



B E N C H M A R K I N G R E P O R T

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Staffing Hub

2018 State of Staffing Sponsors



Welcome to the State of Staffing Industry Growth by StaffingHub

We're excited to share this year's benchmarking report with you. Thanks to the hundreds of staffing industry professionals who participated in our annual survey, we can better understand some of the top sales and marketing tactics for staffing firms.

As we do each year in our annual report, we separated the top-growth firms (greater than 21%+ growth in 2017 and expected growth of 21%+ in 2018), and we compared this to the slow-growth firms (less than 5% growth in 2017) to identify what helps the fastest growing firms scale their businesses.

As the staffing industry continues to evolve, we're seeing three major shifts take place: staffing firms are adopting technologies to improve the talent experience, recruiters are shifting from cold calls to Facebook and text messaging, and the staffing firms that close faster grow faster.

This year's report will help you see how you compare to your staffing industry peers. It will shed light on the tools and tactics used by the fastest growing staffing firms, and it will break down specific strategies used by some of the top companies.

This is our third annual report, and we're excited about what the future holds for our industry. Faced with an accelerating business environment, it will be those companies that choose to embrace new ideas and try new technologies that lead the future of the market. And our team at StaffingHub will be here with you to share the market intelligence that helps you succeed.

David Folwell
President
StaffingHub

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The most complete software solutions powering the world's best staffing and recruitment firms.

Expect exceptional.

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Staffing Referrals

Referral Software for Staffing Firms

Scale Your Staffing Firm Without Hiring More Recruiters

**“ We saw record referral leads,
and we placed 3 candidates in the
first month with Staffing Referrals ”**



Kyle Rhodes
Founder & CEO, Focus Staff

Stats From the First 30 Days:

71 Leads

3 Placements

#1 Referral Platform

A Few of Our Customers & Partners



Business-class Texting Software

Get ahold of your contacts faster with a 98% message read rate and 40% response rate.



COMMUNICATE FASTER

Start texting from your computer

Text-enable each team member's existing phone number and manage texts from desktop or mobile.



TRACK AND RECORD

Add texting to your CRM workflow

Get your team texting right from your CRM or ATS with the TextUs Chrome Extension.



SCALE OUTREACH

Optimize results across your team

Take control of business texting results with message templates, A/B testing, and response-rate tracking.



375+
 Staffing Firms

"We got **more responses sending 40 text messages** than we did **sending 1,000 emails**. It's also much more efficient because **people respond more quickly to text messages** than emails. It just works."



David McKenzie,
 Director of Talent Advisory, **LiquidAgents**

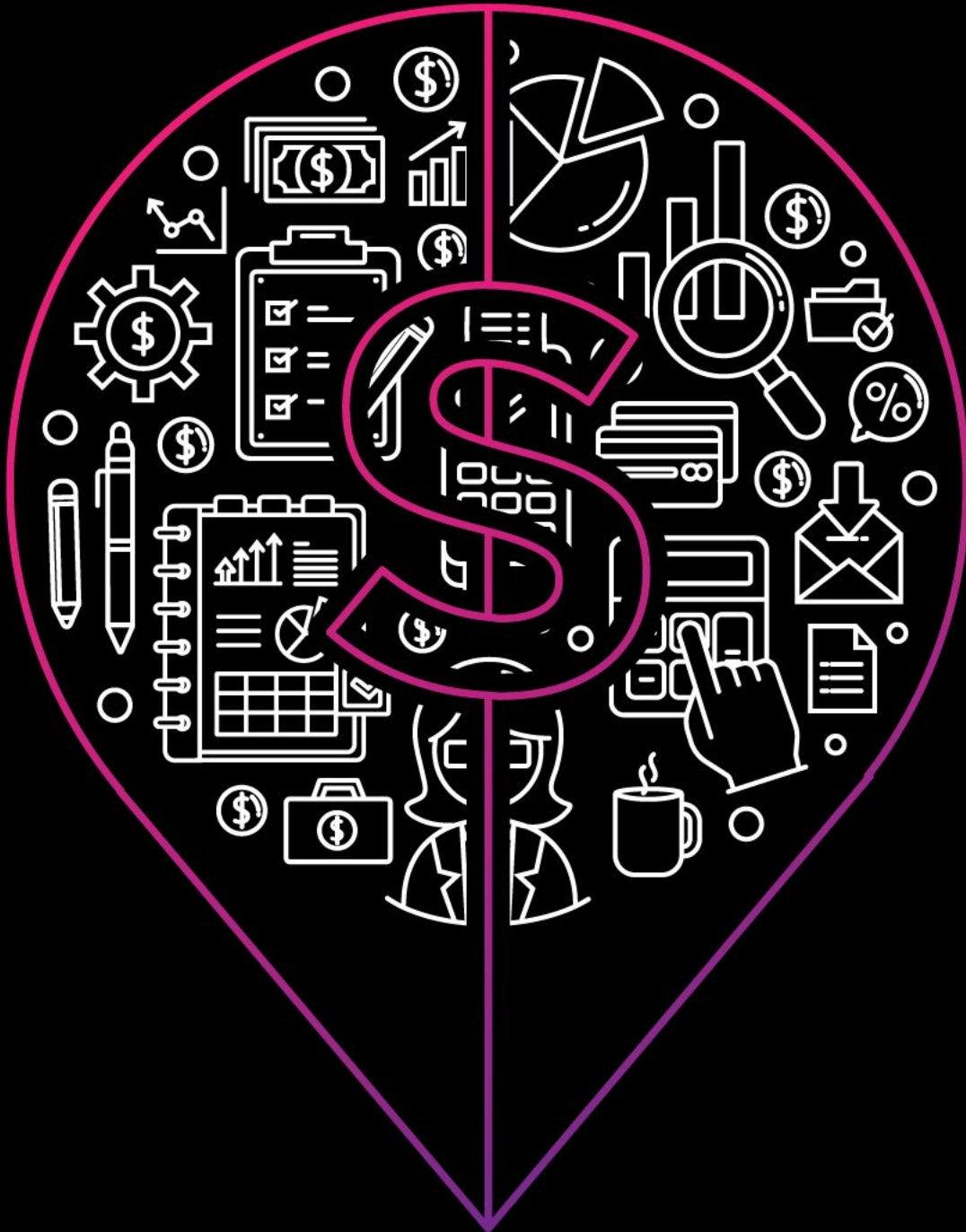


"Over the past couple of years, we've been looking for a solution that brings our communication strategy to another level. **We found that in TextUs.**"



Baljit "Brian" Gill,
 Founder & COO, **TalentBurst**





Staffing Hub

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StaffingHub.org

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1.0



The State of Growth

1.1 Staffing Industry Growth Forecasts

1.2 Biggest Challenges

1.3 Biggest Opportunities

Majority of Staffing Firms Expect Growth to Accelerate in 2018



As the staffing industry continues to grow, firms are especially optimistic about 2018 -- **36% of firms were identified as fast-growth firms in 2018 compared to 28% in 2017.**

This optimism is likely rooted in positive job numbers: the [Staffing Industry Analysts' February Jobs Report](#) which showed hourly wages growing by 2.9% in January.

36%

Identified as fast-growth firms in 2018

11%

Identified as slow-growth firms in 2018

What is Your Biggest Challenge?

Finding Qualified Candidates

Finding qualified candidates presented the biggest day-to-day challenge for staffing firms across growth levels and verticals.

Here is a sample of the survey responses about top challenges:

“Recruiting the best talent.”

“Client acquisition.”

“Motivation of employees in sales roles.”

“In today's complex healthcare environment, including one of the largest nurse shortages in history, labor often presents the greatest challenges. An aging population, coupled with higher overall usage of healthcare services, will continue to escalate the need for qualified medical professionals.”

“We work in a people business, and people are unpredictable, so the unknown.”

“Length of time to process background checks.”

“Getting everyone on the same page, at the same time.”

Biggest Opportunities?

Candidate Engagement, Customer Service

When it comes to opportunities, staffing firms are looking to improve their customer service, boost candidate engagement, and top the competition by adopting cutting-edge technology.

Here is a sample of the survey responses about key opportunities:

“Having the best customer service and being able to prove it.”

“Improving candidate engagement.”

“The move to the Gig Economy.”

“Ongoing recruiting concerns. The pressure that the competition is putting on pricing when we have the commodity and we should not be offering such low margins.”

“Retaining quality candidates, developing long-term relationships that offer flexible career opportunities for life.”

“AI and process personalization.”

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Sales Insights

2.1 Sales & Marketing Alignment

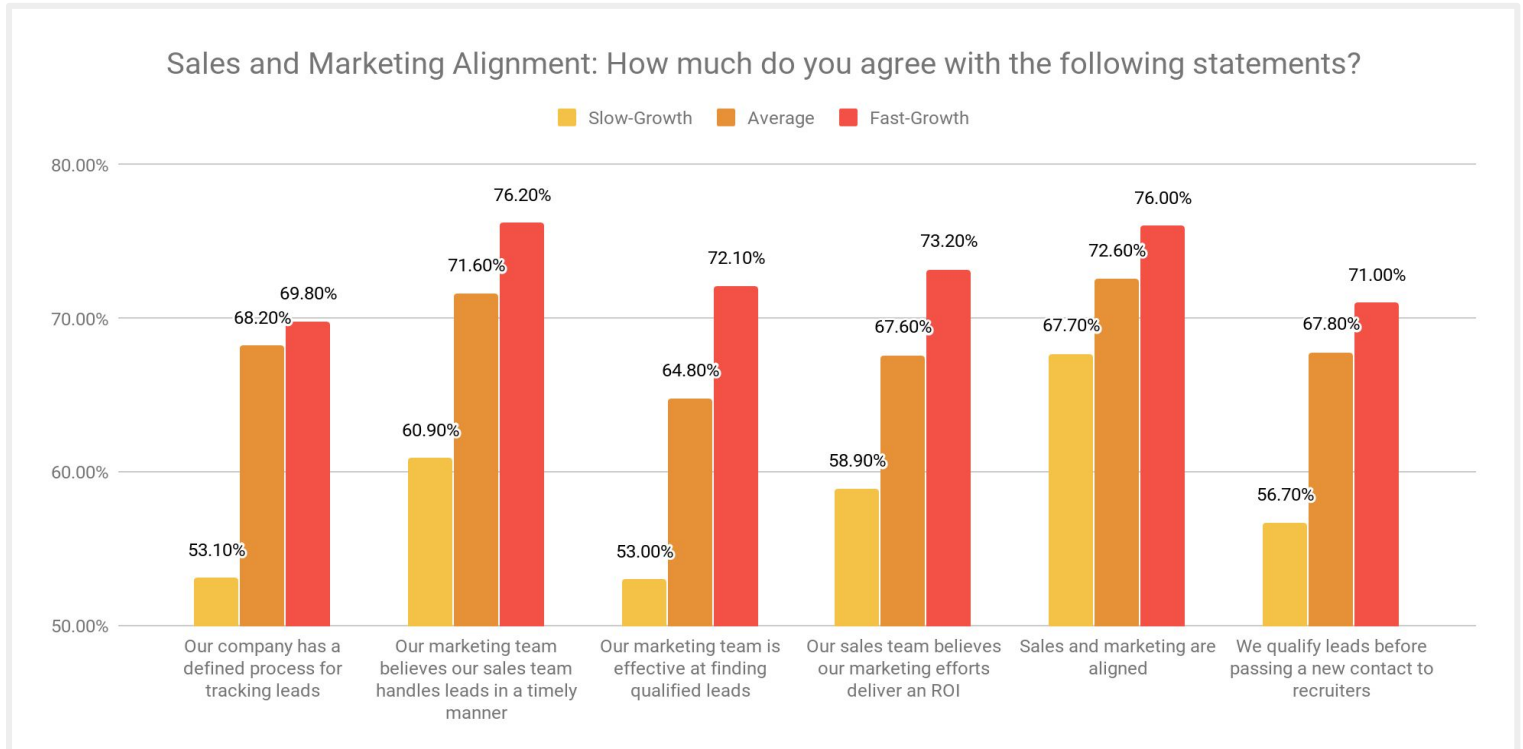
2.2 Sourcing

2.3 Time to Close

2.4 Tools & Tactics

2.5 Texting Software Market Share

Staffing Firms Sales and Marketing Alignment



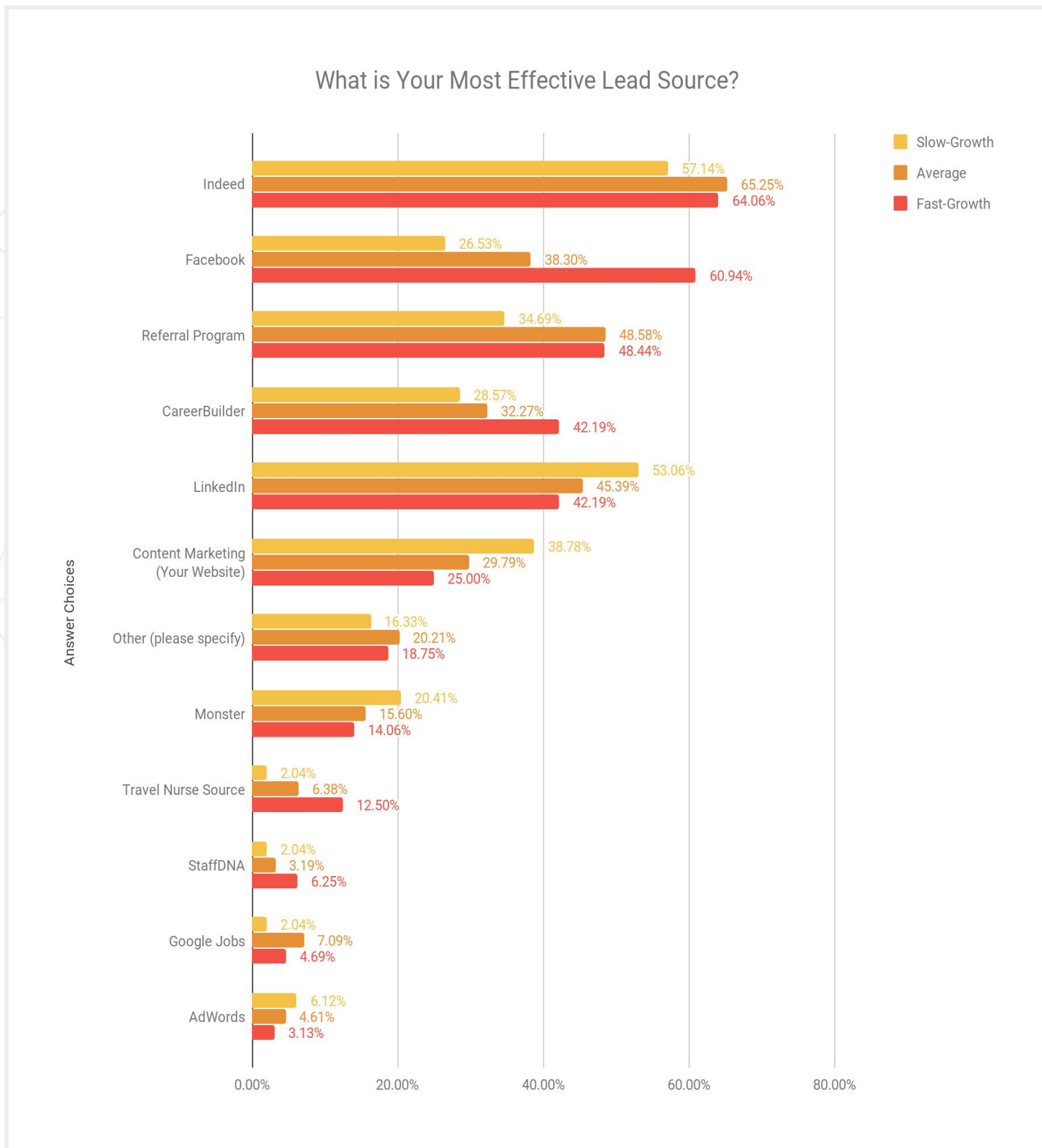
In 2018, misalignment between marketing and sales continues to be a widespread issue in the industry. **While 69% of firms have a defined process for tracking leads, qualifying leads, and achieving an ROI through marketing efforts, this leaves an astounding 30% without any defined lead tracking process.**

Taking a closer look at the organizational structures of most staffing firms, it's not surprising that companies don't see the value of marketing. Compared to most industries, staffing lacks dedicated marketing positions. The majority of marketing spend is allocated to job boards, skipping the essential work of branding and message development.

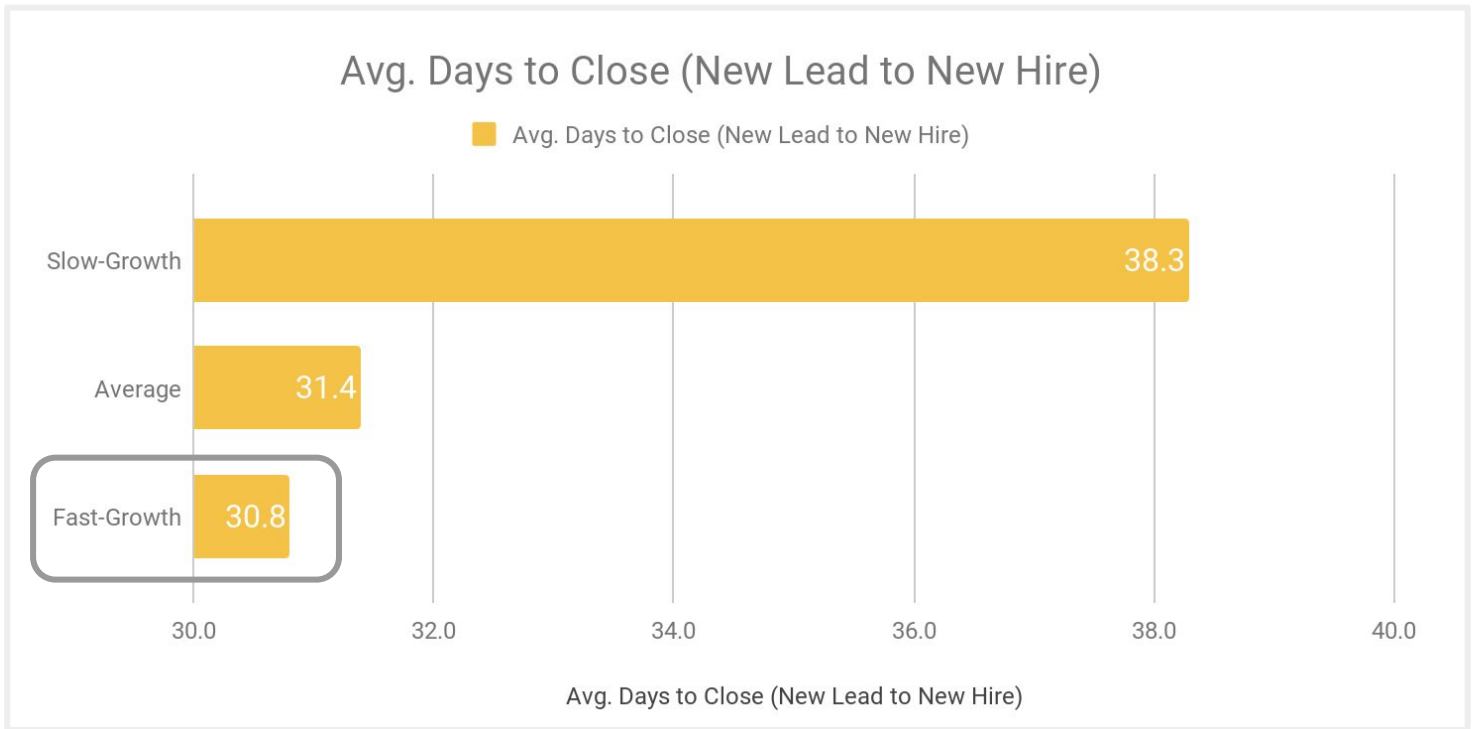
Over 30% of firms lack a defined process for tracking and qualifying leads.

When sales and marketing align in staffing, so does revenue growth. **Our data shows that the fastest growing firms are 12% more likely than slow-growth firms to see alignment between sales and marketing and 24% more likely to see an ROI on marketing efforts.**

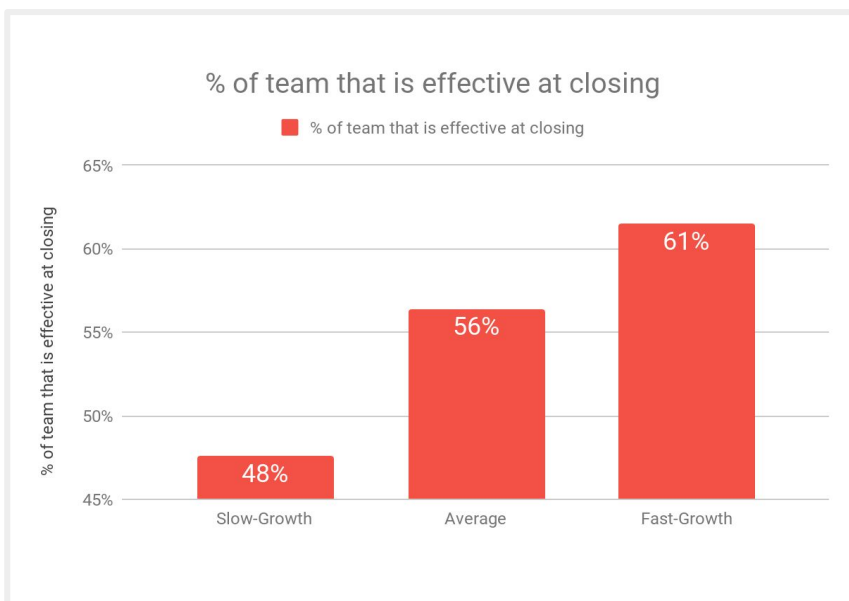
Indeed, Facebook, and Referrals: Most Effective Lead Sources for Fast-Growth Firms



Fast-Growth Firms Close Leads 7.5 Days Faster than Slow-Growth



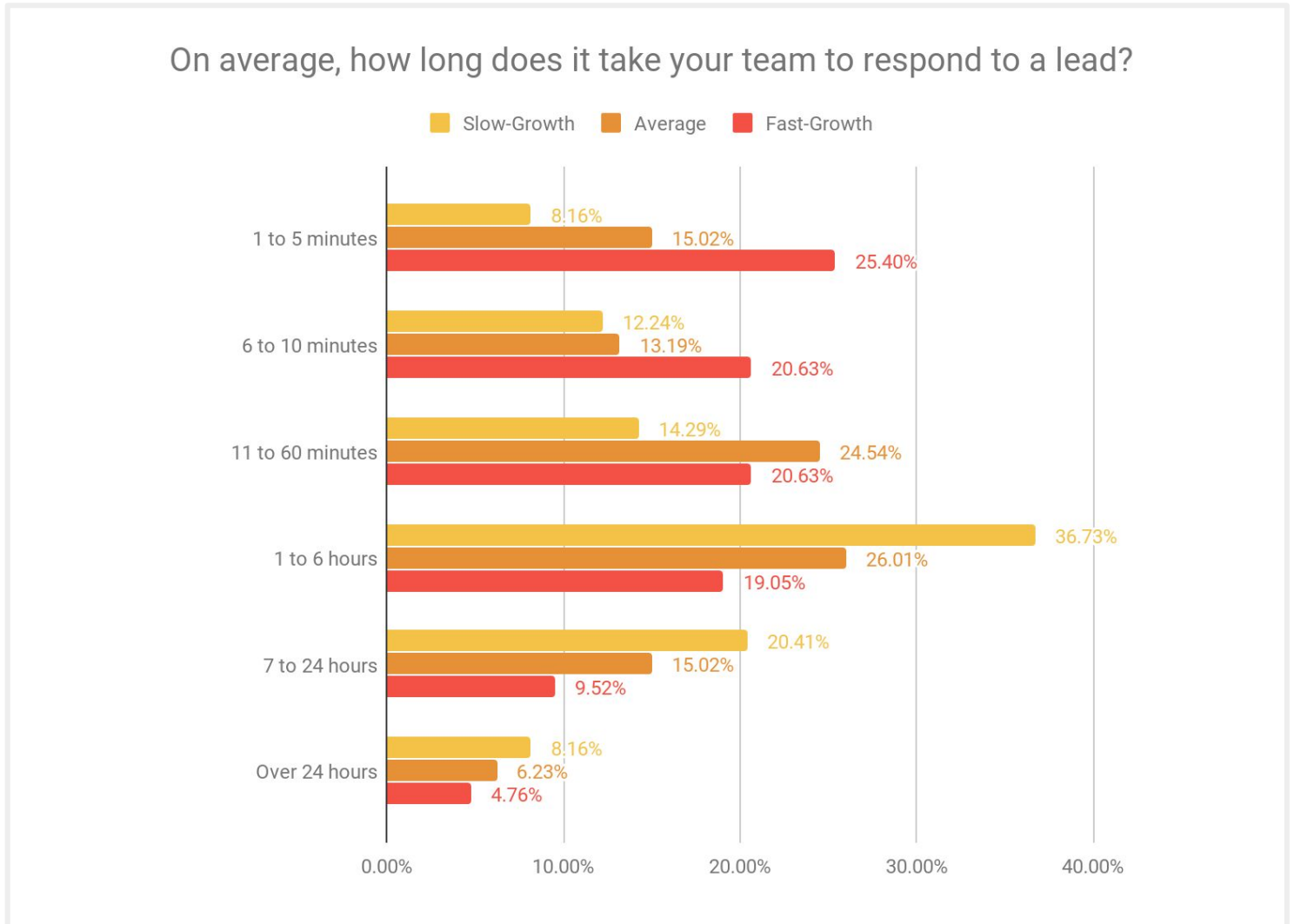
Fast-growth firms move faster, closing leads an entire week more quickly than their slow-growth peers. This could be tied to team effectiveness, as fast-growth firms' teams are also more consistently effective at achieving desired results.



7.5 DAYS FASTER

Fast-growth firms close 7.5 days faster than slow-growth firms

25% of Fast-Growth Firms Respond to Leads Within 1 to 5 Minutes



More than **67%** of fast-growth firms respond to new leads in less than an hour, while over **65%** of slow-growth firms take an hour or more to respond, underscoring how crucial speed is to growing your candidate pool.

 **67%** OF FAST-GROWTH FIRMS RESPOND WITHIN AN HOUR

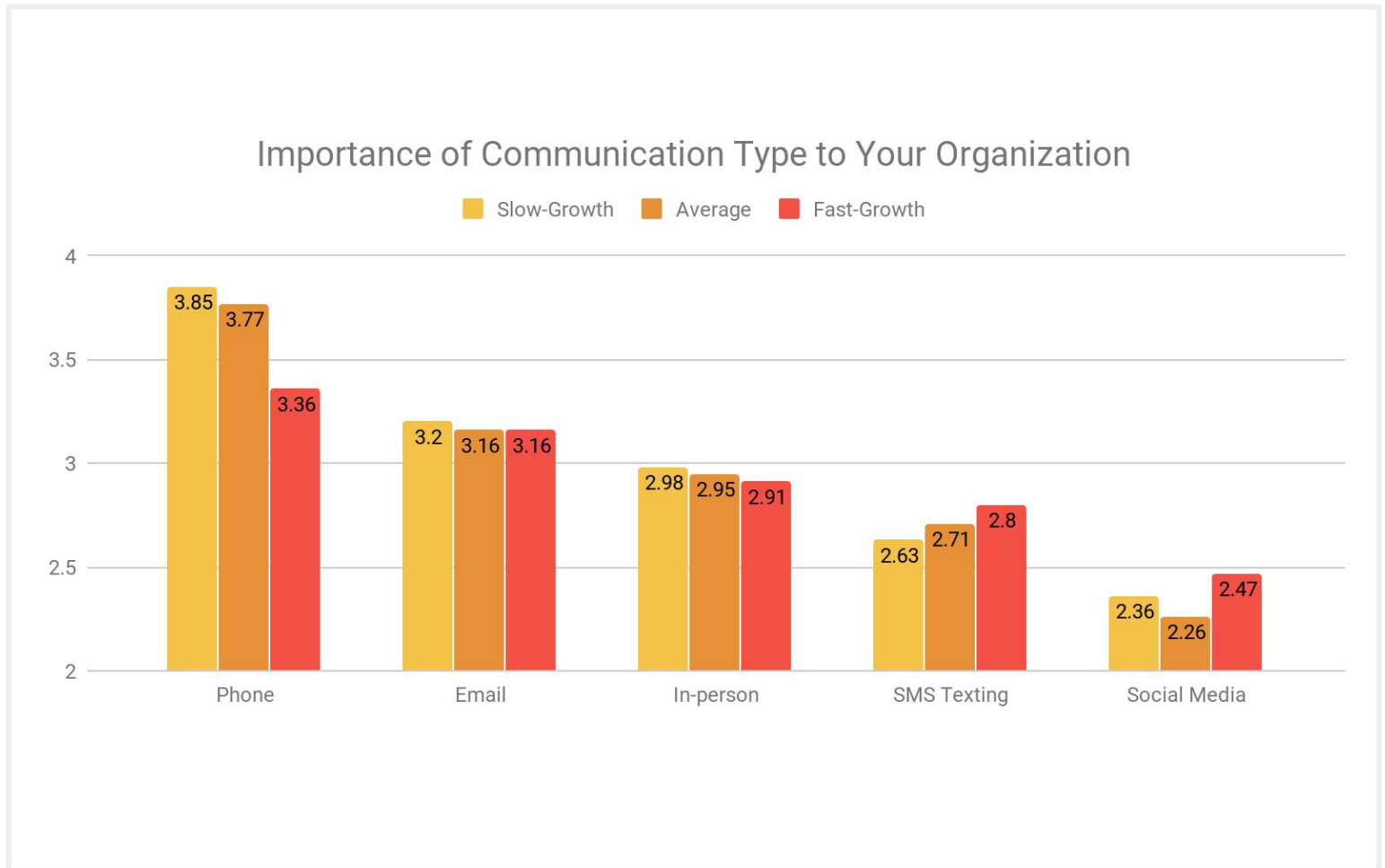
Slow-Growth Firms Focus on Call Quantity, Fast-Growth Firms on Call Quality



Across the board, the **#1 recruitment strategy for firms at all growth levels is combining inbound and outbound sales tactics**. Slow-growth firms show a greater emphasis on sheer number of cold calls, while fast-growth firms focus more on the quality of cold call conversations.

#1 RECRUITMENT STRATEGY
INBOUND + OUTBOUND

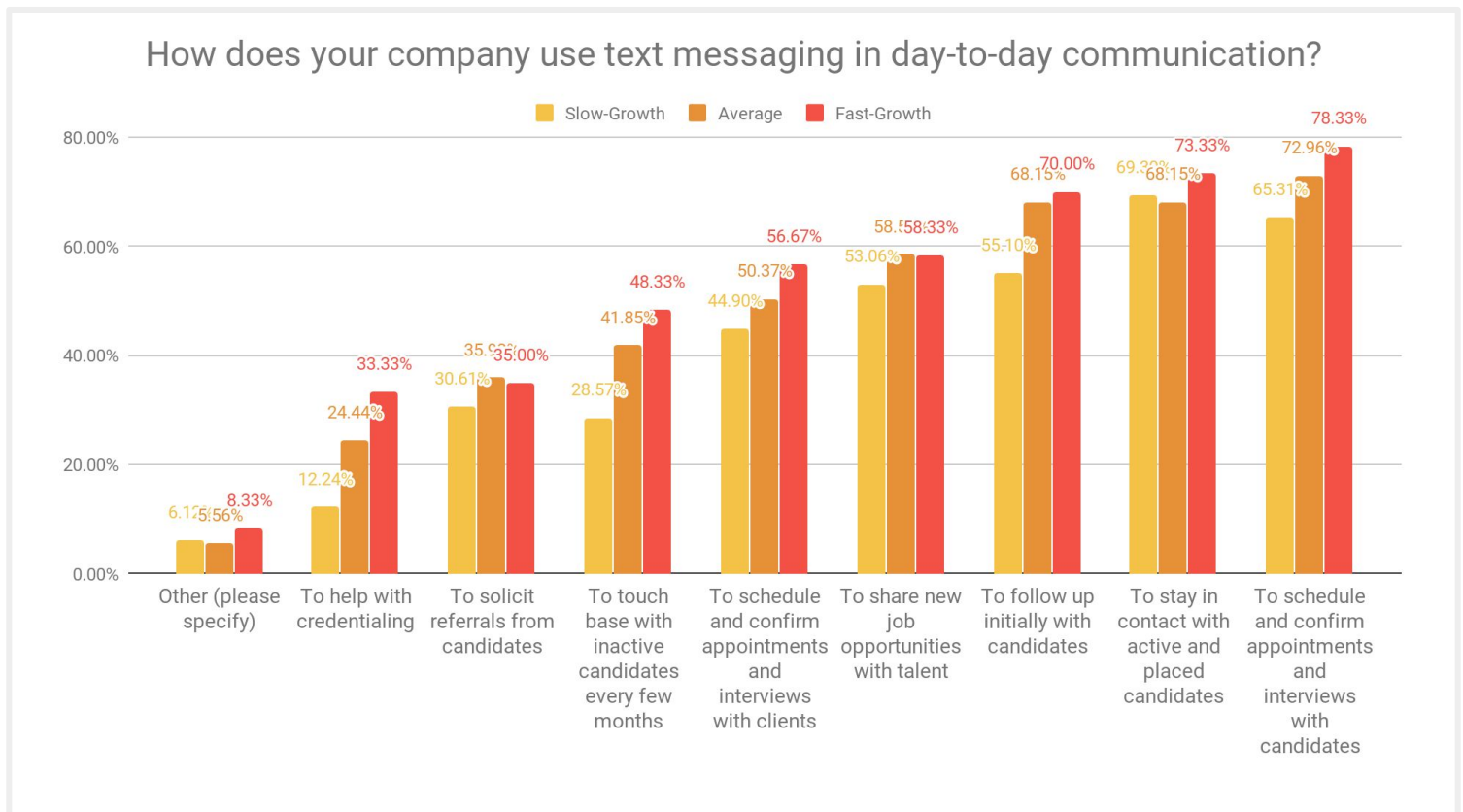
Slow-Growth Firms Use Phone 15% More than Fast-Growth Firms



Fast-growth firms have a more **balanced outreach method, prioritizing texting and social media outreach** nearly as much as phone and email outreach. Slow-growth firms still tend to lean more heavily on phone and email than text and social media.

This suggests that **slow-growth firms are also slower to adopt** newer communication tools and techniques than their fast-growth peers.

Scheduling and Staying in Contact with Candidates Top Uses for Text Messaging



The **fastest growing staffing firms use text messaging more frequently than their slower growth competitors at almost every stage of the candidate life cycle.** Since candidate acquisition demands quick responses, faster and more efficient communication seems to boost growth.



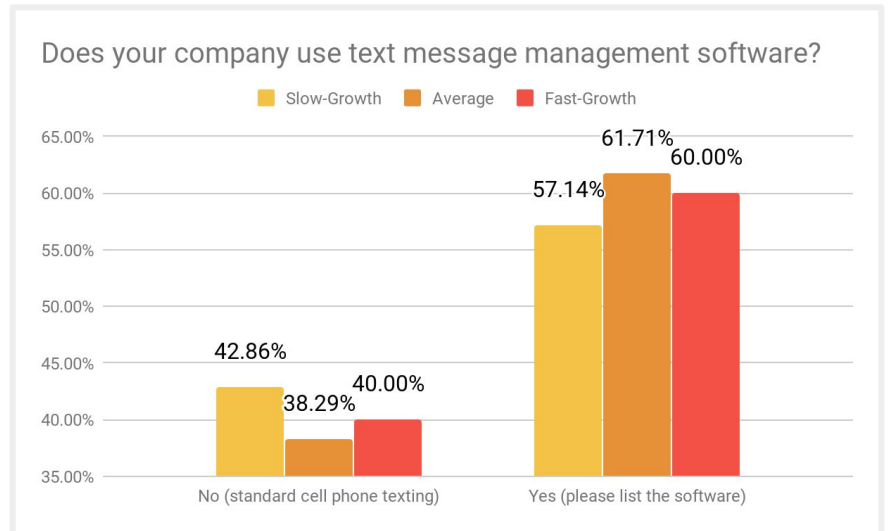
Top Text Messaging Use Cases:

1. To follow up initially with candidates.
2. To schedule and confirm appointments and interviews with candidates.
3. To stay in contact with active and placed candidates.

The Majority of Staffing Firms Now Use Text Messaging Software to Respond Faster

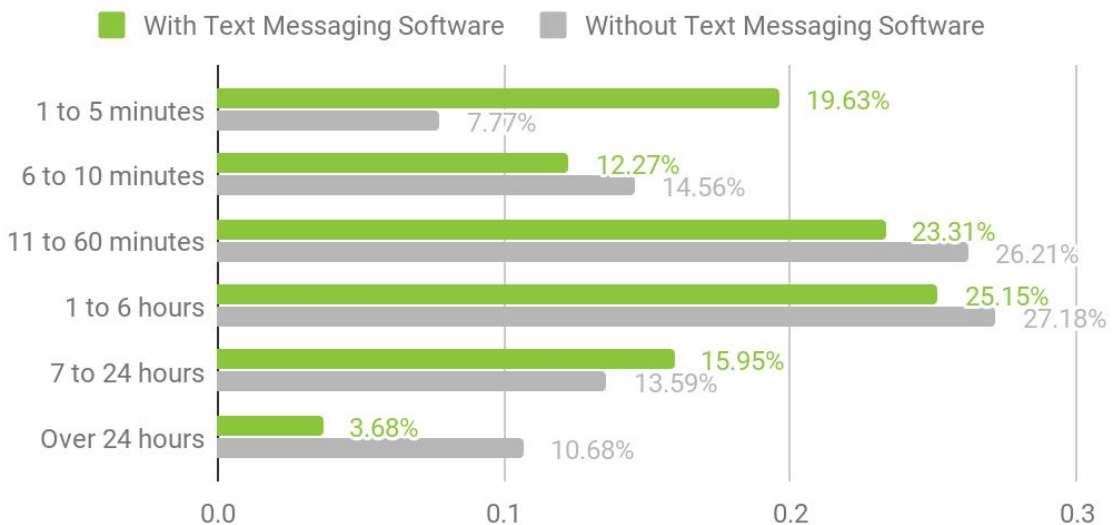
Firms that use text messaging software are **2.5 times more likely to respond within 1 to 5 minutes** of receiving a lead.

The advantage of this speed-to-response is likely what has driven mass adoption of text messaging software in the industry.

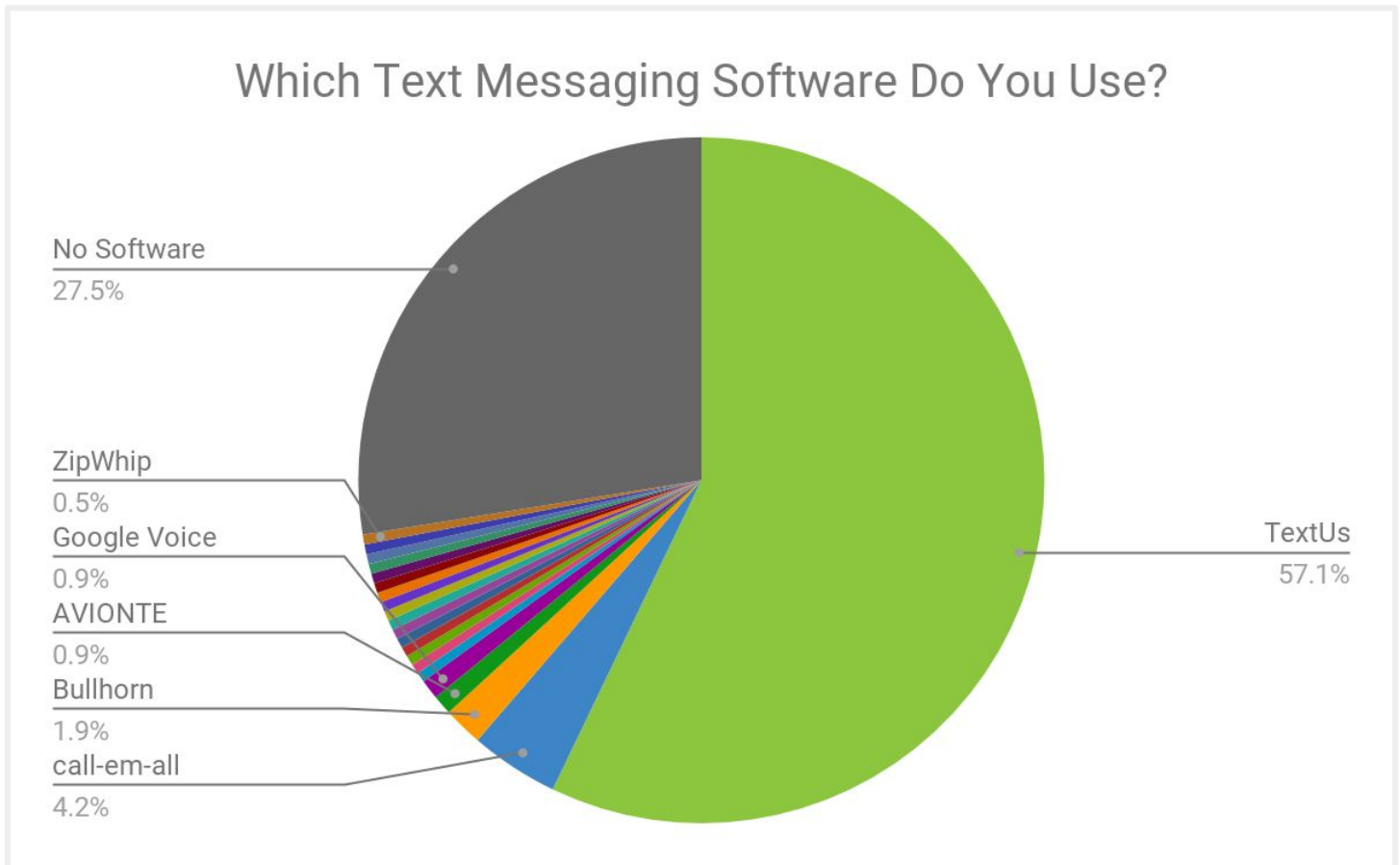


2.5X MORE LIKELY TO RESPOND WITHIN 1 TO 5 MINUTES

With Text Messaging Software and Without Text Messaging Software



TextUs Holds 57% Market Share For Text Messaging Software



As the **majority of the industry rapidly adopts text messaging software**, TextUs maintains a strong lead over the competition in terms of market share. In fact, TextUs has 3x more staffing industry customers than the top 5 competitors combined.



72% OF STAFFING FIRMS ARE USING TEXT MESSAGING SOFTWARE

3.0

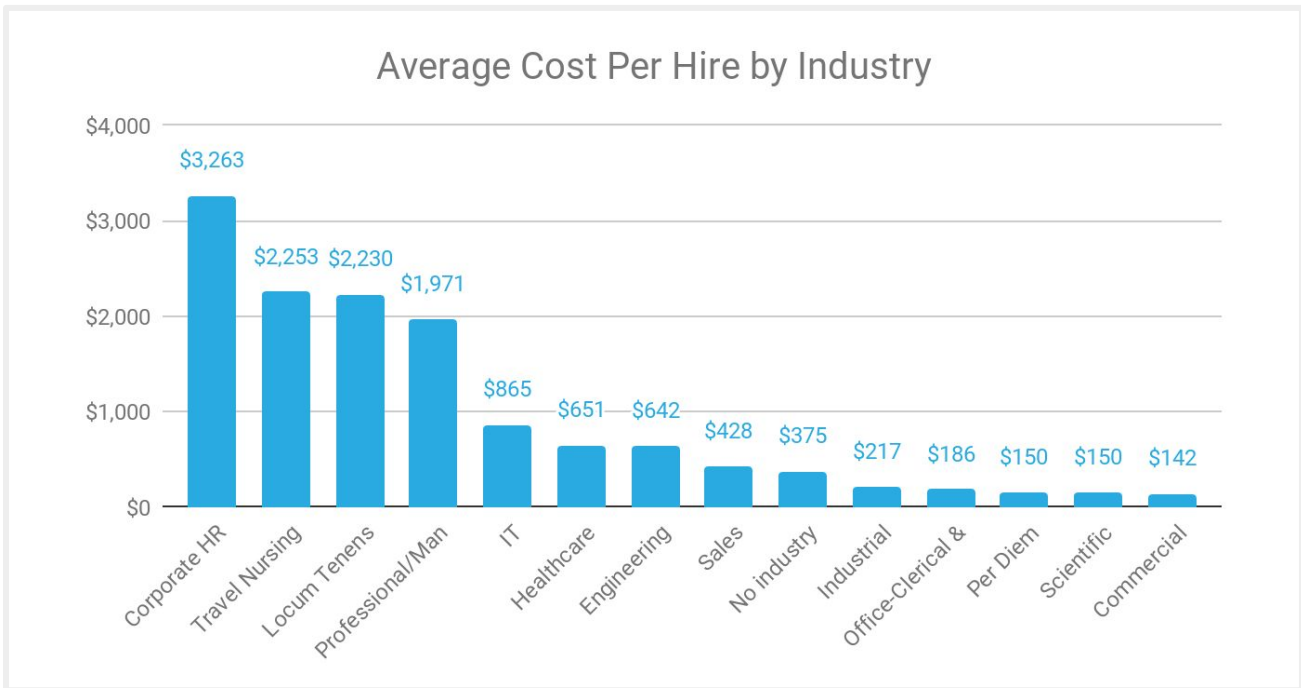


Marketing Insights

3.1 **Cost Per Hire**

3.2 **Marketing Automation**

Average Cost Per Hire and Average Days to Close by Industry

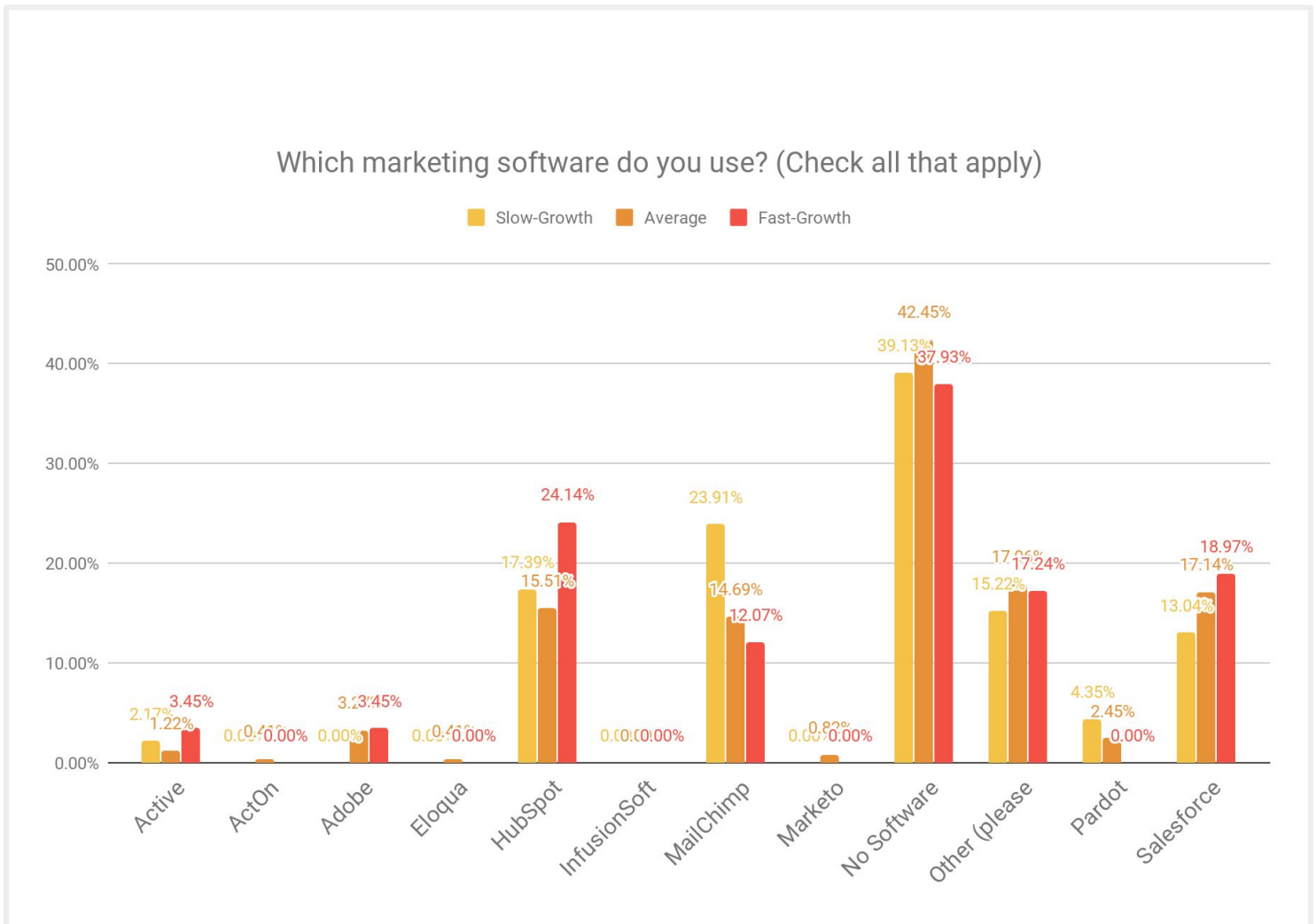
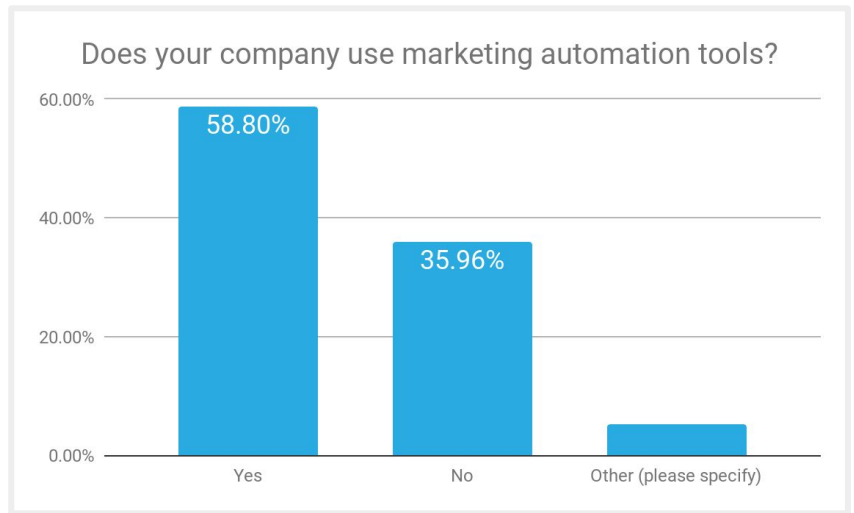


For the first time, our annual report provides **industry standard data on cost per hire and average days to close across verticals**. Where does your staffing firm rank on these metrics?



42% of Firms Don't Use Marketing Software, Fast-Growth Firms Choose HubSpot

While most firms in 2017 used marketing software, few used advance marketing automation platforms. At the start of 2018, the industry is catching up to Fortune 500 companies and selecting **tools like HubSpot, Salesforce, and Mailchimp** to deliver messages to candidates.



4.0

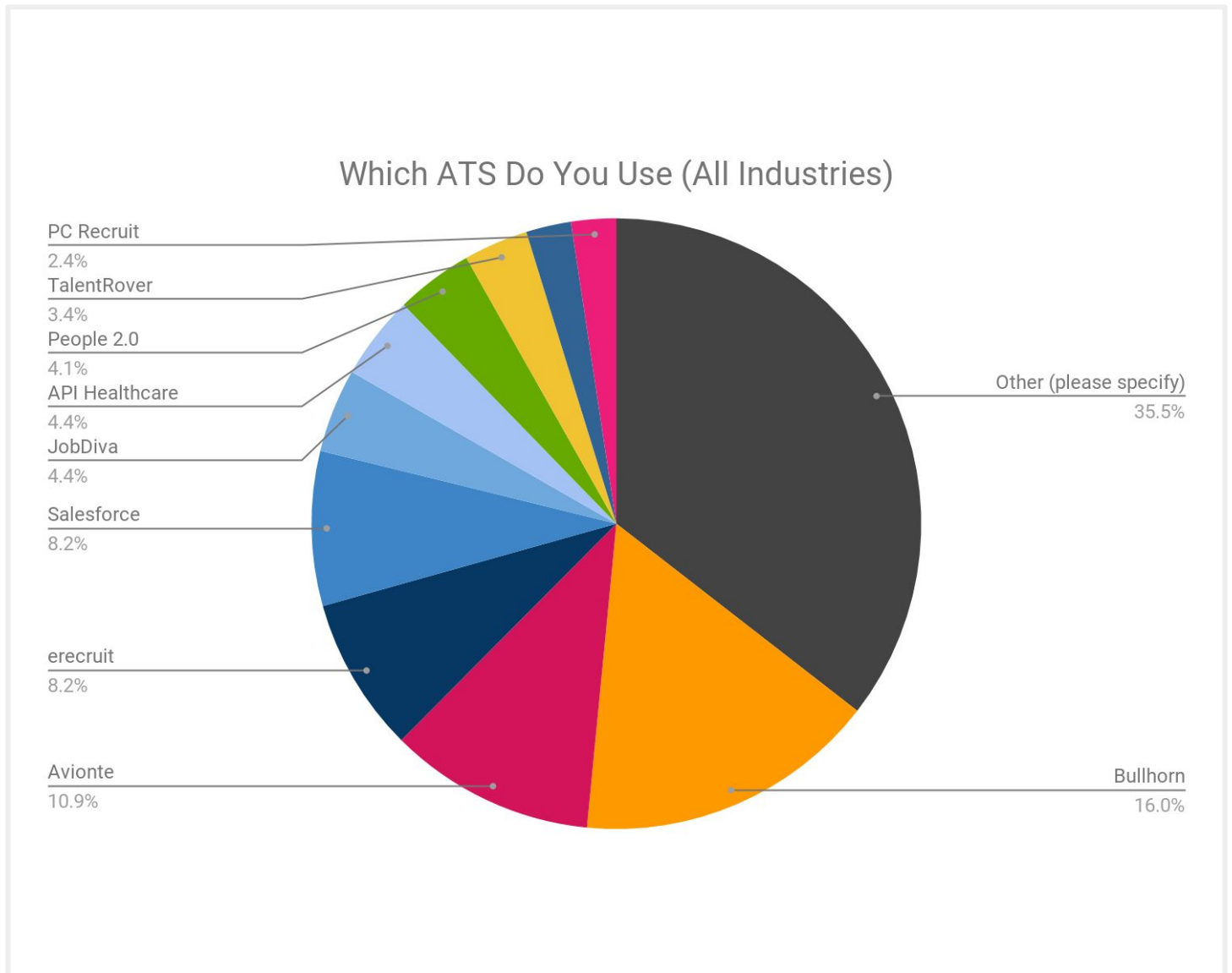


ATS Overview

4.1 **ATS Market Share**

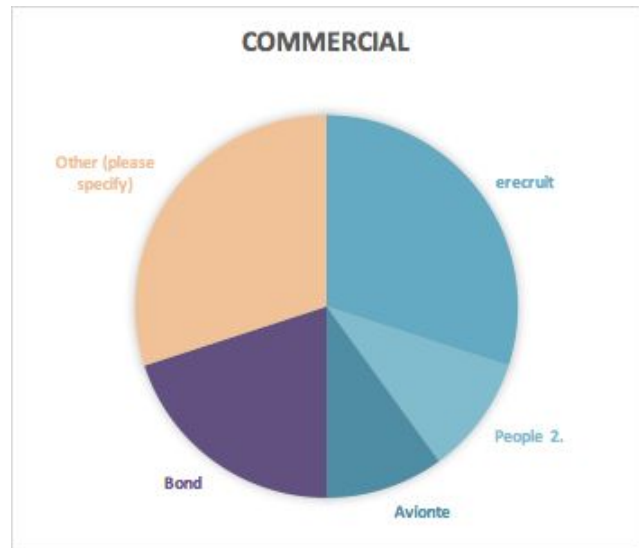
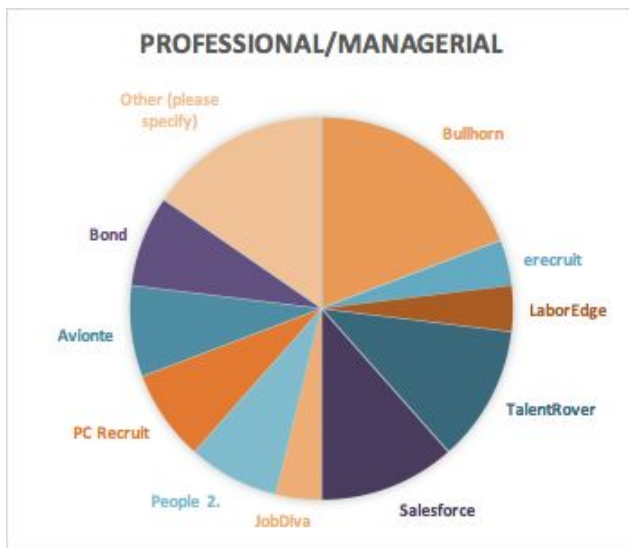
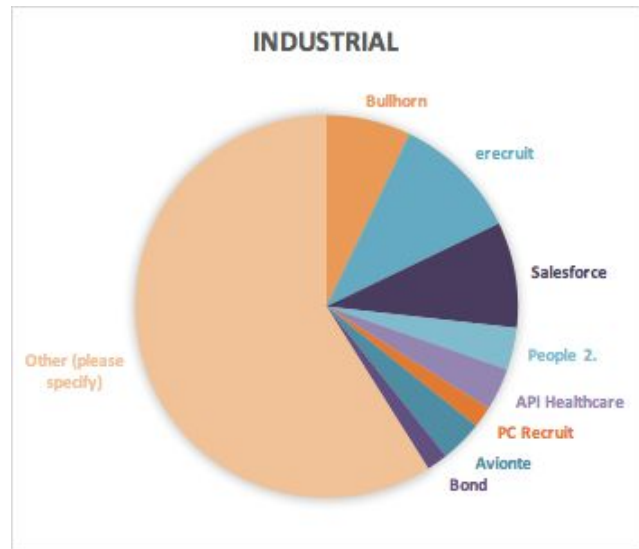
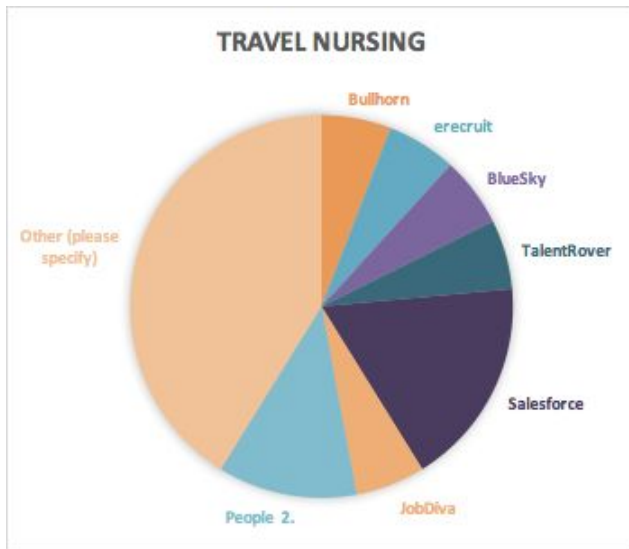
4.2 **ATS Market Share by Industry**

Bullhorn, Avionte, and Erecruit Top Choices for Applicant Tracking Systems

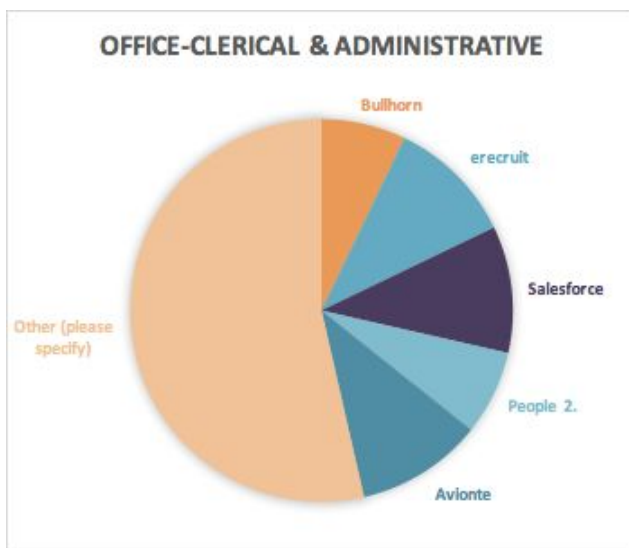


Bullhorn, Avionte, Erecruit, and Salesforce top the list for the most-used ATS in the industry.

ATS By Industry

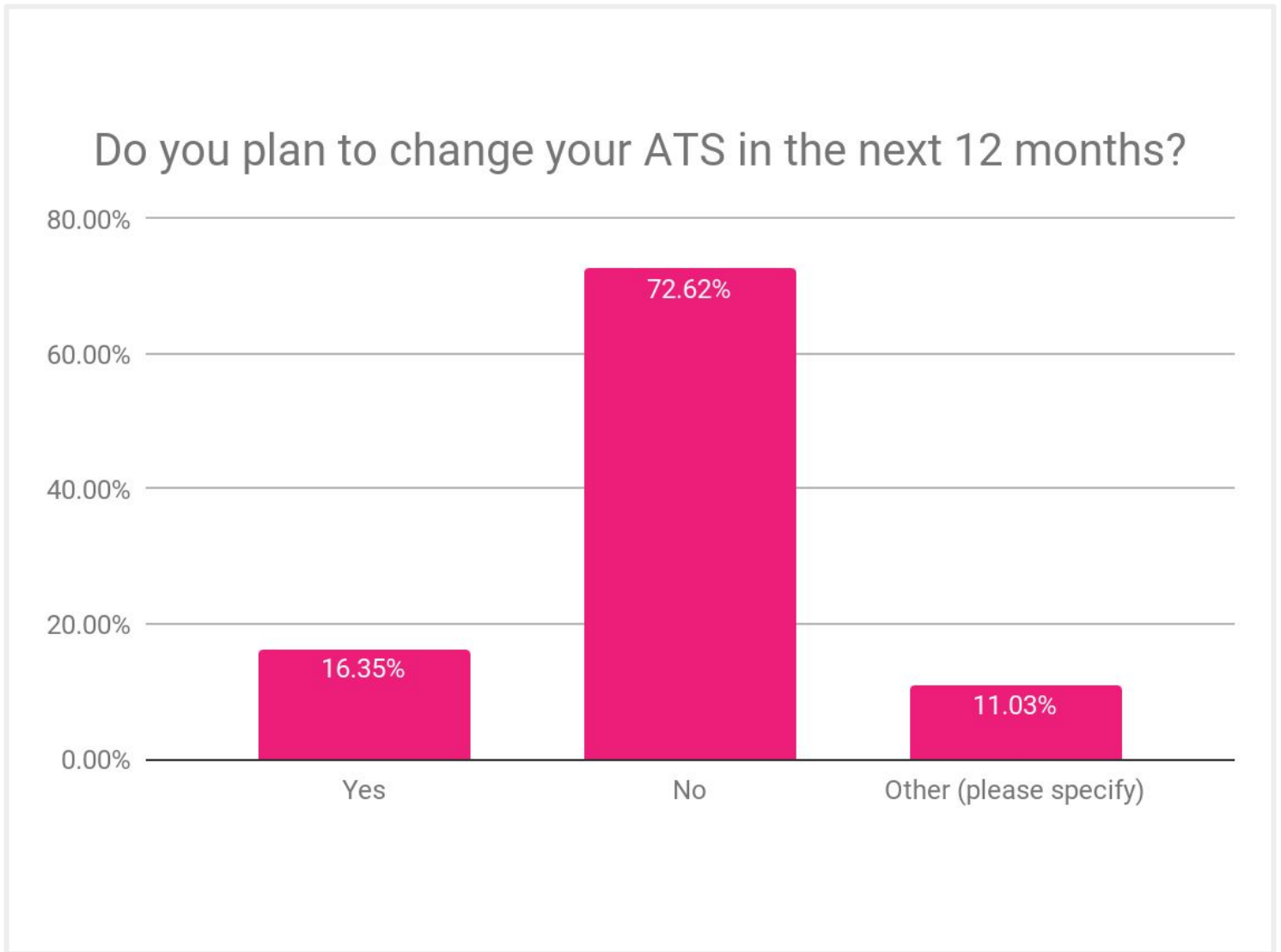


*Industry Received 10+ Responses in Survey



Bullhorn is a leader in the professional/managerial space, while Erecruit is the preferred ATS for commercial staffing companies.

16.3% of Staffing Firms Plan to Change their ATS This Year

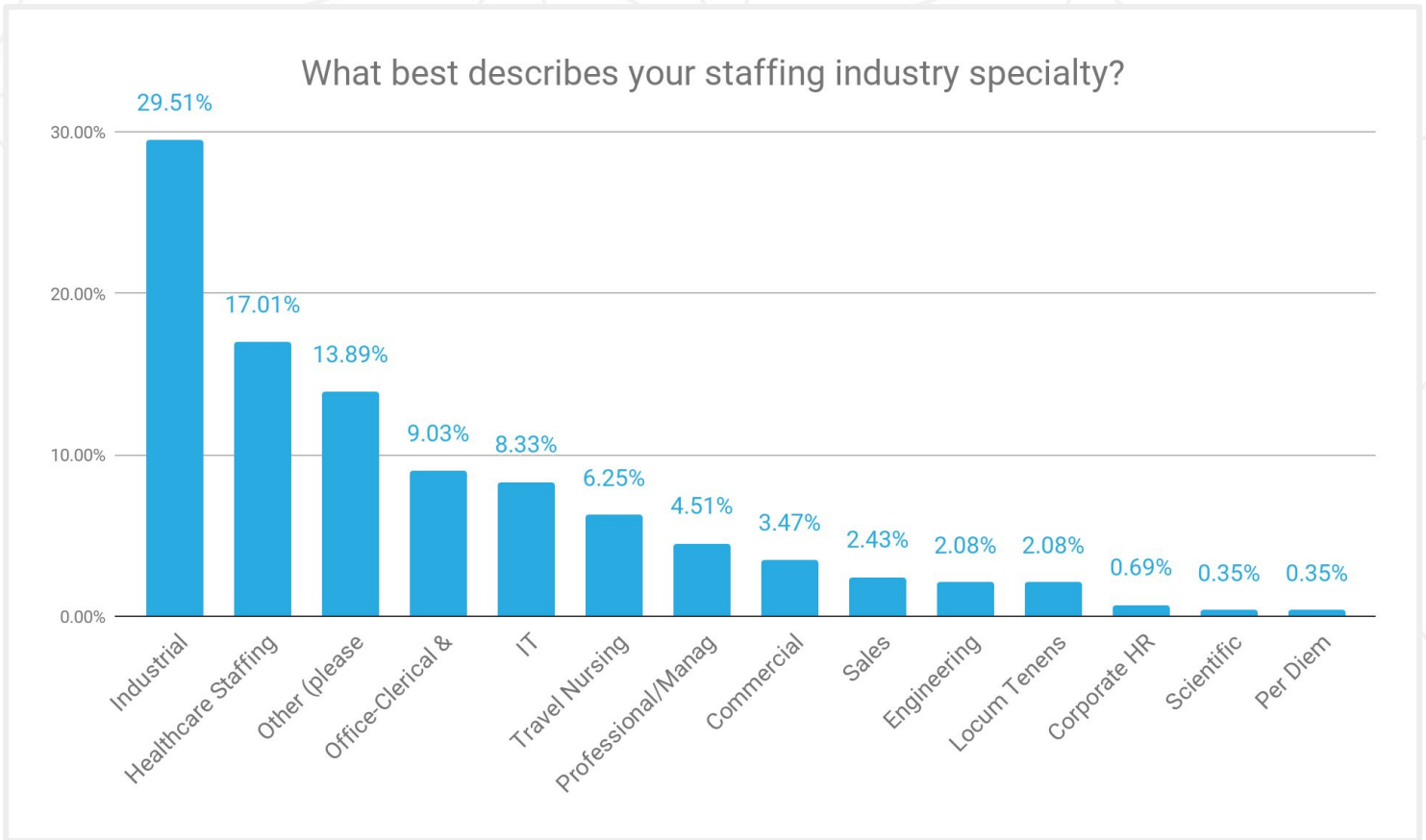
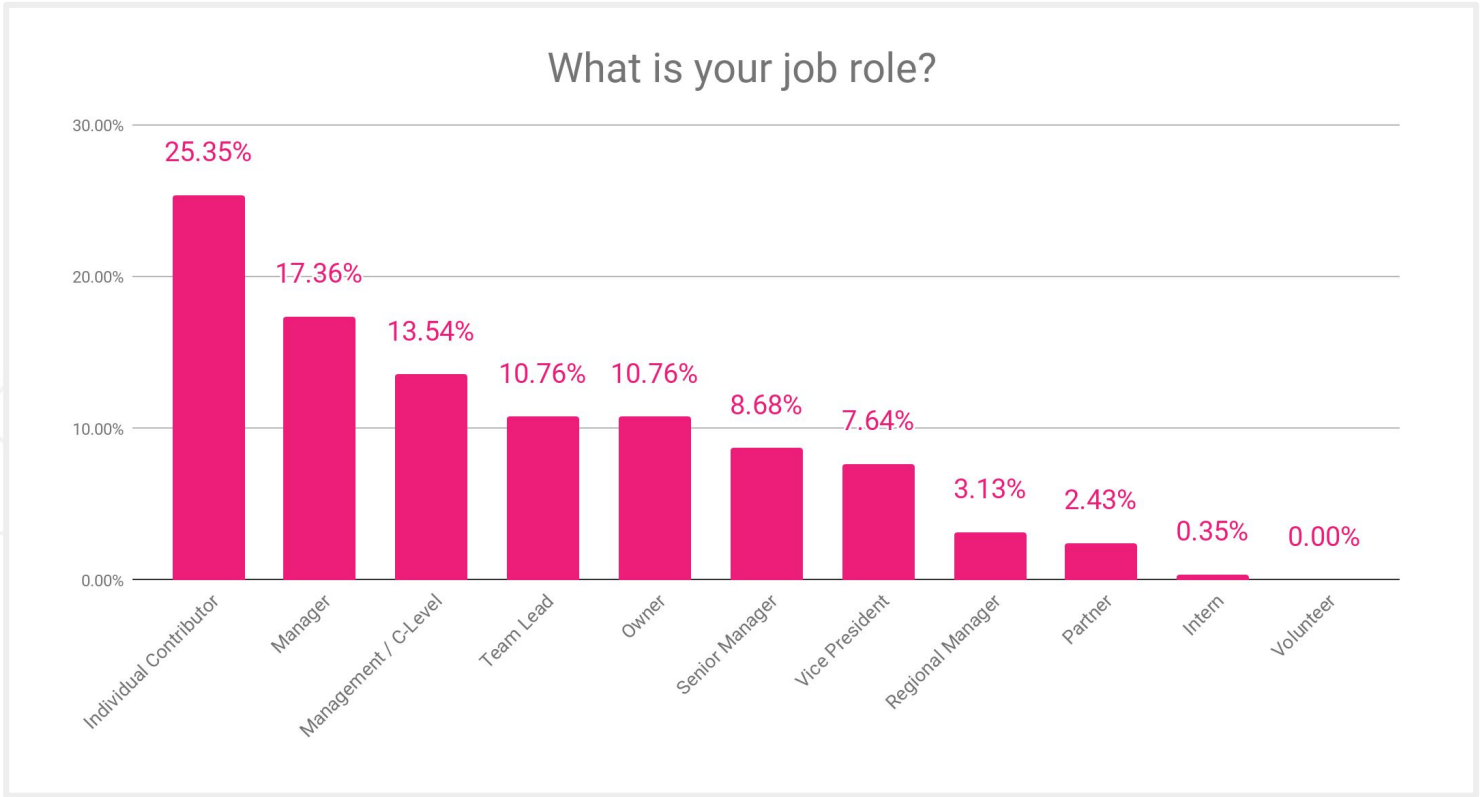


The majority of firms plan on keeping their ATS for at least another year.



Who We Surveyed

Who We Surveyed





About the Team

Team:

Author: David Folwell

Editor: Caitlin Delohery, Krista Garver

Methodology:

In December of 2017, StaffingHub fielded a nationwide survey. The responses were sourced via email invitations, blog promotion, and social sharing.



STATE of STAFFING