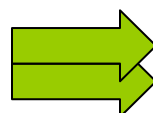


...and contingent share of labor force increasing

Reported contingent share of workforce, 2005-2011



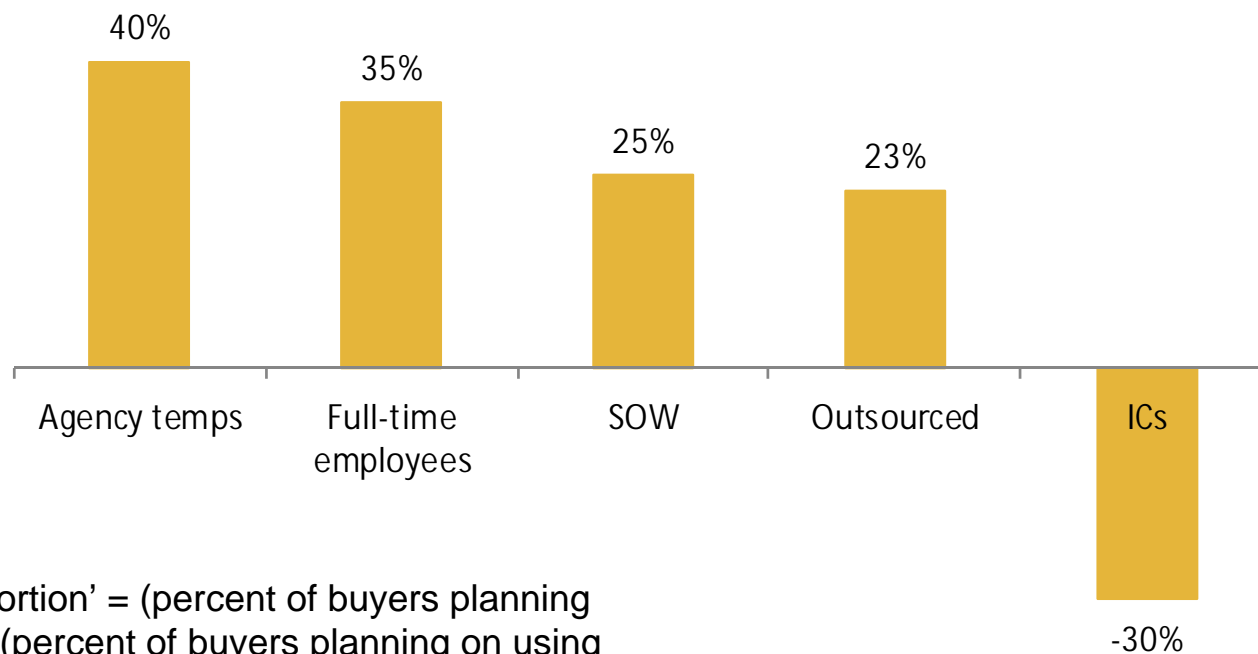
Where will use of
contingents expand
the most?



Industry	Median Projected Change	Percent of firms projecting...		Net Increasing
		Increase	Decrease	
Energy/Chemical	+24%	76%	0%	76%
Restaurant/Hospitality/Retail	+42%	80%	10%	70%
Technology/Telecom	+27%	81%	16%	65%
Pharma/Biotech/Med	+10%	74%	16%	58%
Finance/Insurance	+40%	75%	19%	56%
Business Services	+6%	73%	18%	55%
Manufacturing	+18%	62%	35%	27%
Number of employees				
2,000-4,999	+17%	73%	27%	46%
5,000-9,999	+10%	73%	19%	54%
10,000-14,999	+40%	63%	31%	31%
15,000-19,999	+50%	87%	13%	73%
20,000 or more	+26%	73%	14%	59%
Skill				
Industrial/Logistics/Transport	+33%	83%	17%	67%
Engineering/Design	+22%	70%	10%	60%
Information Technology	+25%	75%	19%	56%
Office/Clerical	+38%	69%	15%	54%
All Respondents	+26%	74%	18%	55%

Buyers running for their lives from independent contractors, and running especially to...temps

Net proportion of buyers planning on using more...



NOTE: 'Net proportion' = (percent of buyers planning on using more) – (percent of buyers planning on using less).

Recruiting
intensity varies

Recruiter hiring plans by primary industry served and primary segment offered



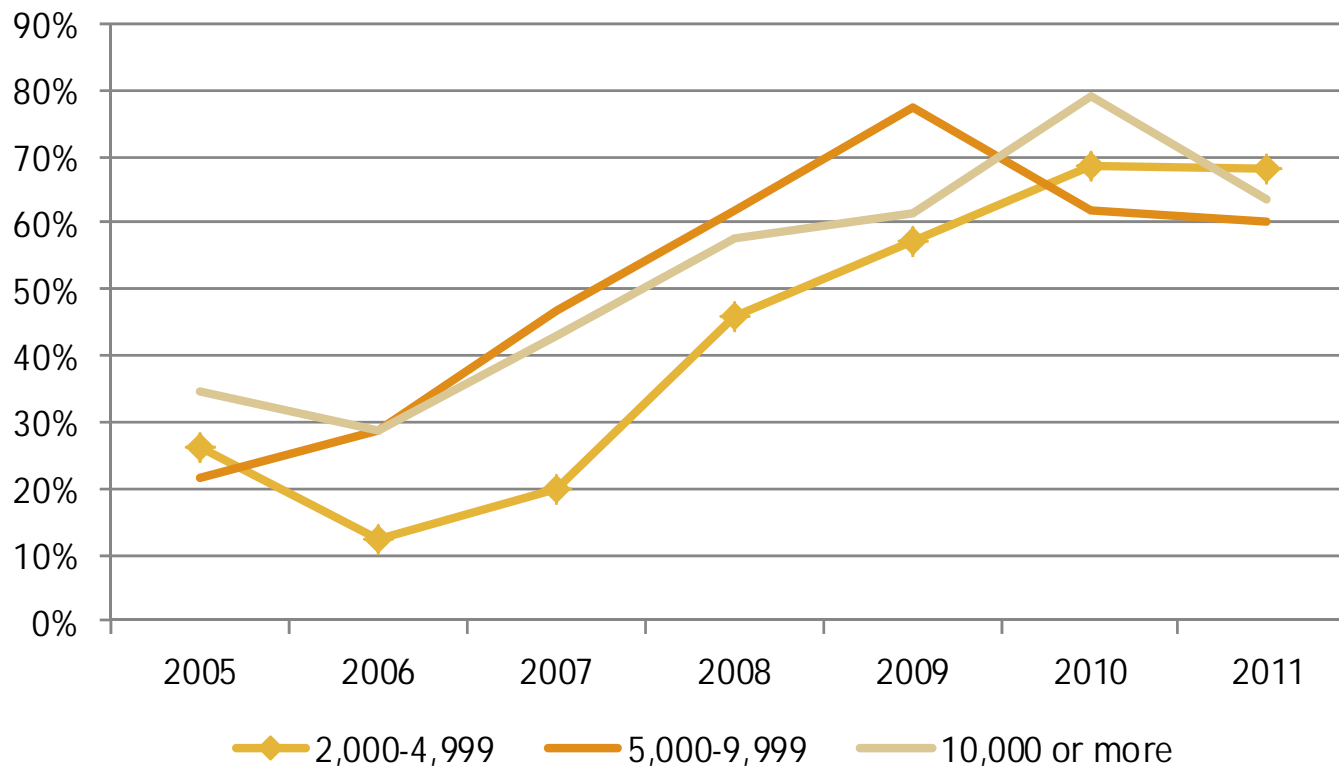
Industry	Increase	Maintain	Decrease	Net
Energy/Chemical	100%	0%	0%	100%
Finance/Insurance	86%	14%	0%	86%
Healthcare	81%	19%	0%	81%
Technology/Telecom	79%	21%	0%	79%
Business Services	78%	22%	0%	78%
Manufacturing	70%	29%	2%	68%
Government	67%	33%	0%	67%
Logistics	60%	40%	0%	60%



Segment/sector	Increase	Maintain	Decrease	Net
IT	91%	9%	0%	91%
Engineering/Design	79%	21%	0%	79%
Healthcare	79%	21%	0%	79%
Office/Clerical	78%	22%	0%	78%
Finance/Accounting	67%	33%	0%	67%
Industrial	68%	31%	1%	67%
Direct Hire	44%	46%	0%	44%
All Staffing Firms	76%	23%	0%	76%

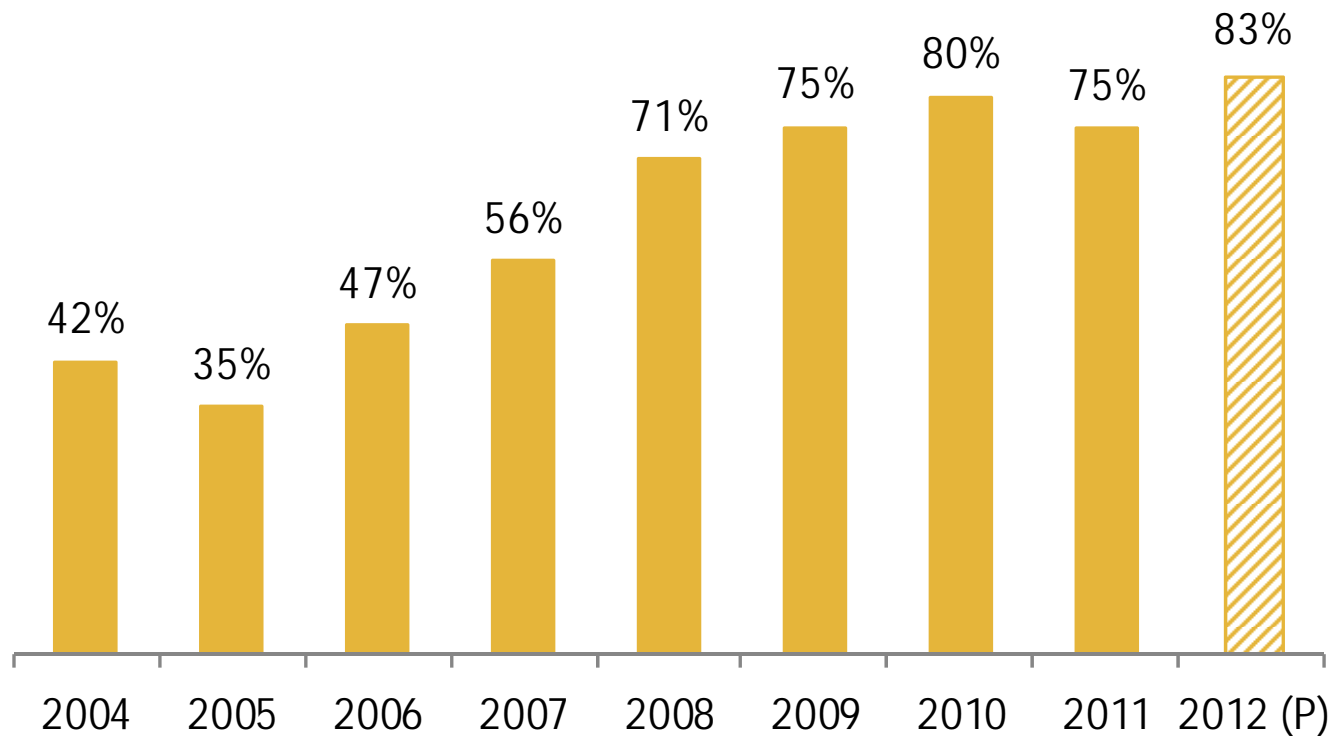
Spread of VMS use among large buyers topping out?

Trends in VMS use by number of full-time employees



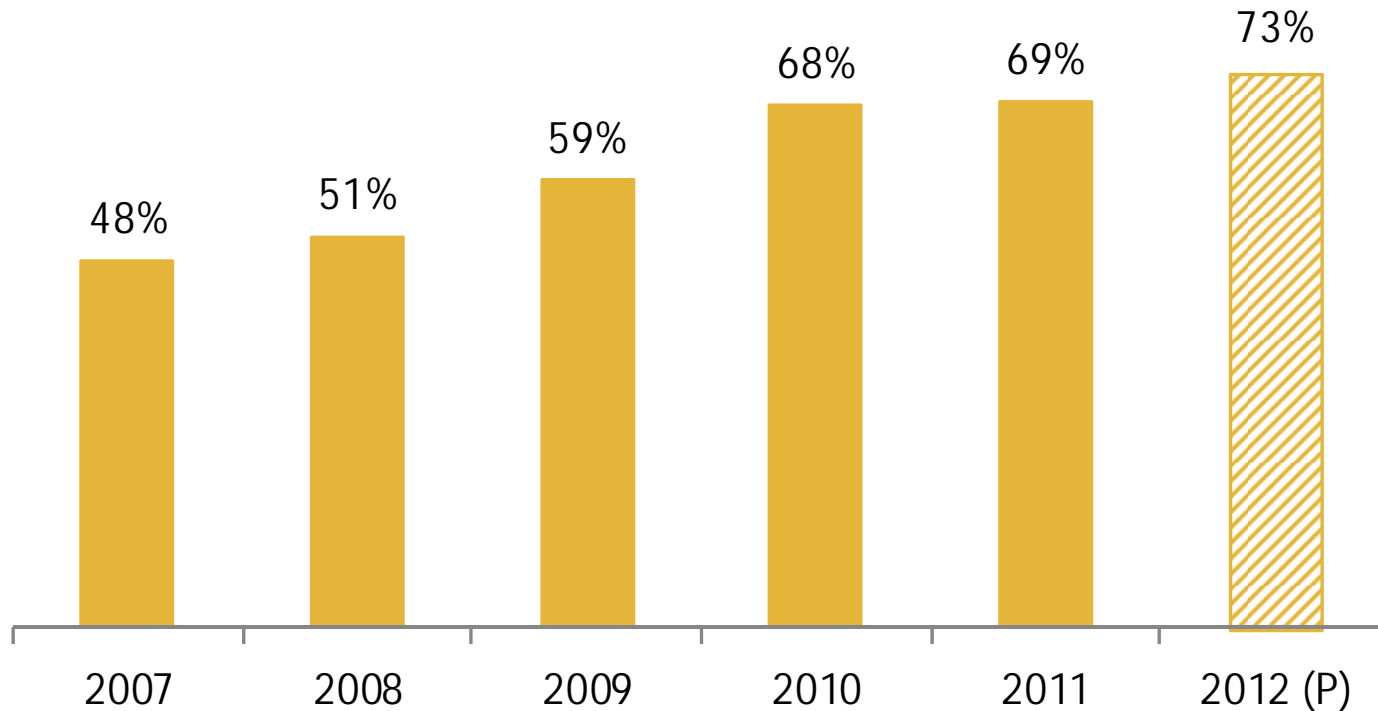
More gradual spread of VMS likely to continue

VMS usage rate for core users, actual and projected



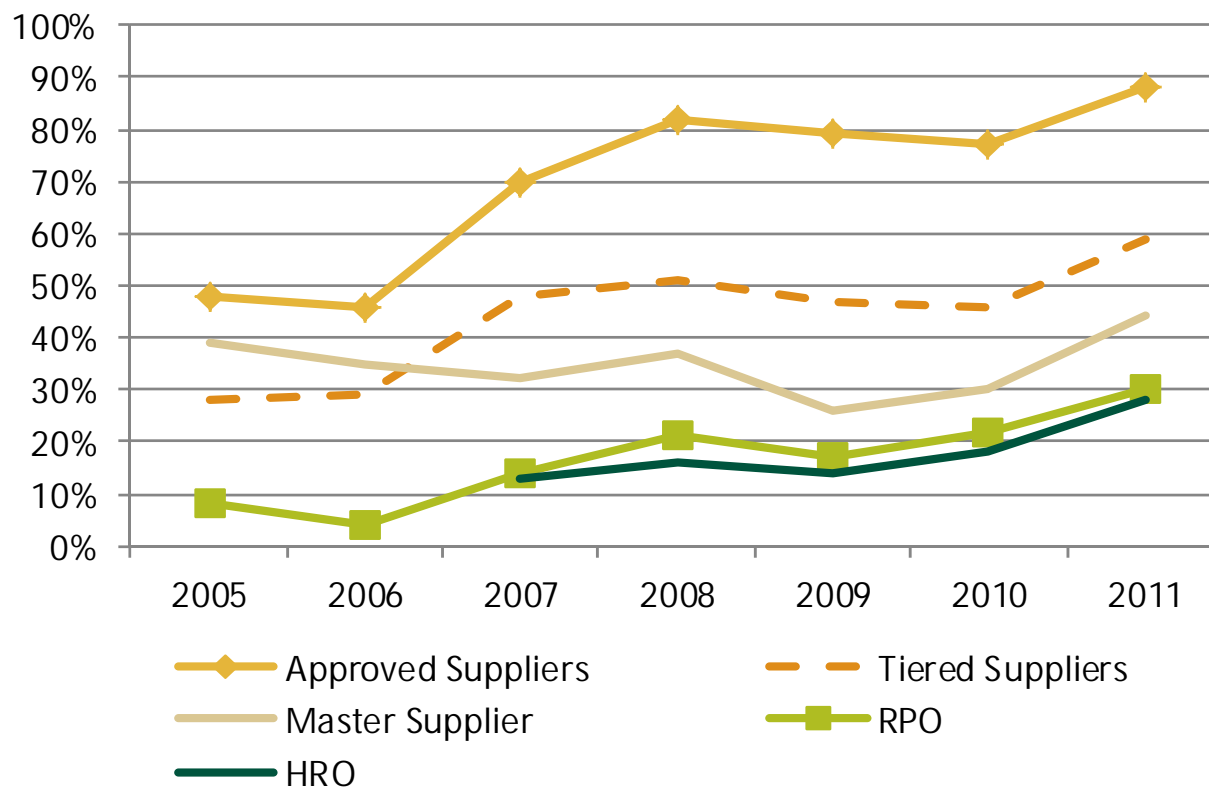
More gradual spread of MSP likely to continue

MSP usage rate for core users, actual and projected



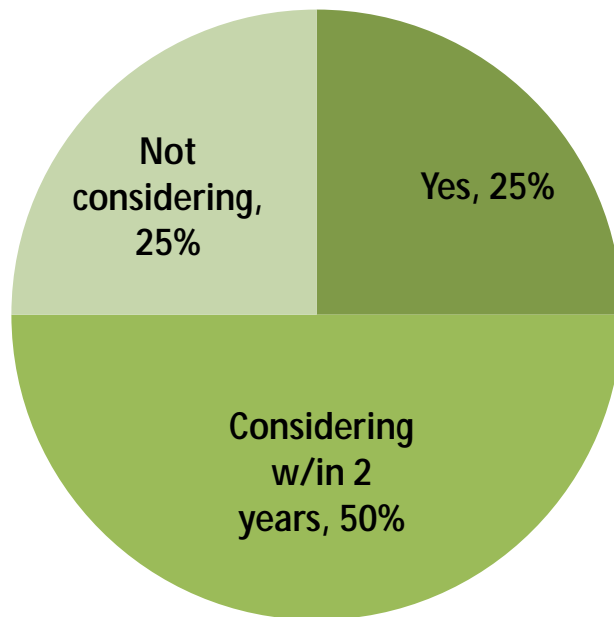
Growth in selected buyer management strategies

Trends in selected management strategies

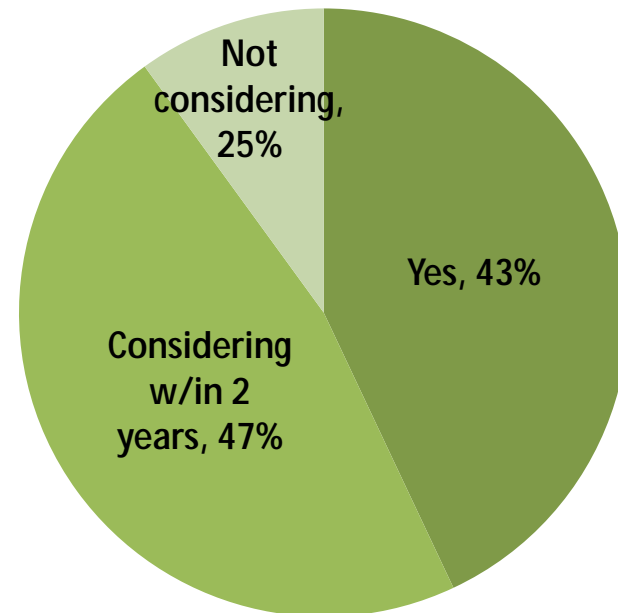


The two areas open to radical change...

Are you managing your contingent workforce on a global basis?

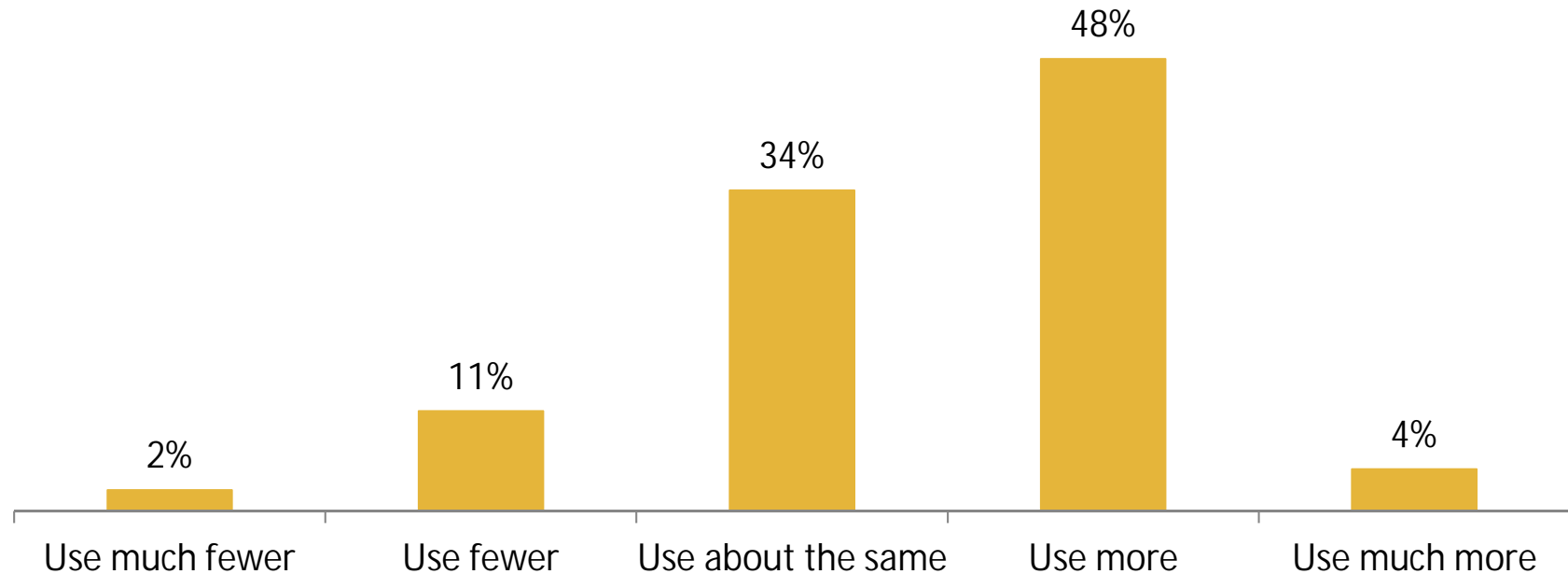


Are you including CW in overall corporate strategic planning?

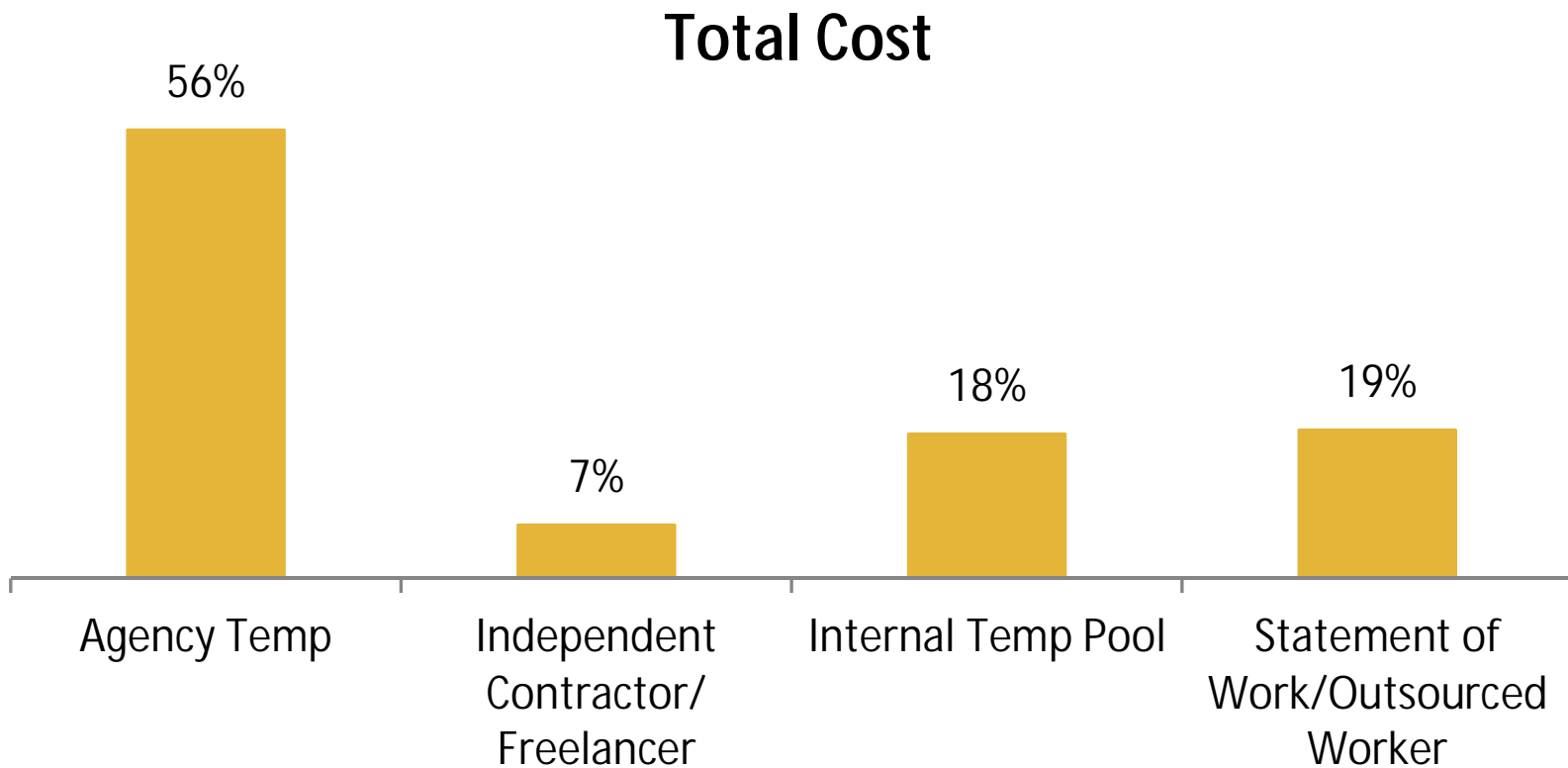


Buyers to hire more temps over next two years

Do you plan to use more or fewer agency temporary workers in the next two years?

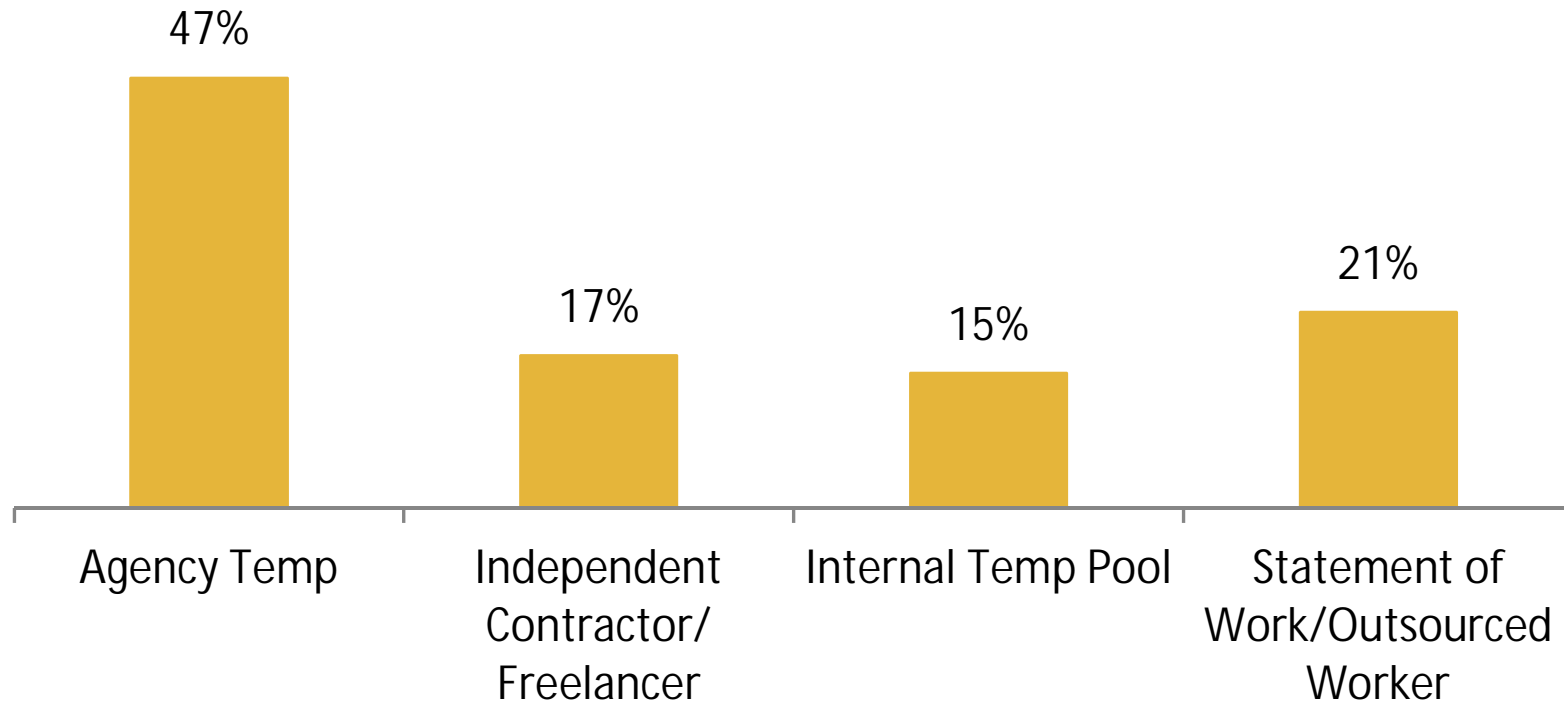


Most advantageous when it comes to cost?



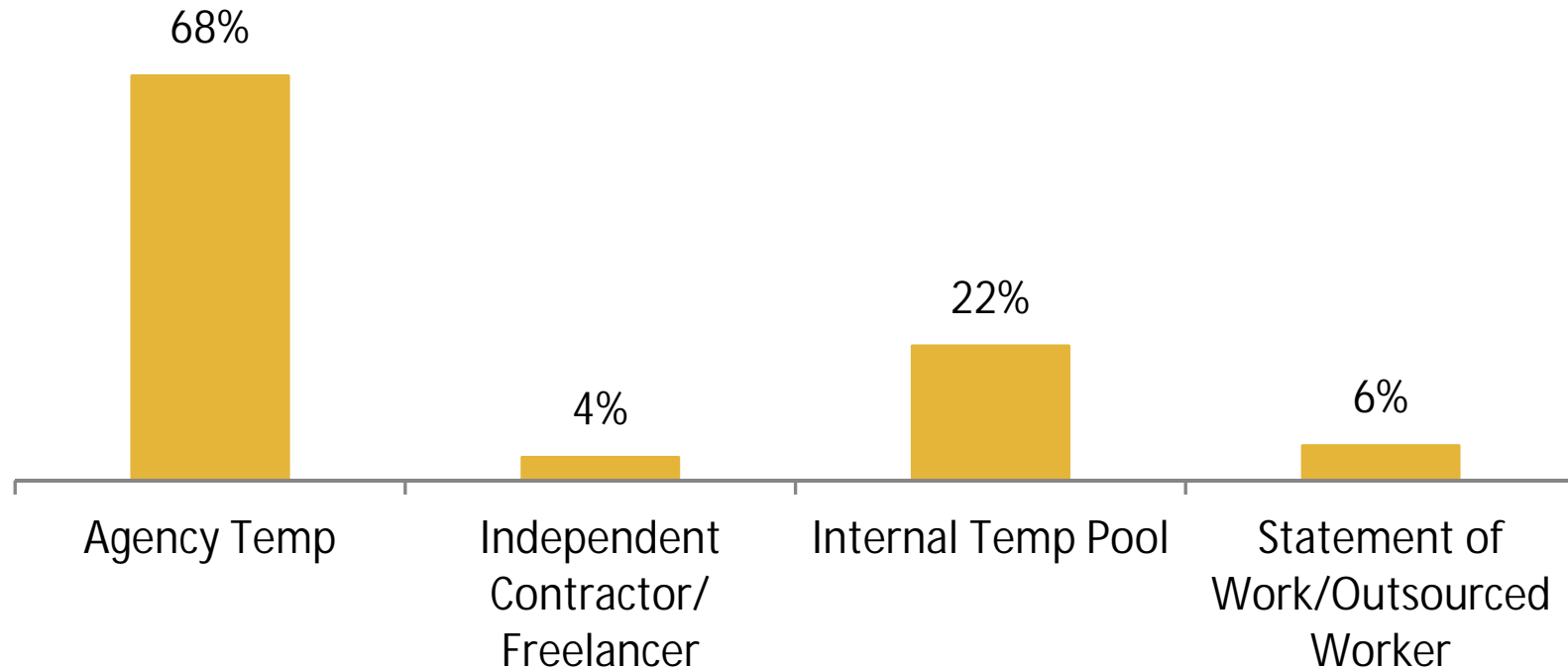
Most advantageous when it comes to legal risk?

Legal Risk



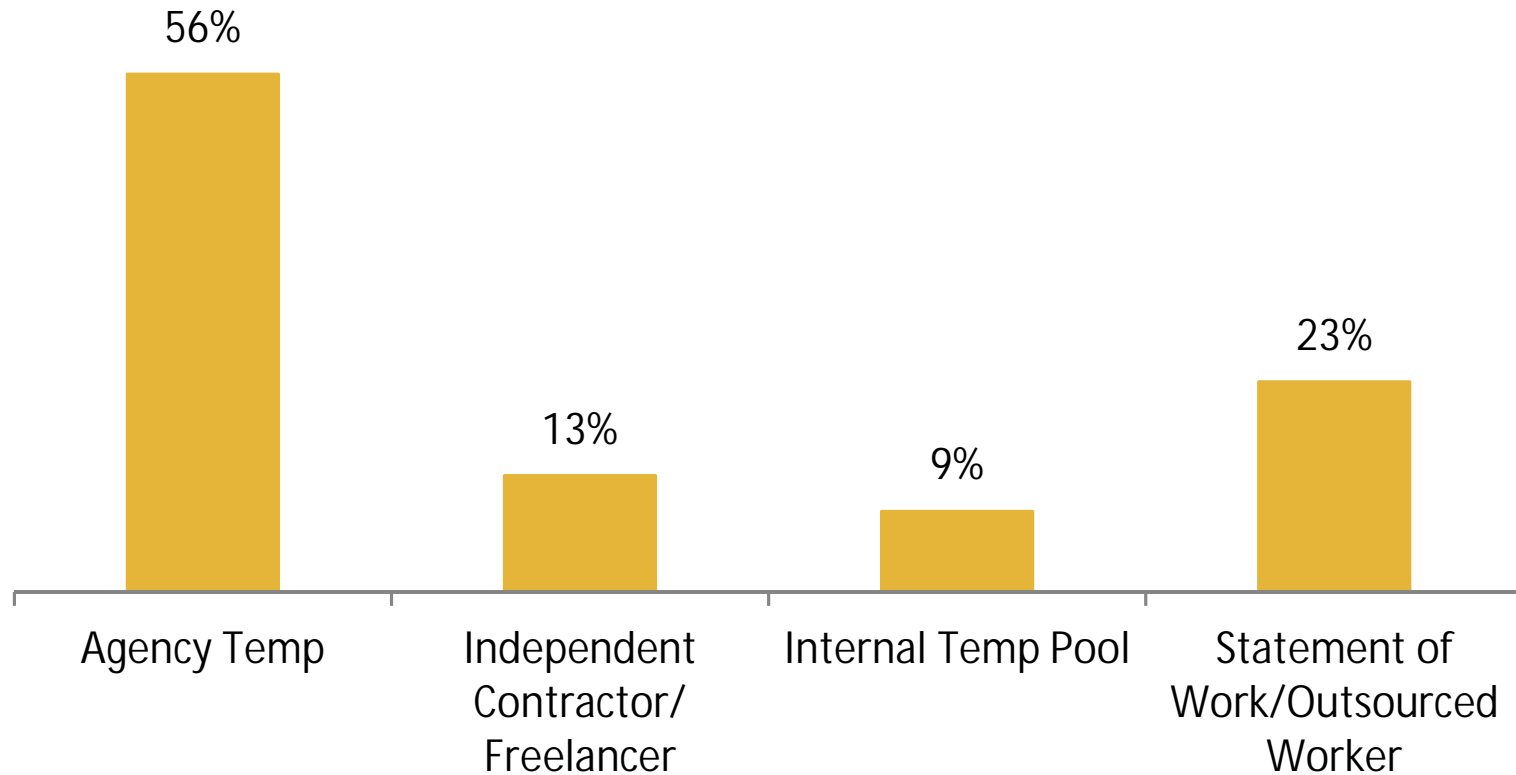
Most advantageous when it comes to time to fill?

Time to fill

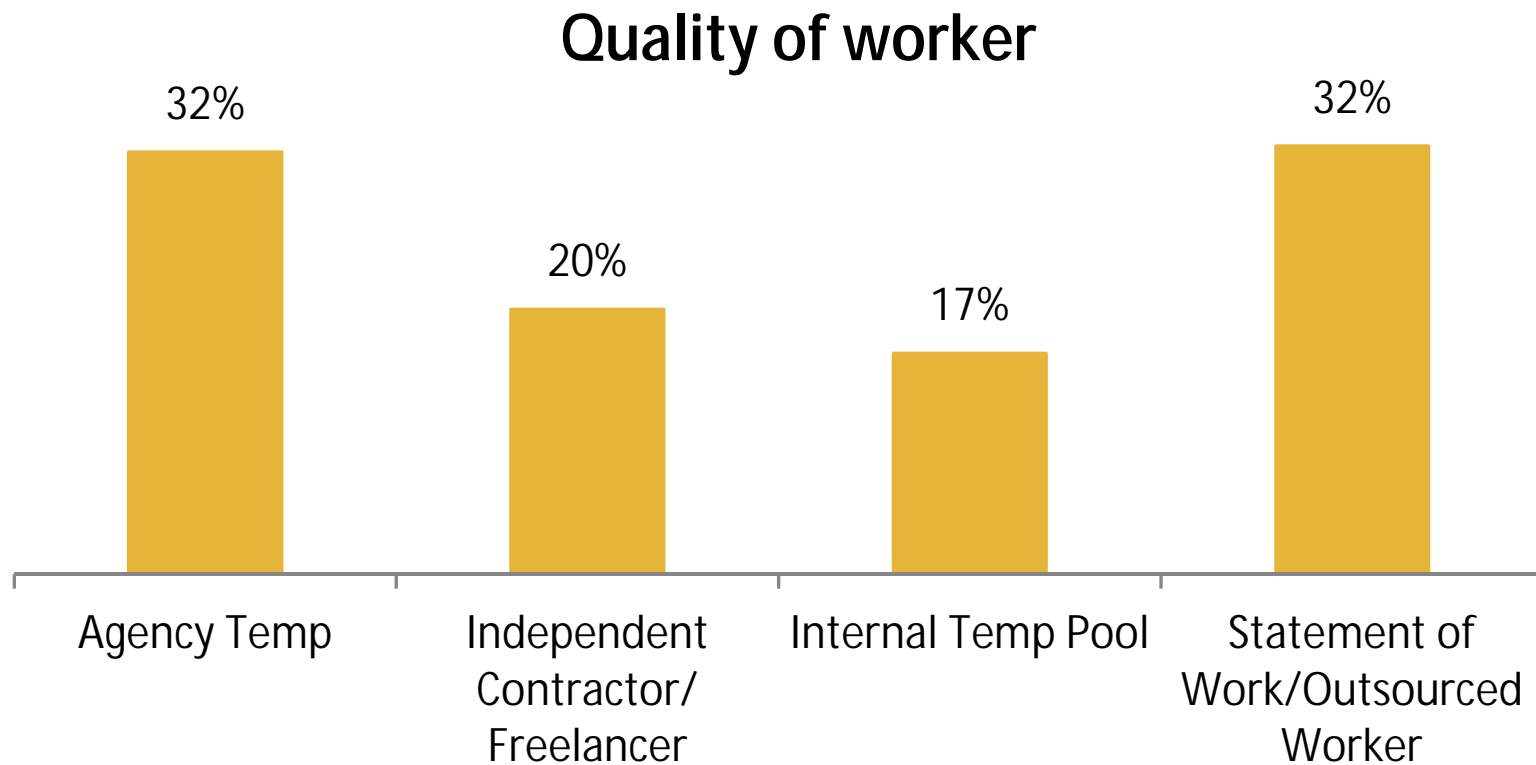


Most advantageous when it comes to availability?

Availability of talent



Most advantageous when it comes to quality?

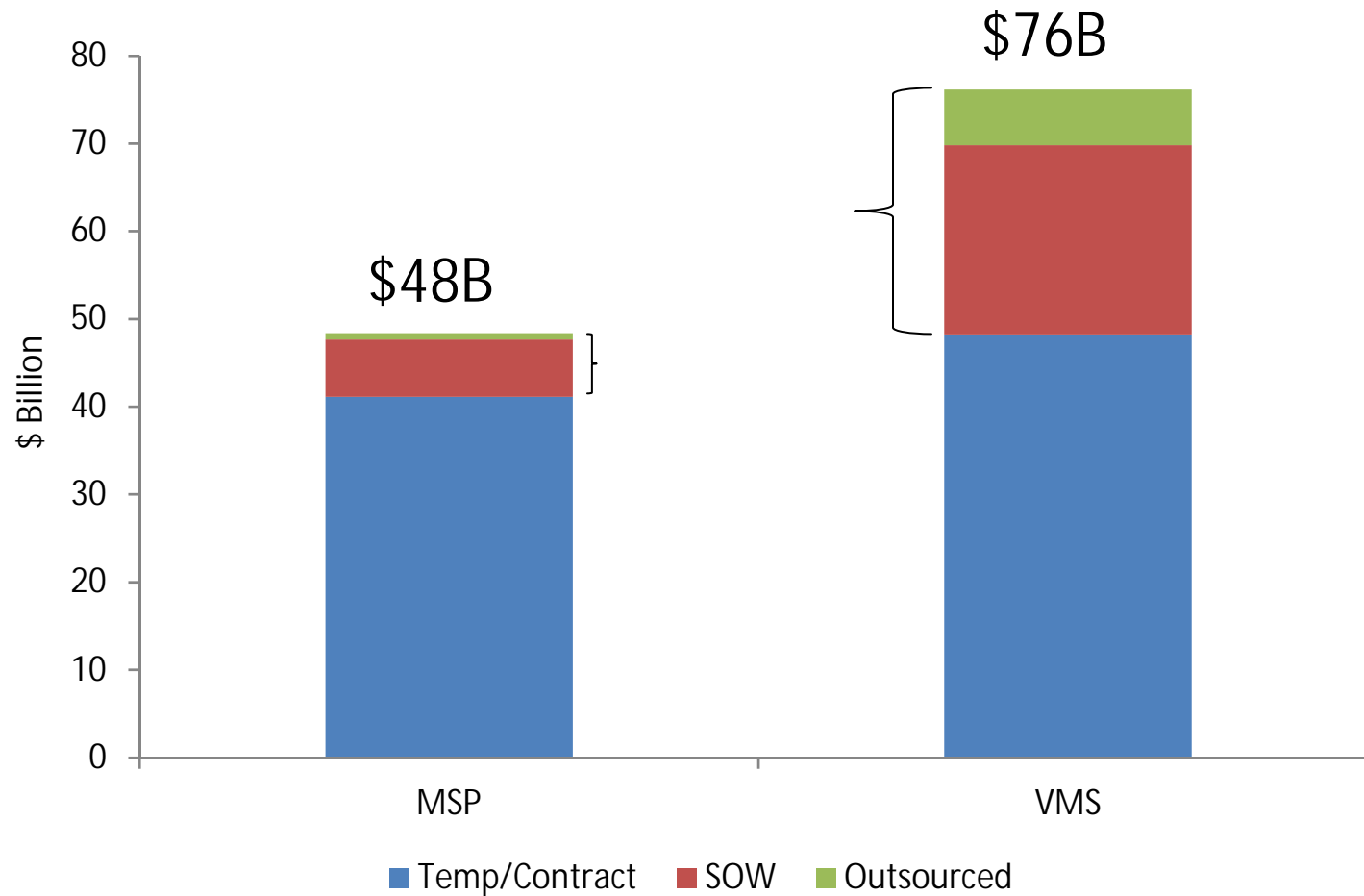


Buyer top priority in temp purchases

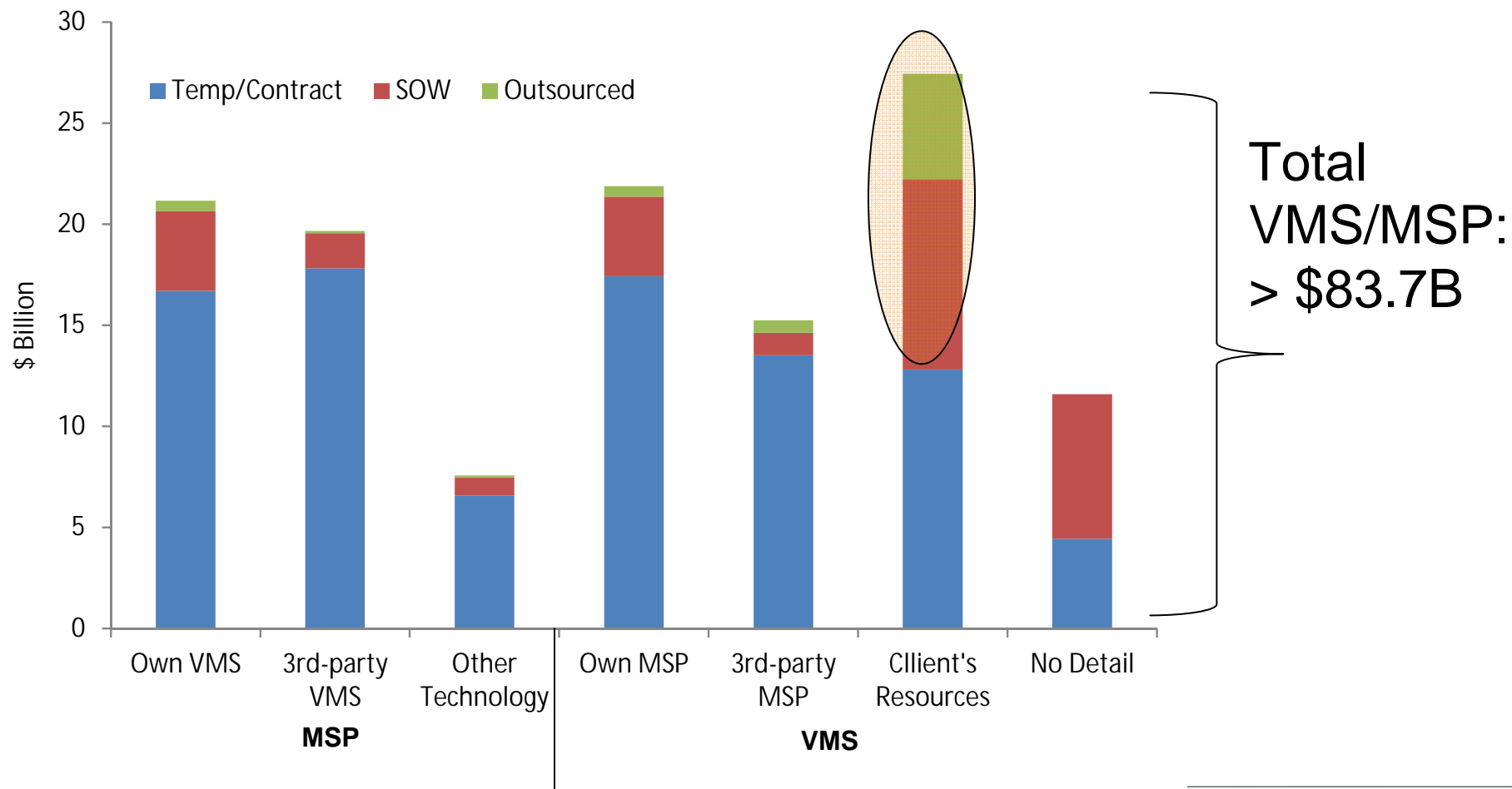
What is most important when it comes to temporary staffing services?



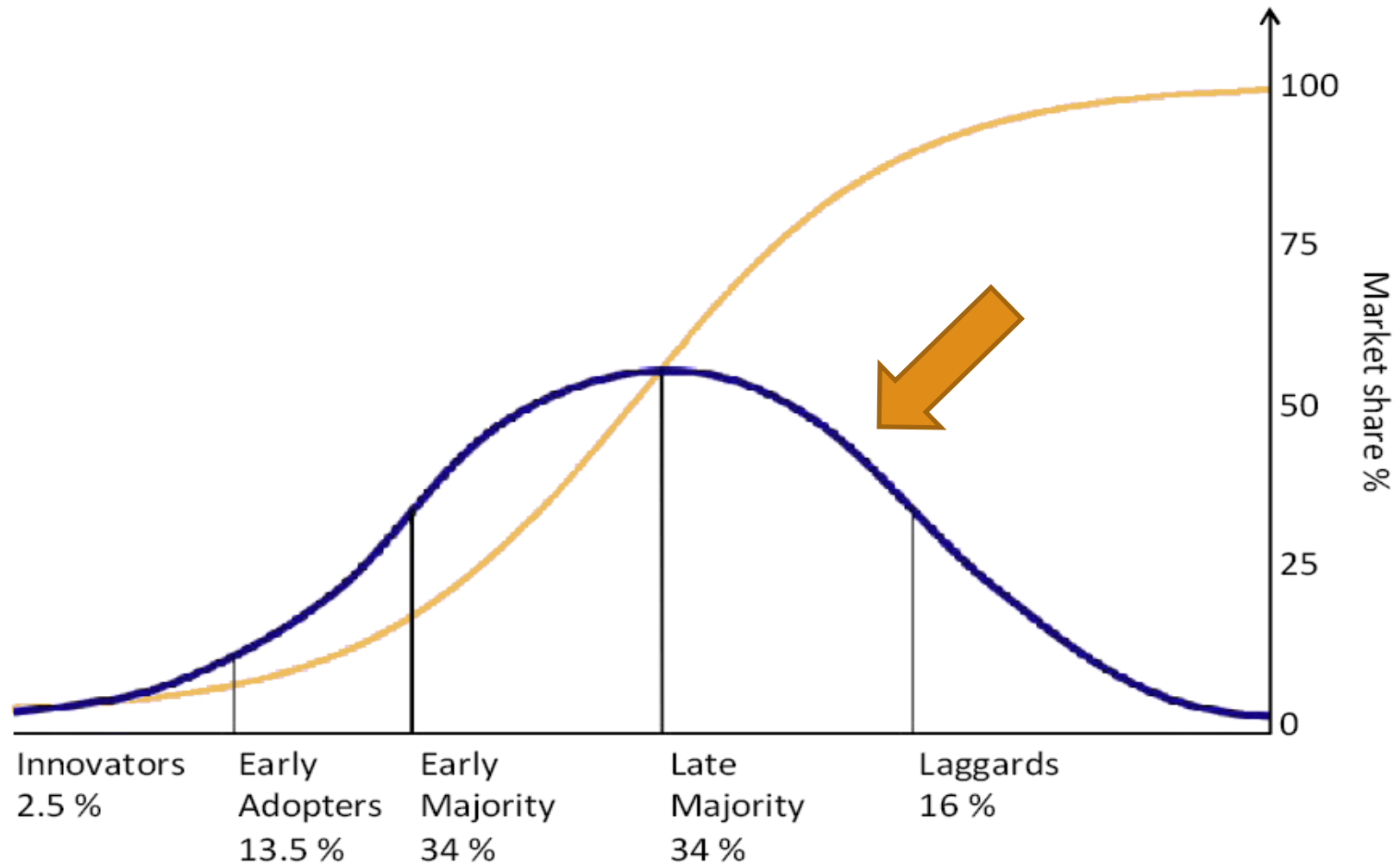
Global MSP and VMS spend - 2010



Global MSP and VMS spend - 2010



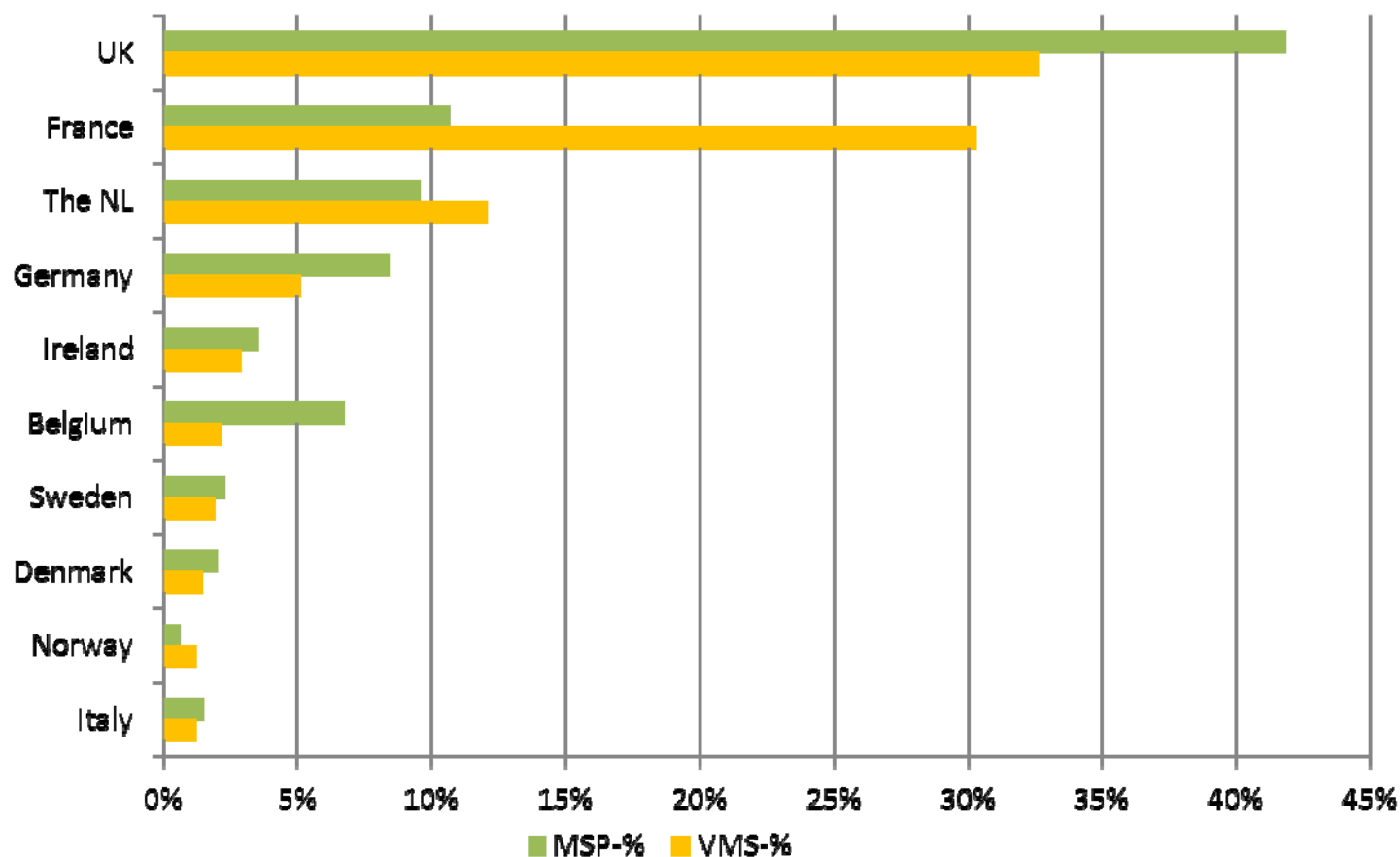
Where are we- US?



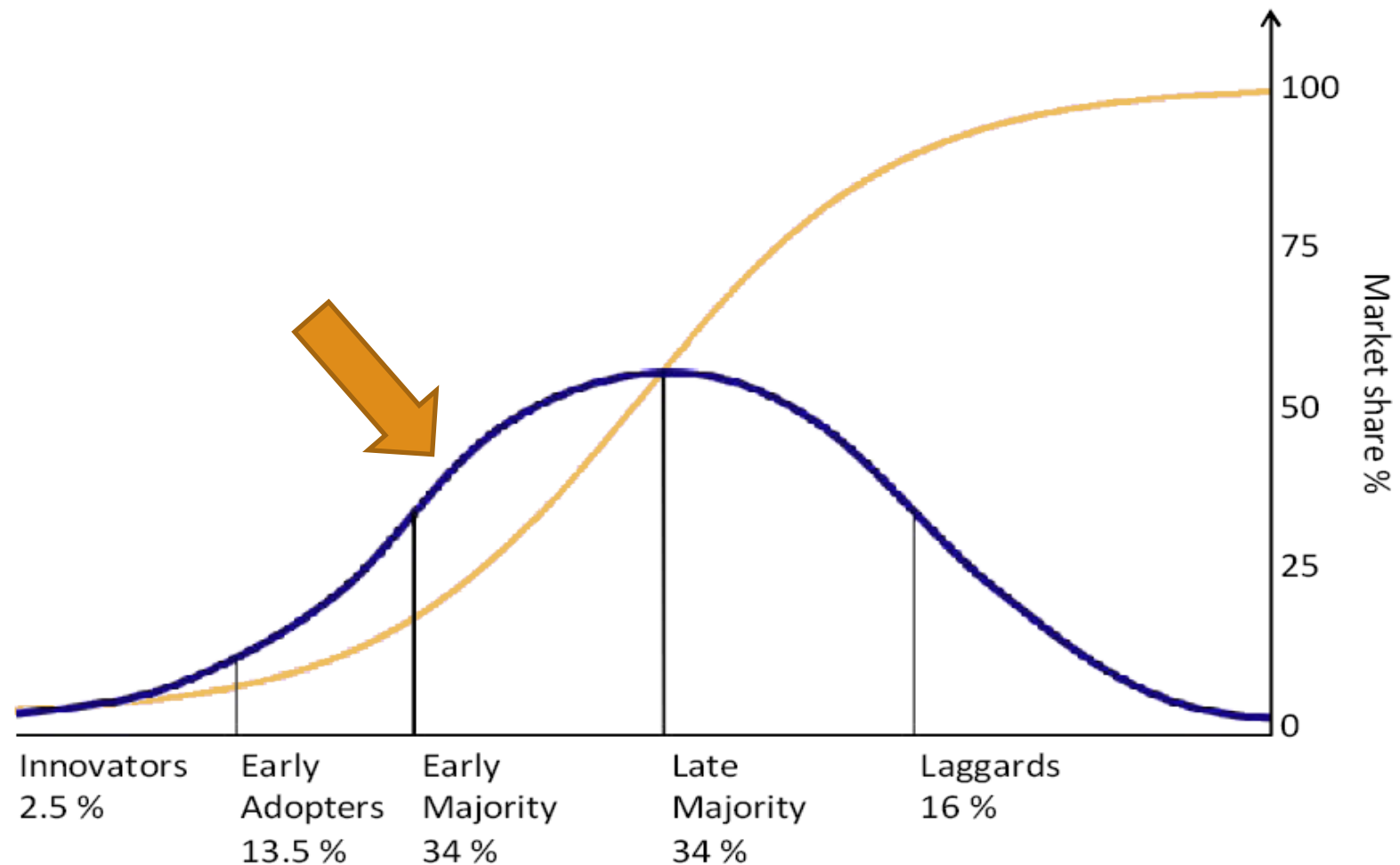
1999

2015

Top-10 MSP/VMS countries in Europe – 2010



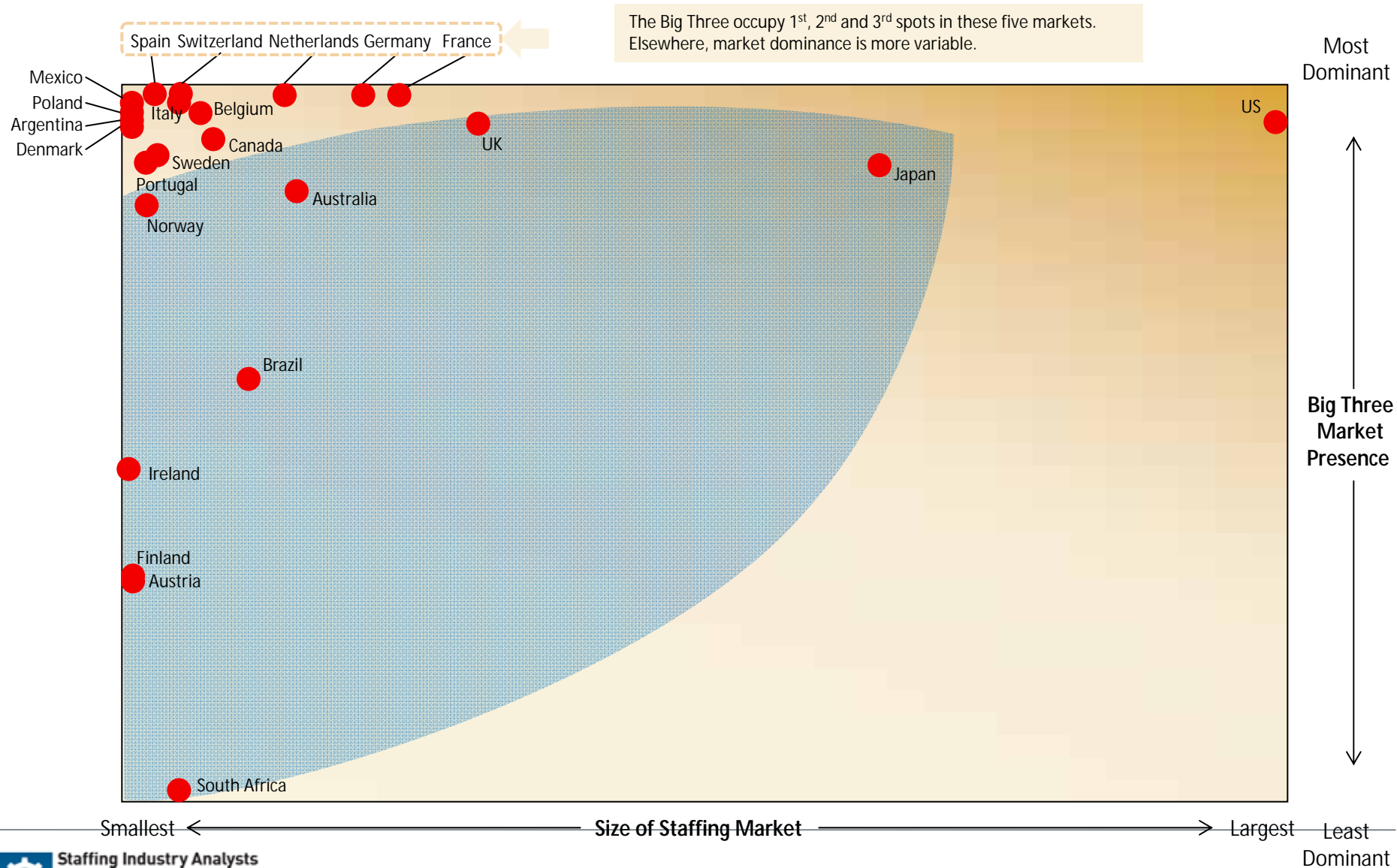
Where are we- Europe?



2008

2018

Big Three Market Dominance v Market Size



Date	Acquisitor	Acquisition	MSP/VMS Subsidiary
January, 2012	Zerochaos	WorkforceLogic	WorkforceLogic
January, 2012	Recruit Co., Ltd	Advantage Resourcing International	AdvantageXPO
July 2011	Randstad	SFN Group	Source Right
April 2011	Snow Phipps Group	ZeroChaos	ZeroChaos MSP
Dec 2010	Arby Partners	Comforce	PRO-Unlimited
Feb 2010	Manpower	COMSYS	TAPFIN MSP & Econometrix VMS
Oct 2009	Adecco	MPS Group	Beeline

The French and Japanese are Coming!



- Synergie
 - 2011: Draig Personnel (UK), GMW (Germany)
 - 2010: Olympia (Portugal & Spain)
- Groupe Crit
 - 2011: Peoplelink (US)
- Adecco
 - 2012: VSN (Japan)
- Pasona
 - 2012: Caplan Corporation (Japan)
- Recruit
 - 2011: Staffmark (US)
 - 2012: Advantage Resourcing (Global)

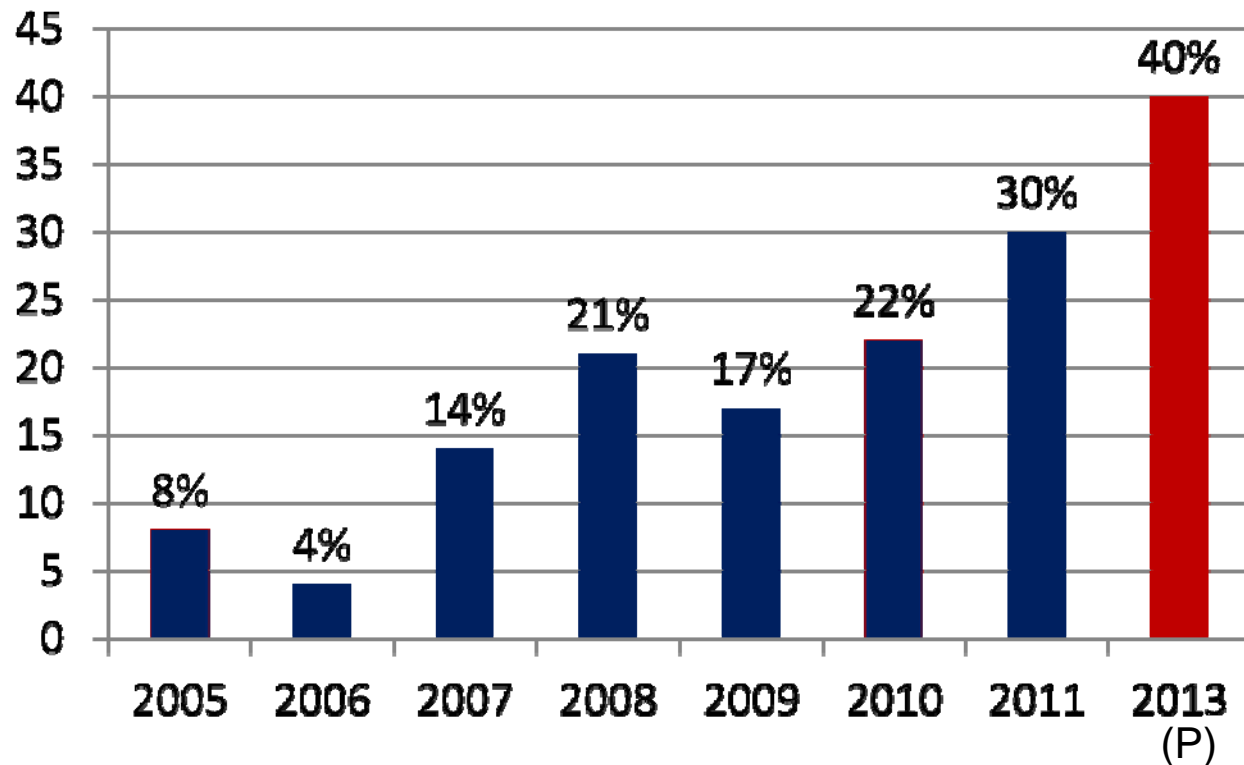
European Staffing Company M&A



- 118 staffing company deals in 2011
 - Professional staffing more attractive than blue collar
 - IT, healthcare staffing: 20% of all deals
 - Trans-border deals: 20% (2/3 trans-continental)
- Non staffing deals: homecare services and software providers

RPO Adoption Rate Continues to Increase Steadily

Estimated and Projections



Source: Staffing Industry Analysts' 2011 CW Buyer Survey

Current RPO Trends

High Volume of RFX Activity (Some suppliers are being picky...)

Supplier Acquisition Activity

(Ex., Randstad-SFN Grp's SRS; ADP-The RightThing)



Globalization

(Ex., Kenexa-Eli Lilly, Five Year Deal)

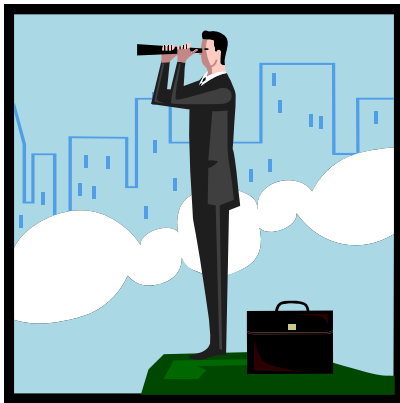
Leverage of Technologies and Scalable Resources

(Ex., Reporting, Analytics, Social Media, etc...)

Deal Value connecting w/ Business Performance

Future RPO Directions

Deal Growth continues in Uncertain Economic Times



Total Talent Acquisition Management

(Workforce Acquisition Services Integration Strategy)

Total Talent Management

(HRIS Technology Integration Strategy,....ADP, Oracle & SAP)

Multi-Sourcing & Selective Work stream
Solutions



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