

Thought Leadership Series

Best Practices for Directly Sourcing Former Employees, Retirees and Other High-Talent Contractors

Speakers:

Gene Zaino, *President & CEO*, MBO Partners

Charlie Stevens, *Attorney*, Michael Best & Friedrich

Moderator:

Dawn McCartney, *Director*, Contingent Workforce Strategies and Research, Staffing Industry Analysts

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Welcome to the Staffing Industry Analysts 2014
Industry Thought Leadership Series

Suppliers Of Staffing Services Share Their Expertise

The Staffing Industry Analysts Industry Thought Leadership Series provides the perspective of the suppliers of staffing services. The views expressed in this webinar are those of the sponsor and not necessarily that of Staffing Industry Analysts.

Webinar Slides and Replay

- Copies of the slides and a link to the audio recording will be distributed to all attendees within 24 hours following the webinar
- A replay of the webinar will be available for CWS Council Members at www.staffingindustry.com



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Over 1000 client organizations benefit from our international research services

- 80% of the largest 50 U.S. staffing firms and 60% of the world's 25 largest staffing firms are corporate members
- Over 70 buyers of contingent labor are members of our CWS Council, representing over \$100 billion in annual contingent workforce spend
- Customers in more than 80 countries

Founded in 1989

- Acquired by Crain Communications (\$200M media conglomerate) in 2008
- Headquartered in Mountain View, California and London, England
- 80+ years of industry and advisory service experience among executive team

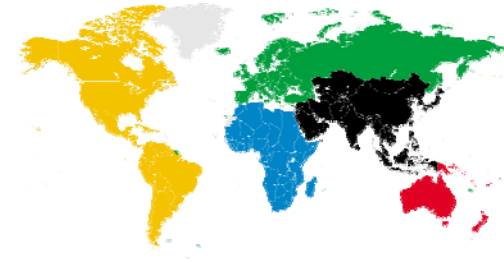
80%
50



CWS Council Members (partial public list)



Remember to Save the Dates



October 6-7, 2014 | Mirage Resort & Casino | Las Vegas, NV
CWS Council Meeting October, 6th



October 8-9, 2014 | Mirage Resort & Casino | Las Vegas, NV

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FORUM**

October 6-7, 2014

C **2014** STAFFING INDUSTRY ANALYSTS
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October 8-9, 2014



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Certified Contingent Workforce Professional

Upcoming classes:

- August 19 – 20 Atlanta, GA
- October 6 – 7 Las Vegas, NV
- Online Anytime

Take the class.

CCWP is an accreditation program that reflects the current skills, knowledge and best practices in contingent workforce program management.

Pass the test.

CCWP certification is earned by taking the class and passing a rigorous certification exam.

Get Certified.

CCWP Certified Professionals achieve the highest level of competency associated with managing a contingent workforce program.

Thank you to our sponsor and Thought Leader



*A Smarter Way for Organizations to
Engage and Manage Contract Talent*

Today's Speakers



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Dawn McCartney
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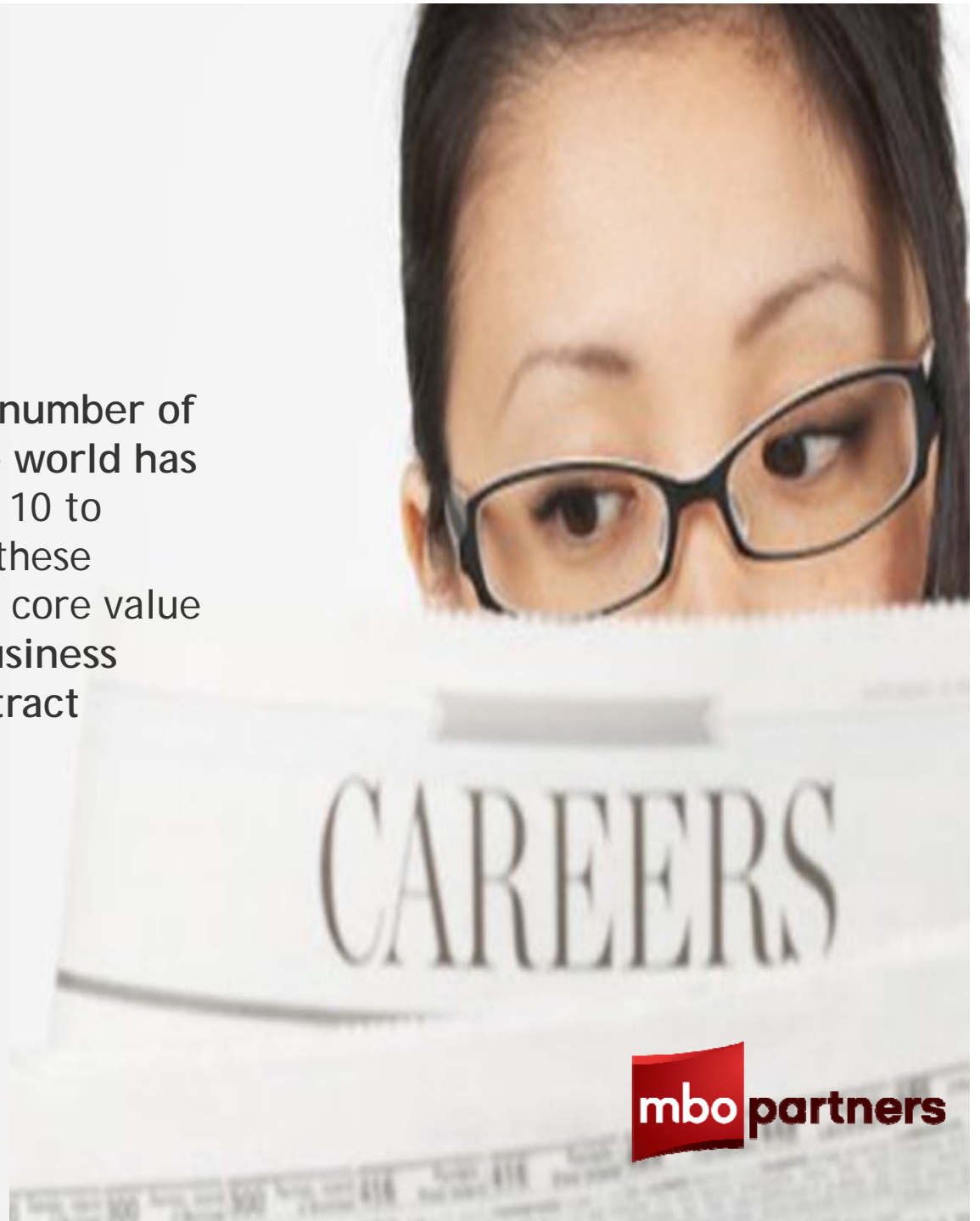
Changing Times

- Independent Worker Talent has become a significant segment of the American workforce
- 10,000 Baby Boomers reach retirement age EVERY DAY
- LinkedIn, Social Networks and Marketplaces have created a new “Open Talent” paradigm

Direct Sourcing Programs are on the Rise



“From 2005 to the present, the number of online staffing platforms in the world has grown rapidly from only around 10 to certainly more than 145. While these platforms can do many things, a core value that they bring is in enabling business managers to direct source contract workers.” *Andrew Karpie*



Quick Poll of the Audience

Which are the two most significant drivers of the growth in Direct Sourcing?

- Cost saving through disintermediation of suppliers
- Brain drain and the need to recapture Alumni Intellectual Property
- Manager's dissatisfaction with traditional process
- Online tools have just made it too easy

Legal Precautions

- Misclassification
- Payroll tax & Expense Administration
- Affordable Care Act
- Benefits & rights to employee privileges



Structuring and Managing the Engagement



- A Proper Business to Business work arrangement is critical
- Its good to have SOW documentation but its more about the facts and circumstances
- The IRS, State Unemployment will want you to have a system that ensures payroll taxes are properly handled
- The DOL will want to make sure there is no worker abuse

Benefits & The ACA

- Most problems with re-engaging retired workers are related to benefit claims.
 - Examine your Policies
 - Communicate orally and written during onboarding and exit.
 - Be aware of Co-employment risk
- The Affordable Care Act has raised concerns
 - Employers should review their health eligibility rules.



Negotiation with Independent Professionals



- Apples vs. Oranges, treat it that way!
- Do not treat contract workers as w-2 employees
 - No overtime pay, vacation & sick leave reserved for employees
- Negotiation reserved for payment terms
 - Make worker aware they are classified as a non-employee

Direction & Control Reserved for Employees



- Consultant should control when, where and how they complete the project.

Re-Engaging a Retiree

- **Major problem if retirement plan distributes assets to an active employee.**
 - Some Employees wish to access retirement by terminating employment, then seeking to be re-employed once funds have been accessed.
 - 1099 & W-2 in the same year is a red flag
- **Requiring a length of time before return does not mitigate risk.**



Final Poll of the Audience

Do you see Direct Sourcing, including re-engaging alumni, as a top ten initiative in 2015?

- Yes
- No
- It's critical now
- Maybe after 2015

Alumni Re-Engagement: *Best Practices from Real World Experience*



Training for “soon to be” Alumni



Offer A “How To” Workshop for compliant Independent Contracting

BILL RATE
INSURANCE
ESTIMATED TAXES
START-UP CAPITAL

Help them be ready for new financial considerations
Burdens and Opportunities

Assess Their “Self-employable” Mindset



Make sure workers have a consulting mindset



Explain risks of “Doing it Wrong”

Make It Easy for them to Get Started - the Right Way

PAYROLLEE?

1099?

SOLE PROPRIETOR?

S-CORP?

LLC?

CONTRACTOR?

Make it Easy for Them to
Obtain the Right Self-employable
Infrastructure



Inform and remind
Managers of the Rules

Create Value for All Stakeholders



Create Raving Fans
of Alumni and other
High Talent Contractors



Provide Tools For Hiring Managers
to Easily Tap and Reuse
Curated Talent Pools



Questions?

 mbo partners



Thank you to our sponsor and Thought Leader



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THANK YOU!