

2020

# STATE *of* STAFFING

INDUSTRY GROWTH

2020 State of Staffing Sponsors



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# Letter from The Editor



This year, as we've done for the past four years, we surveyed hundreds of staffing industry professionals to identify what sets fast-growth staffing firms apart from no-growth firms so that we could bring those insights to you.

The initial data from our survey, just like the start of 2020, went as expected: the fastest-growing staffing firms were the earliest adopters of new tech, they were focused on automating the candidate experience, and they were the quickest to respond to new inquiries.

But as you know, this year isn't like every other year.

And in light of the pandemic, we thought it would be critical to reach back out to you to get a better understanding of how firms are adapting to our new reality. So, we followed up in April with a second survey, focused on the industry response to COVID-19.

You told us about the tough decisions you had to make, laying off employees and enduring deep profit losses. You also told us that -- overwhelmingly -- you believe that staffing will come back from the pandemic stronger.

Here's what we've learned about how your priorities, tactics, and strategies have changed in the past few months:

## **Before the pandemic:**

1. Automation and positive candidate experience key drivers of success
2. Finding talent was the most challenging obstacle
3. Top sourcing tools relatively consistent with previous years

## **During the pandemic:**

1. Many staffing firms have been forced to make deep layoffs to keep businesses open
2. Learning how to work remotely is a requirement for all staffing firms
3. Most staffing firms believe they will emerge from the pandemic stronger than before

We hope that this report will provide some insights to help your firm come out stronger and to make sense of our uncertain times.

Stay safe,

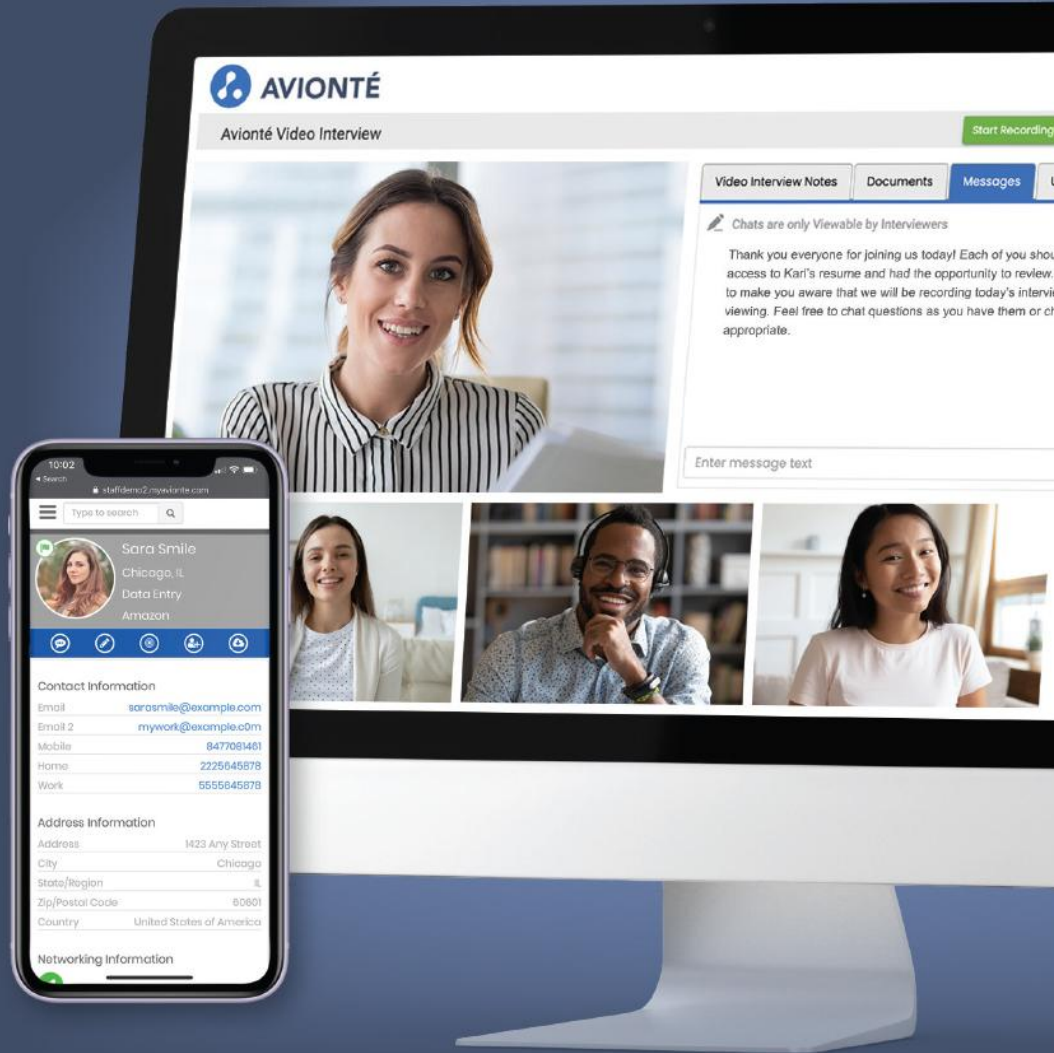
Caitlin Delohery  
Editor-in-Chief  
**StaffingHub**



# If not now, when?

If you had the opportunity to transform your staffing business, would you take it?

- Video Interviewing
- Mobile Onboarding
- Two-way Texting
- Automated Workforce Engagement
- Built-in Compliance
- Mobile Time Entry
- Electronic Invoicing



## One source of truth.

A complete staffing solution for accessibility, mobility and agility.

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1.0



# The State Staffing Industry Growth

1.1 Who Took the Survey

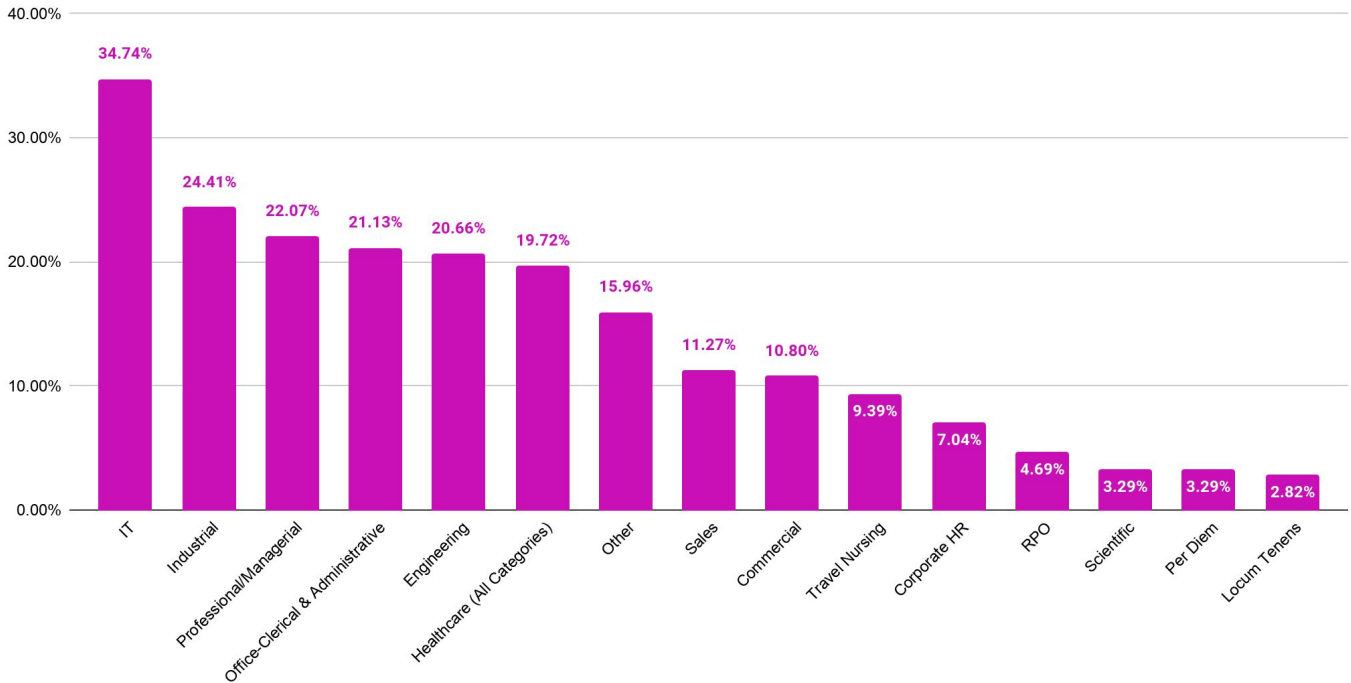
1.2 Growth Projections

1.3 Challenges and Opportunities

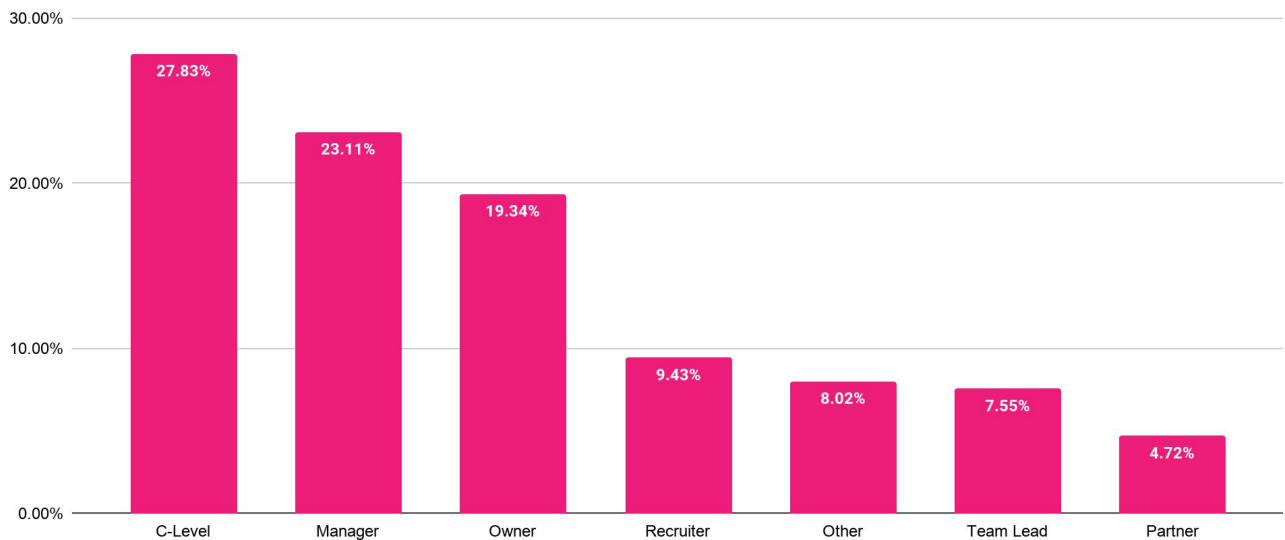
# Who Took the Survey

This year, 200+ staffing professions took the survey.  
**Over 70%** of respondents are owners, management, or C-Level.

Respondents by Industry Vertical



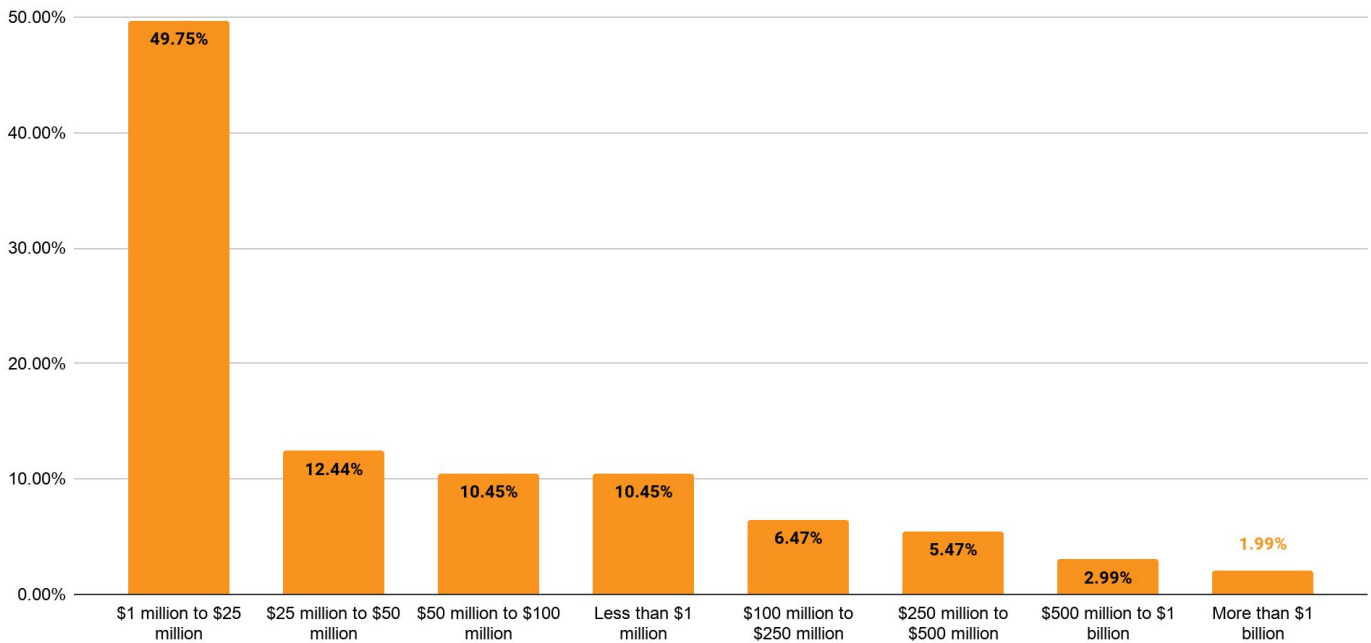
Job Title of Survey Respondents



# Who Took the Survey

Staffing firms of all sizes were represented in the survey.

Survey Responses by Business Revenue



**60.2%**

**Up to \$25 Million**

**22.8%**

**\$25-\$100 Million**

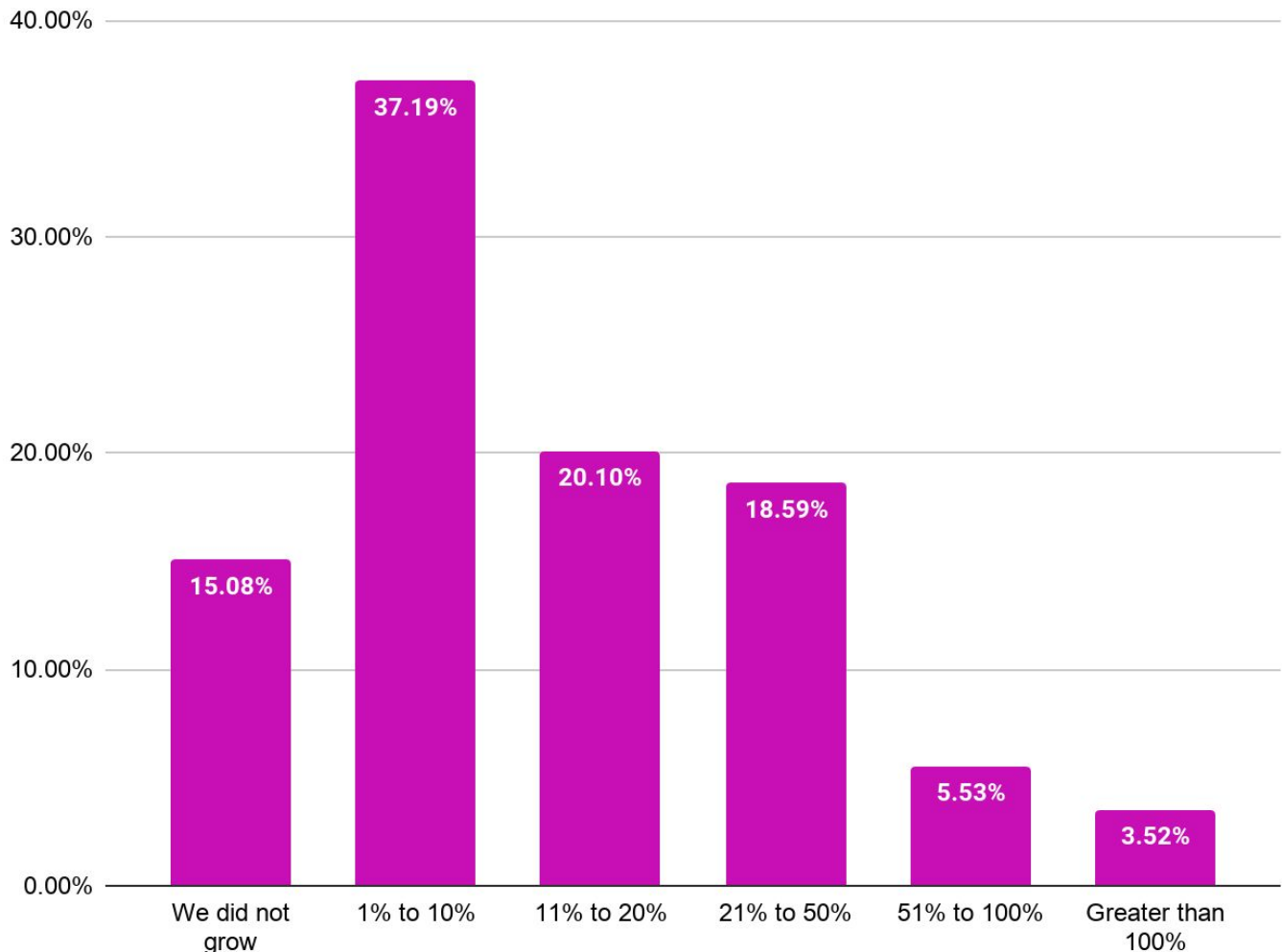
**16.9%**

**Above \$100 Million**

# Staffing Industry Growth

In line with previous years, most firms grew by 1% to 10% in 2019

What was your company's growth rate for 2019 compared to 2018?



Staffing firms beat 2018 expectations. In 2018, 20.7% of firms expected to grow by 21% or more -- the 2019 data shows that **over 27.6%** of respondents grew by this rate. Nearly half (**47.7%**) of firms reported growth rates of 11% or more in 2019.



# Growth Segments

To provide actionable data for you and your team, we've segmented the data into two main groups; **no-growth firms (15.1% of respondents)** that said they did not grow in 2019, and **fast-growth firms (47.7% of respondents)** that grew by 11% or more.

**Our goal with our segmentation is to identify which strategies, tools, and tactics delivered above average growth.**



The infographic consists of two white rectangular boxes with thin grey borders, stacked vertically. The background features a faint, light grey geometric pattern of interconnected lines and circles. The top box contains the text '47.7%' in a large, bold font, with the '4' in orange and '7.7%' in pink. Below it, the text 'Fast-growth firms in 2019' is written in a smaller, black, sans-serif font. The bottom box contains the text '15.1%' in a large, bold pink font. Below it, the text 'No-growth firms in 2019' is written in a smaller, black, sans-serif font.

**47.7%**

**Fast-growth firms in 2019**

**15.1%**

**No-growth firms in 2019**

# Biggest Day-to-Day Challenge

**Finding qualified candidates** presented the biggest day-to-day challenge for staffing firms across all growth levels and verticals. This challenge has remained the top issue for respondents for the past three years.

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

***Leveraging technology  
buy into ROI***

***Finding qualified  
candidates***

***Uberworks and other on-demand staffing agencies***

***Automation, technology advancements,  
mobile app, referral management process***

***Technology and reputation management***

# Biggest Opportunities

Many staffing firms indicated growth opportunities in Q1 that are more relevant than ever in the wake of COVID-19.

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

## *Expanding into new verticals*

*Automation without losing personal touch*

*Adopt gig economy*

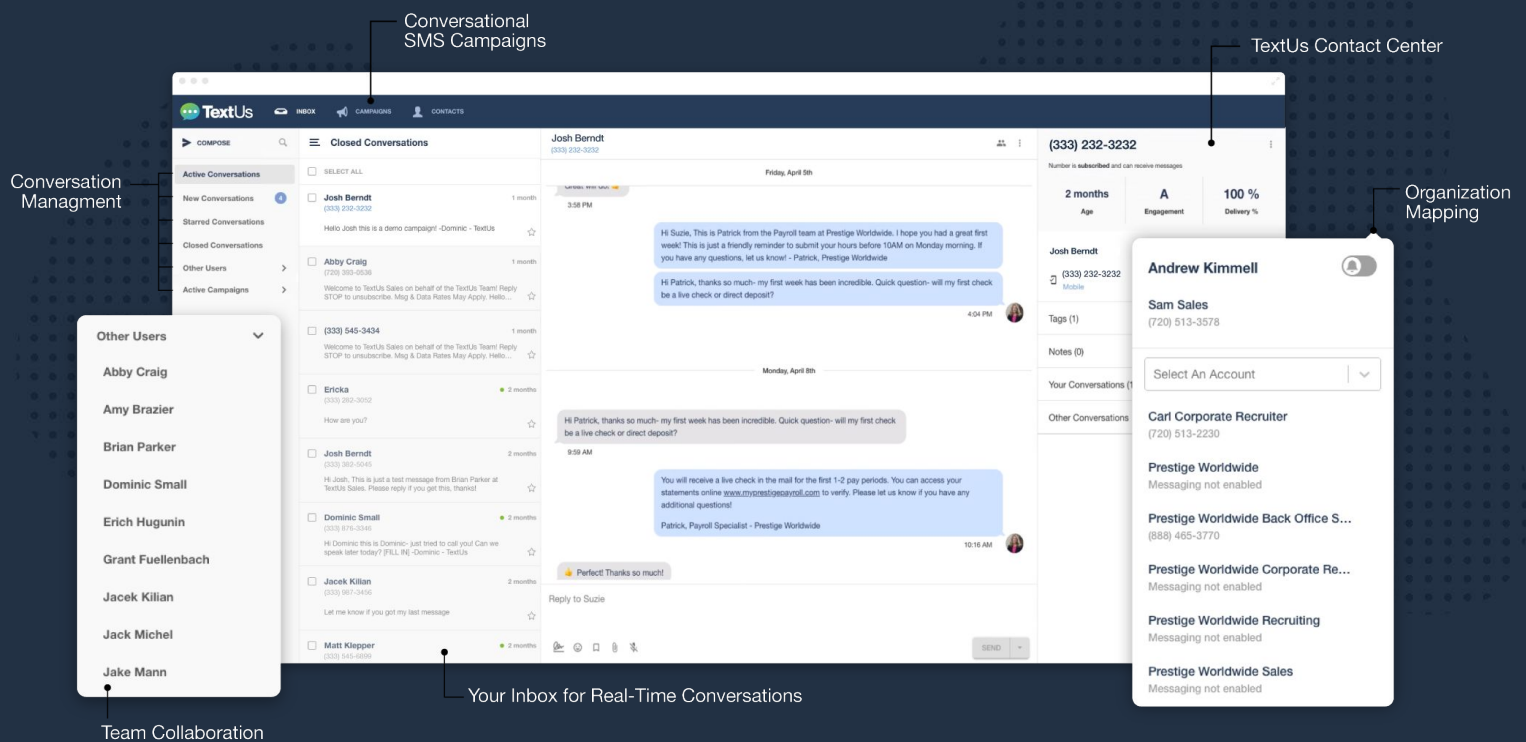
*In this labor climate, it is imperative you partner with your clients so that they don't hop around to different agencies hoping for different results. If you "get in the trenches" with your client, you will capture them, understand their REAL needs, guarantee loyalty and DRIVE growth.*

*PR, Social Media, Marketing and Word of Mouth*

*Diversification - providing staffing in various industries*

*Focus on the supply that best fits the culture and business model of the firm.*

# Get ahold of anyone, anywhere in real time.



TextUs is the leading business-class text messaging™ software and the world's first real-time communication platform designed to dramatically improve how businesses communicate with their prospects, staff, and customers. With a 98% read rate and up to 40% response rates, TextUs helps businesses connect with their customers in real-time.



Trusted by over **75,000** business professionals every day.

Visit Us: [textus.com](http://textus.com) | Email Us: [sales@textus.com](mailto:sales@textus.com) | Text Us: (303) 442-3223



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2.0



# Communication and Candidate Experience

**2.1 Communication Challenges**

**2.2 Speed of Response**

**2.3 Text Messaging**

**2.4 NPS**

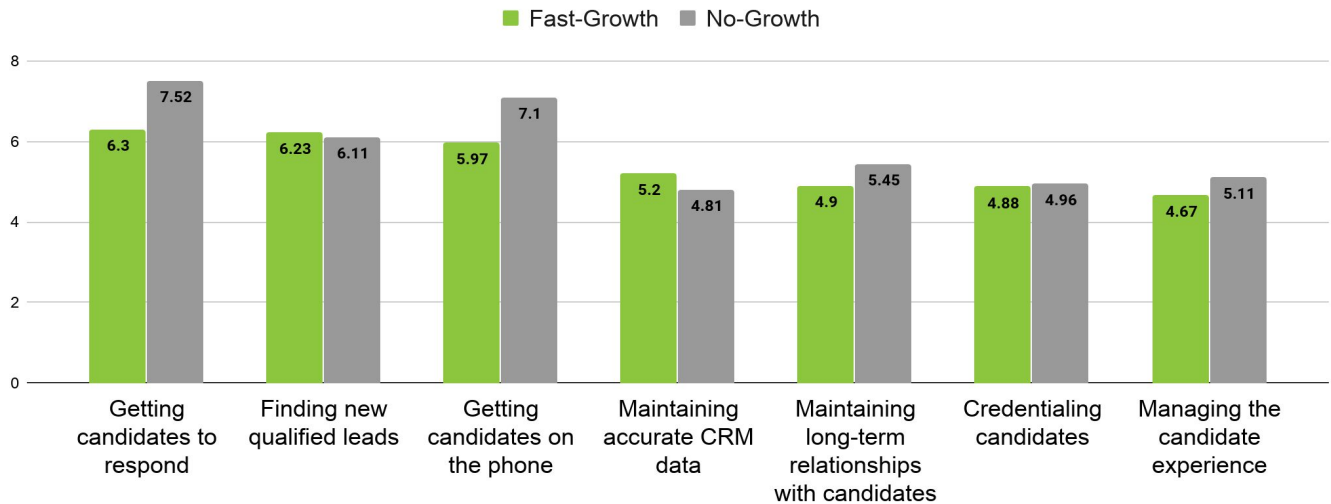
**2.5 Close Rate and Days to Close**

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# Communication Challenges

No-growth firms have a harder time getting ahold of candidates and getting candidates to respond to their outreach.

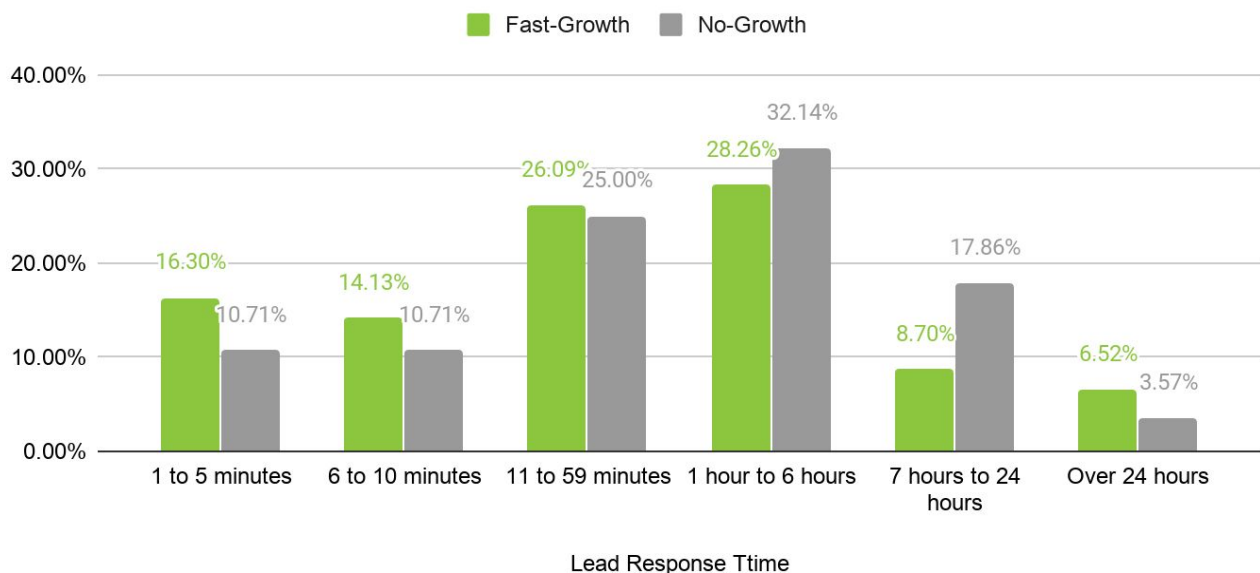
Top Challenges for Staffing Firms



## Respond Faster to Grow Faster

For the fourth consecutive year, the companies that respond the fastest to leads reported the fastest growth rates. In fact, more than half of no-growth firms (**53.57%**) take more than an hour to respond to a lead.

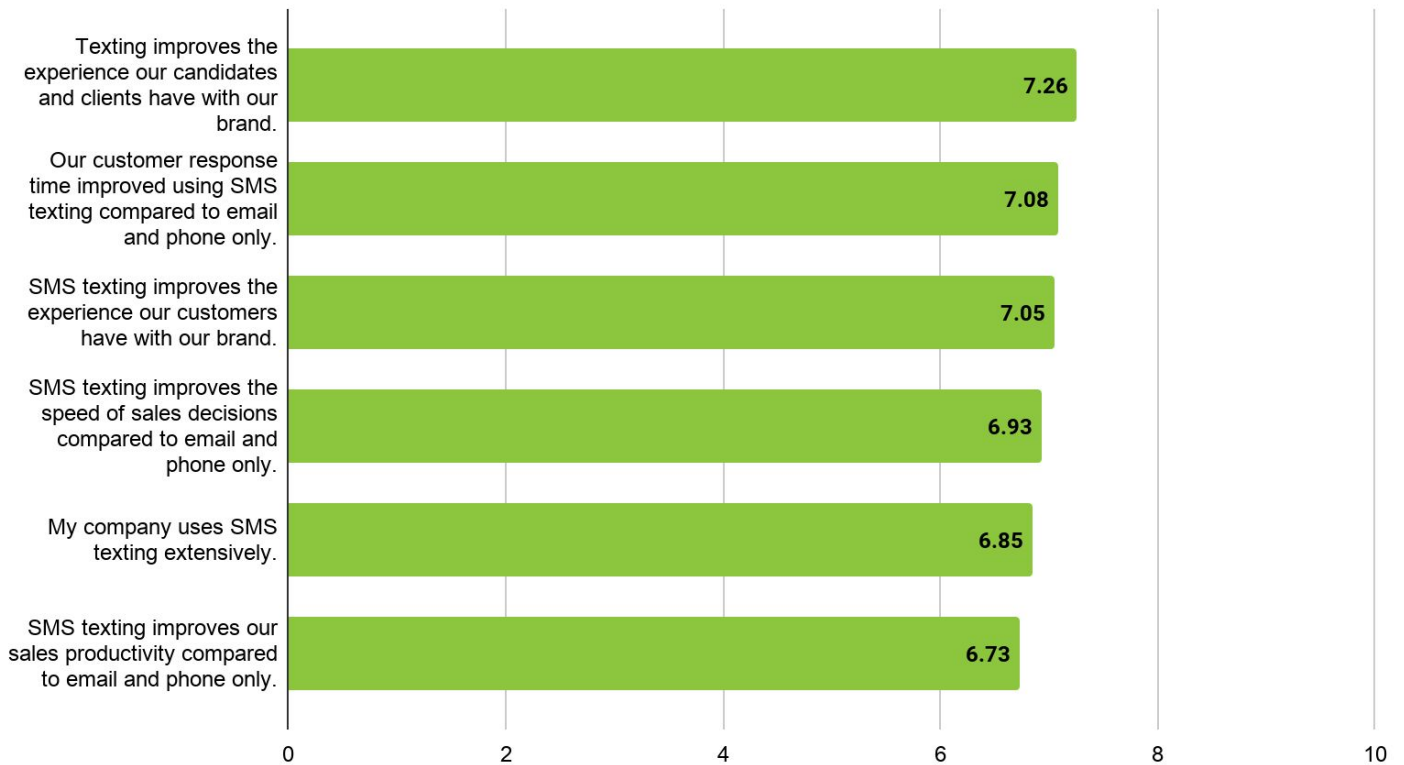
On average, how long does it take your team to respond to a lead?



# Firms Say SMS Improves Experience

Staffing firms agreed with all statements about the benefits of text messaging throughout the sourcing and recruiting process.

How much do you agree with the following statements?



The fact that **texting improves candidate and client experience** resonated with the staffing industry the most.

Respondents indicated that texting also **improves customer response time** over email and phone alone and **improves overall brand experience**.

*Improves candidate  
and client experience*

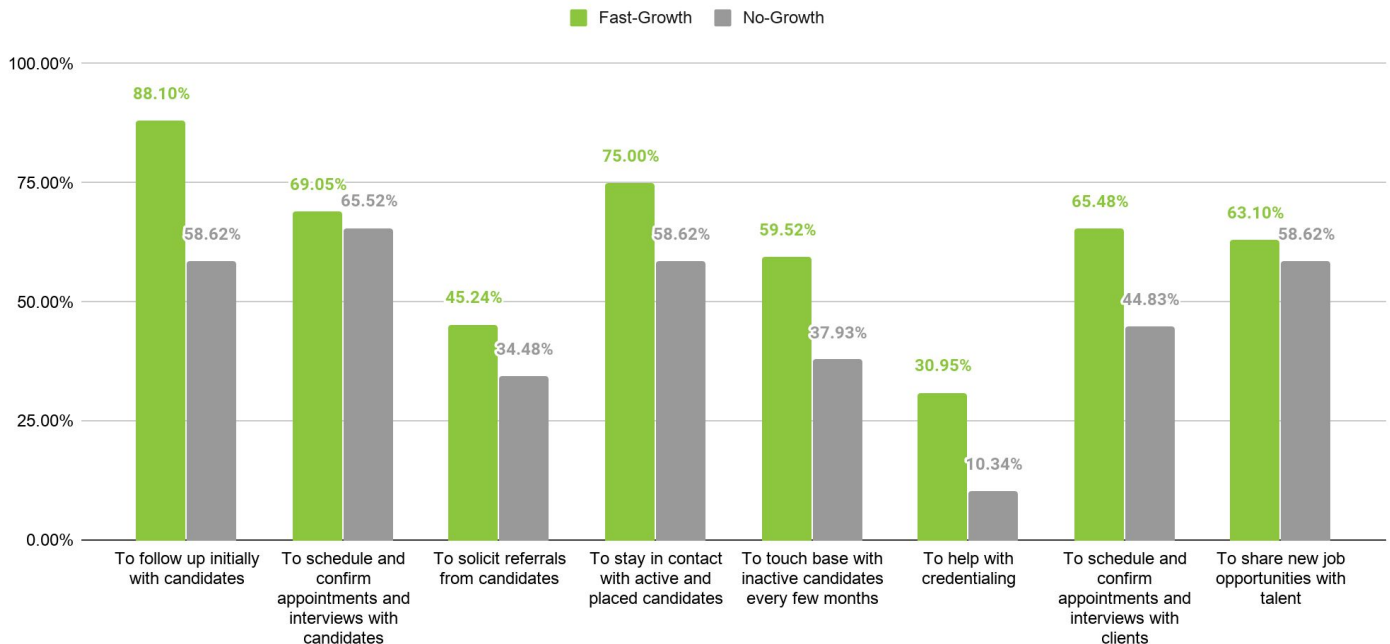
*Improves customer  
response time*

*Improves overall  
brand experience*

# Use Text to Follow Up Initially

According to survey responses, using text messaging for initial follow-up and for interview scheduling appears to be key differentiators for fast-growth firms. Fast-growth firms are 1.5x more likely than no-growth firms to follow up initially with text message.

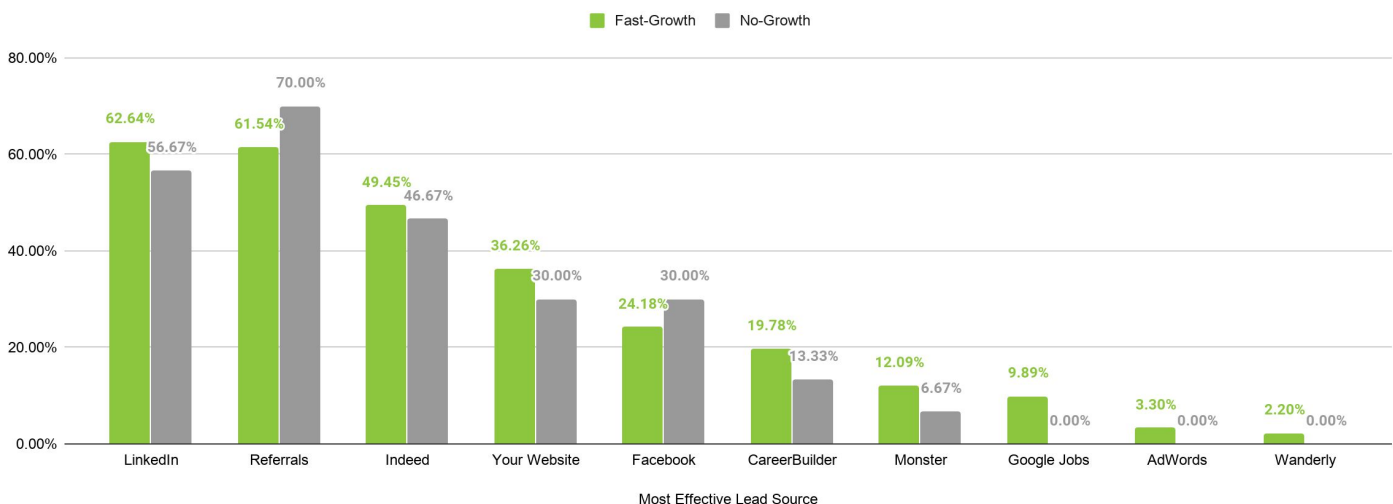
How does your company use text messaging in day-to-day communication?



# Most Effective Lead Source

LinkedIn, referrals, and Indeed hold the top spots for most effective lead sources for all companies that completed the survey.

What are your most effective lead sources?

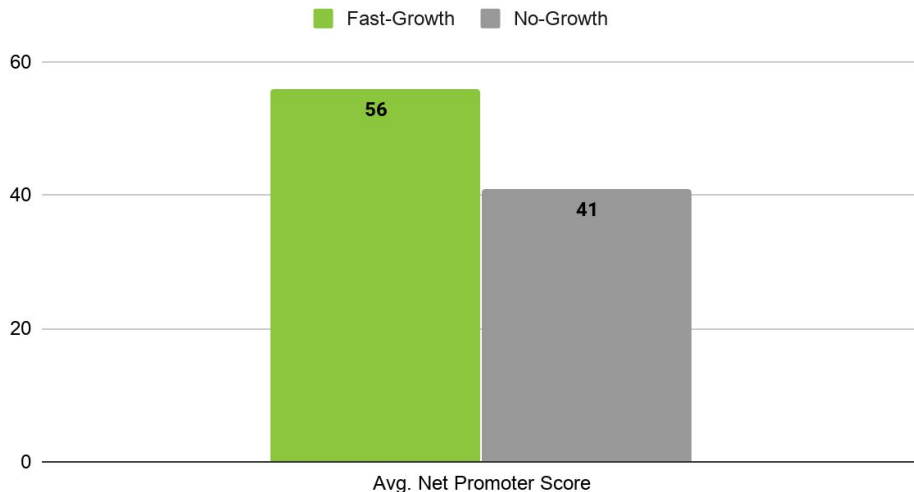




# Net Promoter Score®

A Net Promoter Score®, or NPS®, measures customer satisfaction. It runs from -100 to 100. The average NPS in the staffing industry across all growth rates is **53**.

Staffing Firms' Net Promoter Score by Growth Rate



Fast-growth firms' Net Promoter Scores® were **37% higher** than their no-growth counterparts.

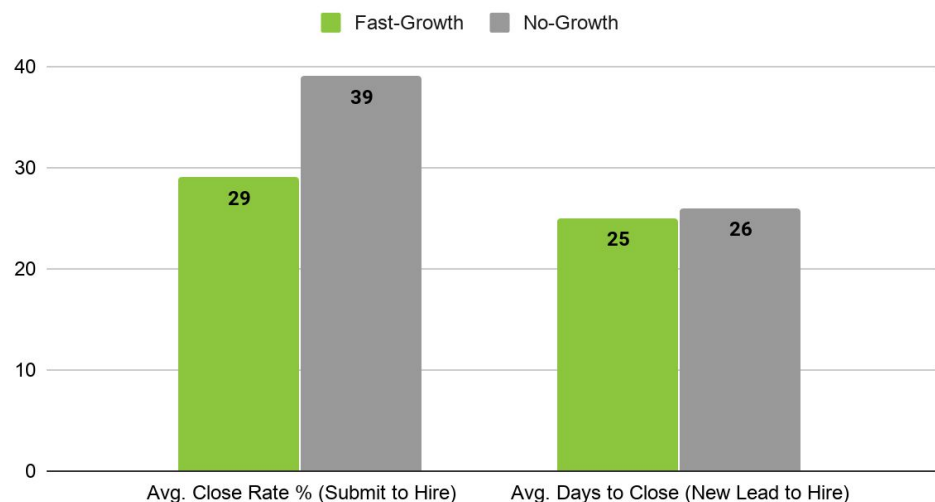
## Close Rate and Days to Close

Surprisingly, no-growth firms reported higher close rates than fast-growth firms. This may be caused by fewer applicants at the top of the funnel.

In terms of average days to close, both slow- and fast-growth firms have sales cycles that are **a bit shy of one month**.

*Time to close:*  
**< 1 Month**

How effective is your recruiting team?





Staffing Referrals

# Find Qualified Candidates Faster

Automated Referral Management with Integrated Interview Scheduling

“

*We were frankly stunned by the return that we've had on Staffing Referrals and Great Recruiters.*

Mullady Voelker  
President of Growth and Strategy  
GIFTED Healthcare

A few of our customers:



Fusion



Adecco



And a few our partners:



[staffingreferrals.com](https://staffingreferrals.com) | [sales@staffingreferrals.com](mailto:sales@staffingreferrals.com) | (800) 496-1727

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3.0



# Technology Insights

2.1 **Early Adoption**

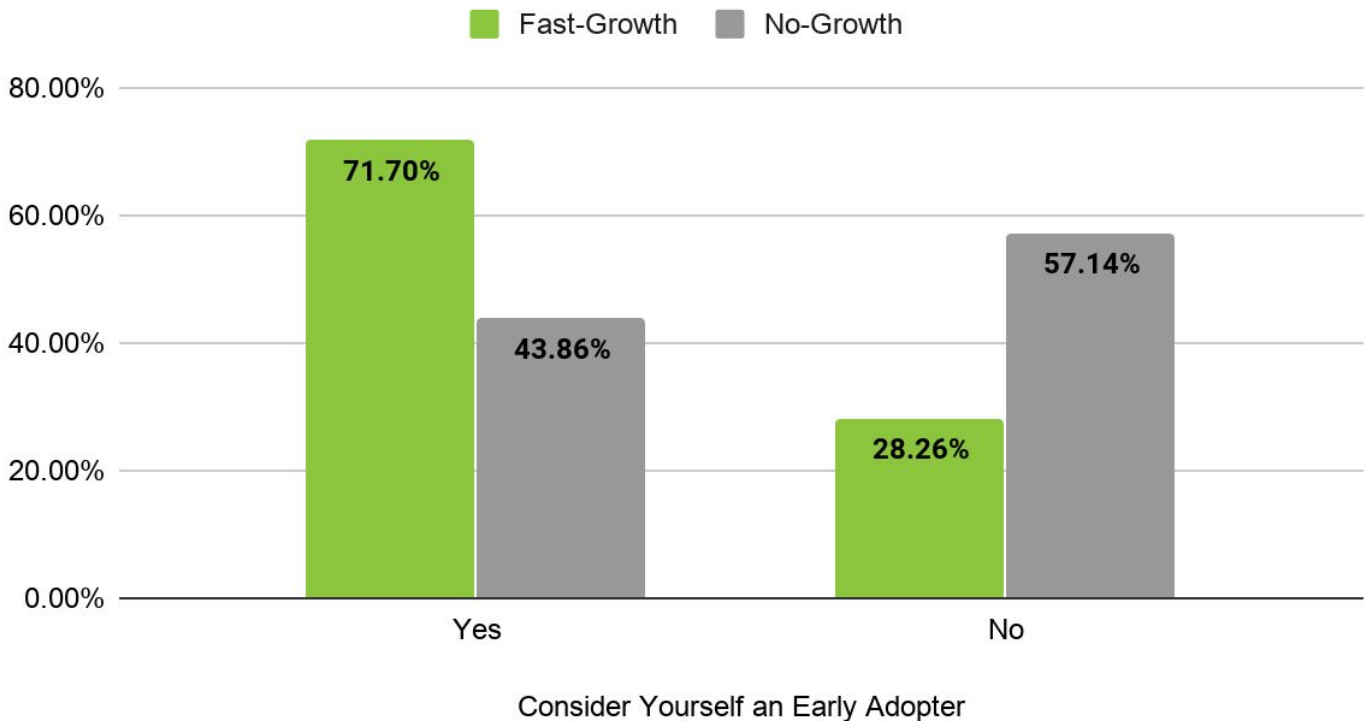
2.2 **Automation**

2.3 **ATS Market Share**

# Early Adopters Grow Faster

Increasingly, the staffing industry is shaped and defined by technology trends. The tech choices that firms make help them build better relationships, operate more efficiently, and grow faster.

## Do you consider yourself to be an early adopter?



Fast-growth firms are

**63.3%**

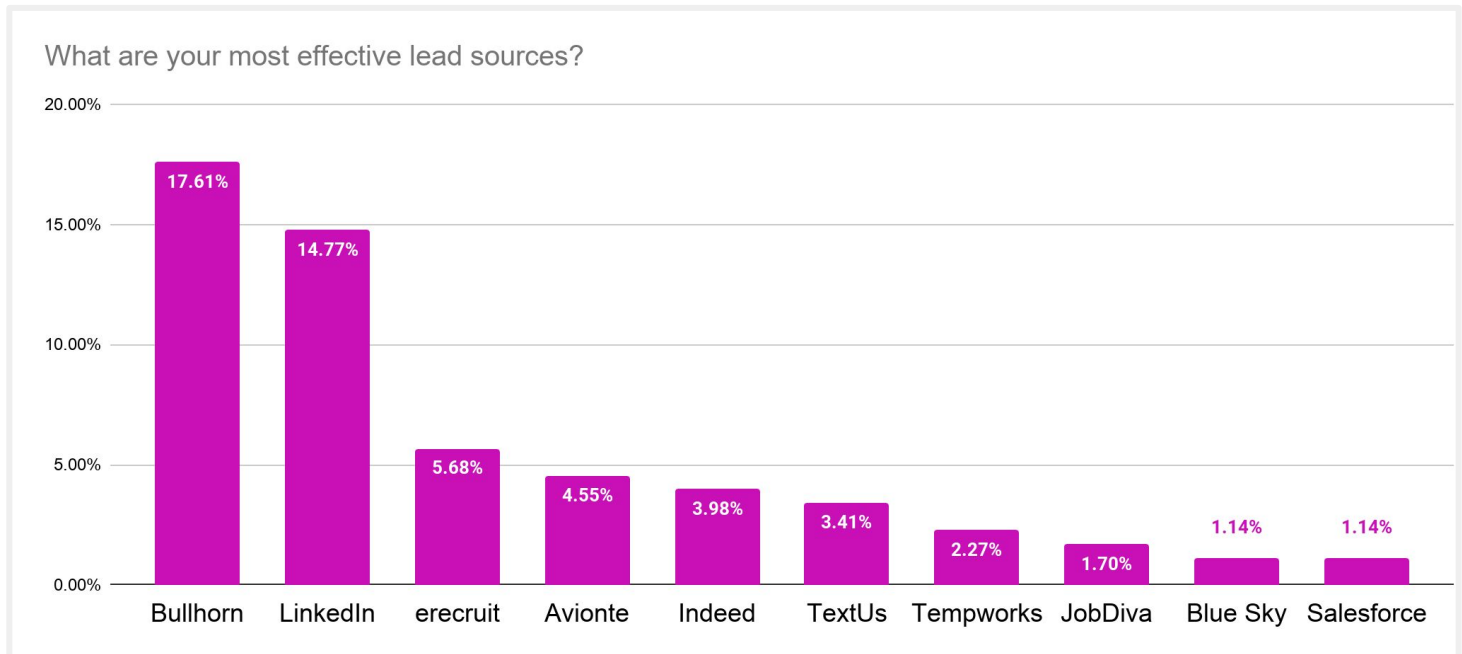
more likely to consider themselves  
early adopters

So, it's no surprise that  
fast-growing firms are more  
likely than no-growth firms to  
identify as early adopters --  
**63.3% more likely.**



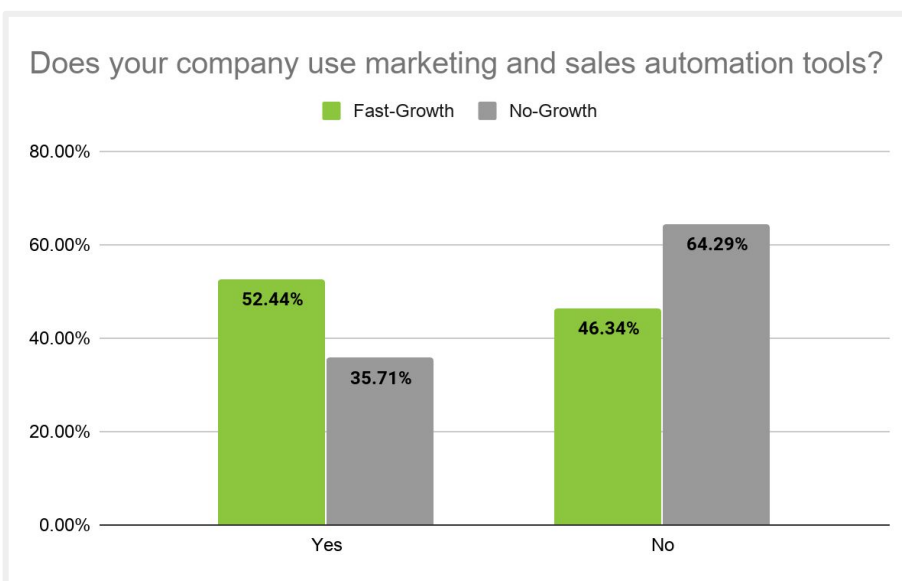
# Top 10 Most Valuable Platforms

Firms listed their ATS, LinkedIn, and TextUs as the most valuable software for their company in 2019



## Automate and Grow

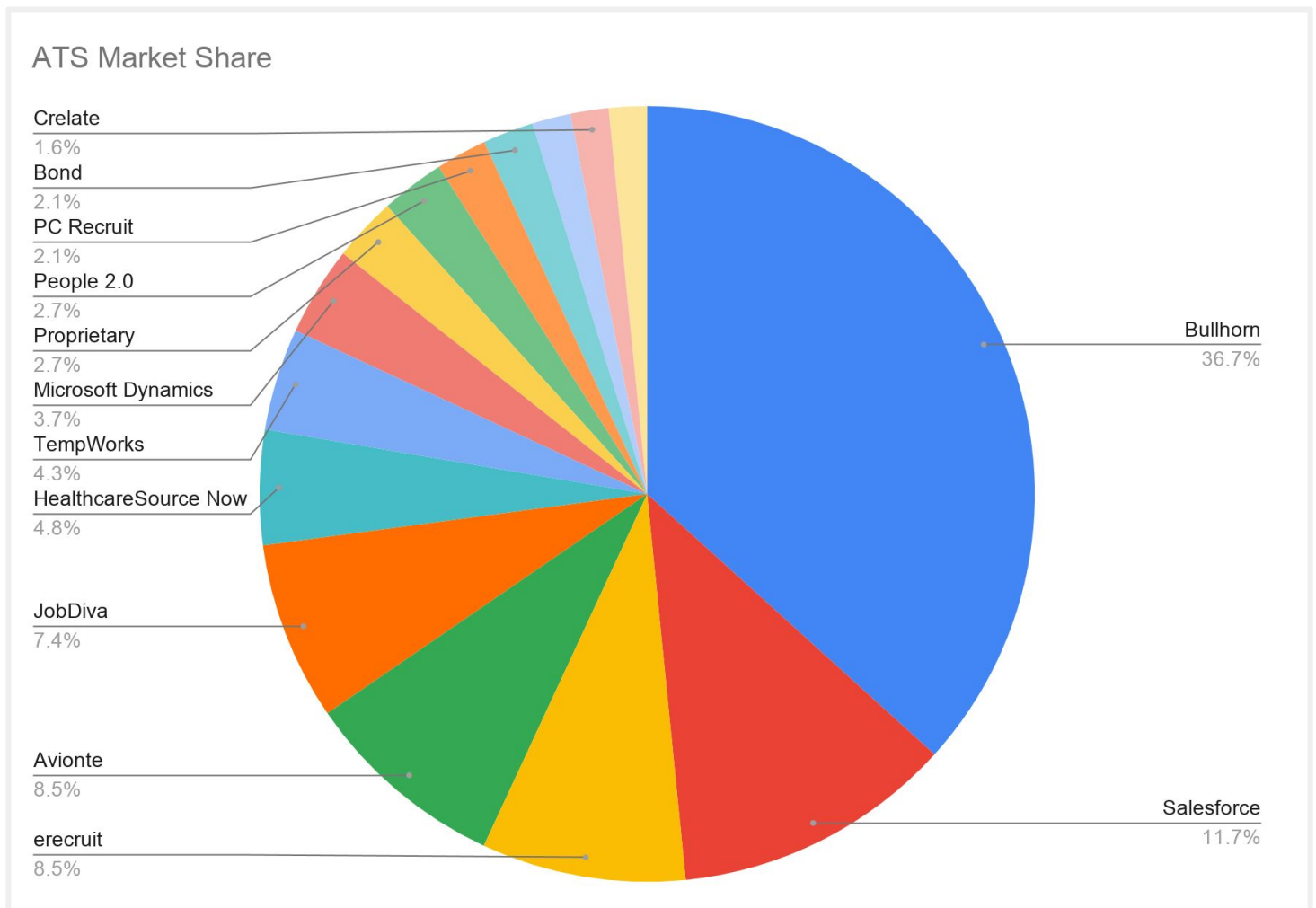
A few years ago, automation was more or less a buzzword in the industry. Now, for leading firms, it's hard to imagine operating efficiently without it.



Fast-growing firms prioritize automation and candidate engagement software at higher rate than no-growth firms -- **nearly 65%** of no-growth firms still do not use marketing and sales automation tools.

# ATS Market Share

Bullhorn maintains the lead with majority of the market share.

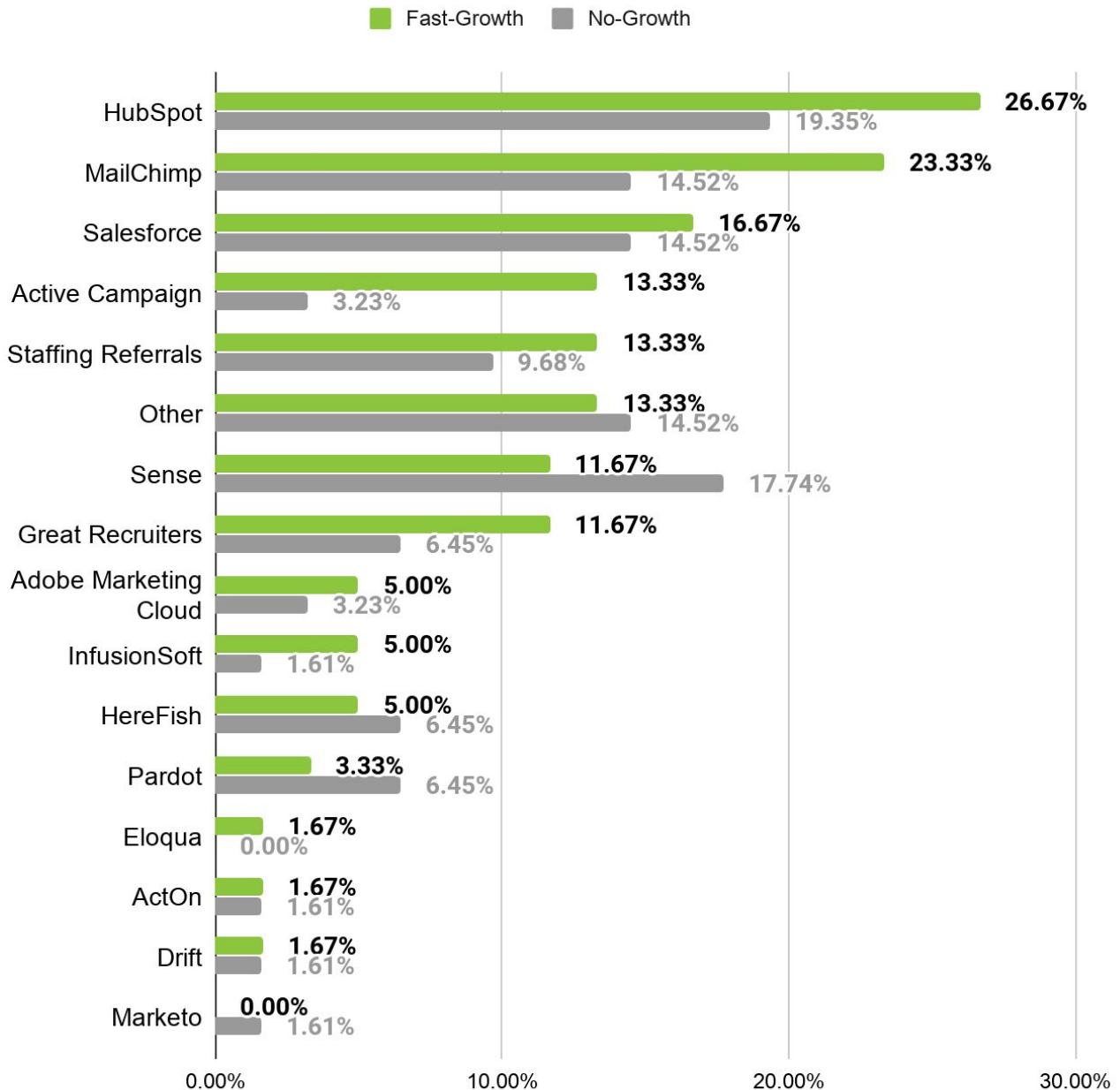


When combined with Erecruit, which Bullhorn acquired in 2019, Bullhorn holds **45.2%** of the ATS market.

# Marketing Automation Market Share

HubSpot remains leading platform used by fast-growth firms

## Marketing Software Choices by Growth Segment



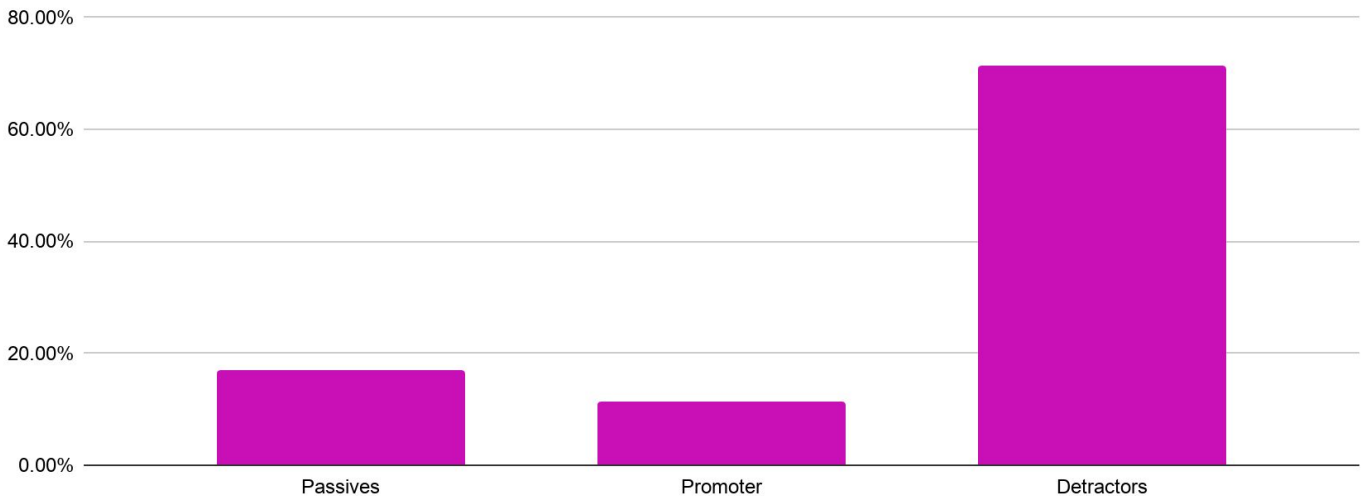
HubSpot, Mailchimp, and Salesforce lead the charge for marketing automation platforms used by the fastest growing staffing firms.

New software entrants in our market share data this year include Staffing Referrals, Sense, Great Recruiters, and Herefish.

# MSP/VMS NPS: -60

Overall, the industry showed dissatisfaction with their MSP/VMS providers across the board, with over **70%** of respondents indicating they would not recommend their providers.

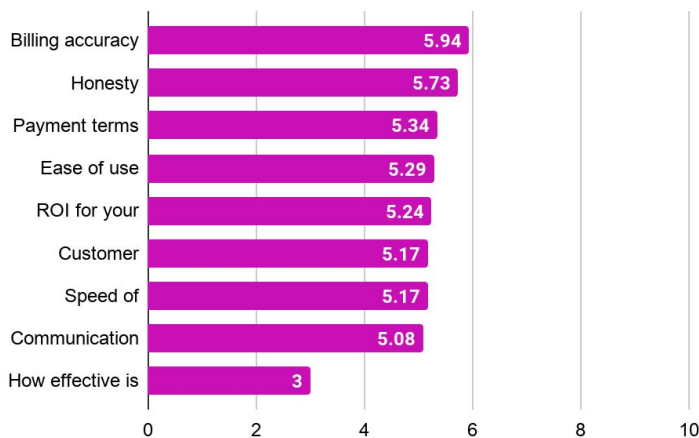
How likely is it that you would recommend VMS or MSP to a friend or colleague?



## MSP/VMS Rated Services Overview

Delving deeper into MSP/VMS service attributes, staffing firms rated billing accuracy as the most effective offering from their MSP/VMS partners, though satisfaction still fell below a **6 out of 10**.

Please provide your rating on the following items for your VMS or MSP:



Customer service, speed of response, and communication hovered just above “neither satisfied nor dissatisfied.”

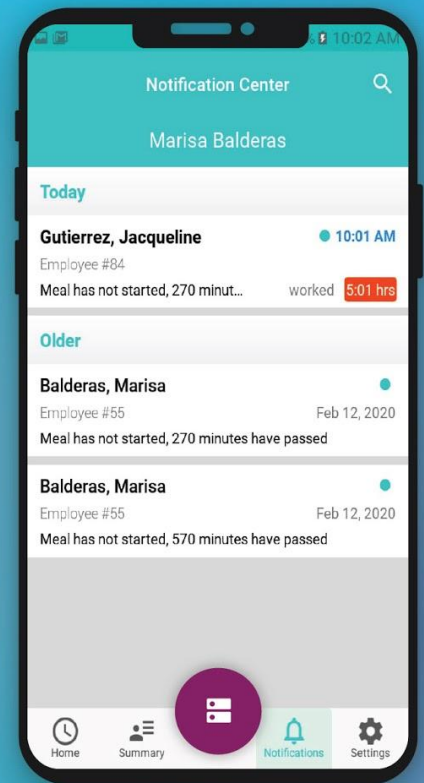
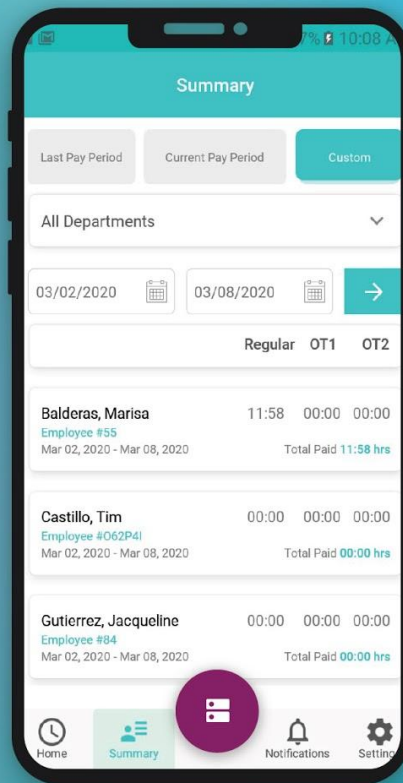
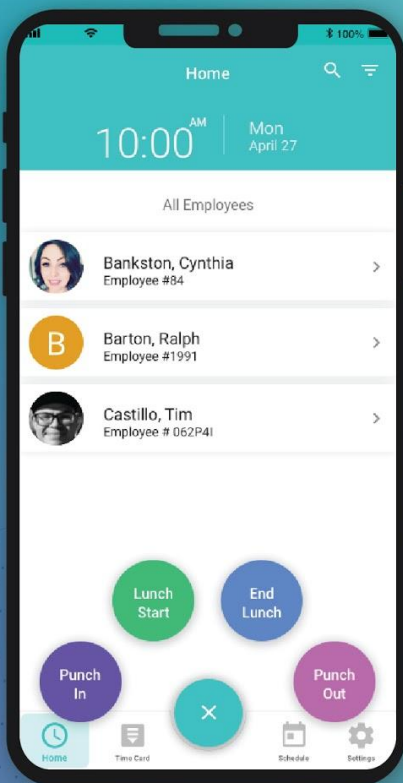
On average, firms find their MSP/VMS ineffective.



# Effortless and Error-Proof HCM

## Mobile and Cloud-Based

**FREE**  
through  
**2020**



**WORK WITH US**



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4.0



# COVID-19 Impact on Staffing

**2.1 Revenue Impact**

**2.2 Layoffs**

**2.3 Technology Choices**

**2.4 Future**

**2.5 COVID-19 Resources**

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**STAFFING  
INDUSTRY**

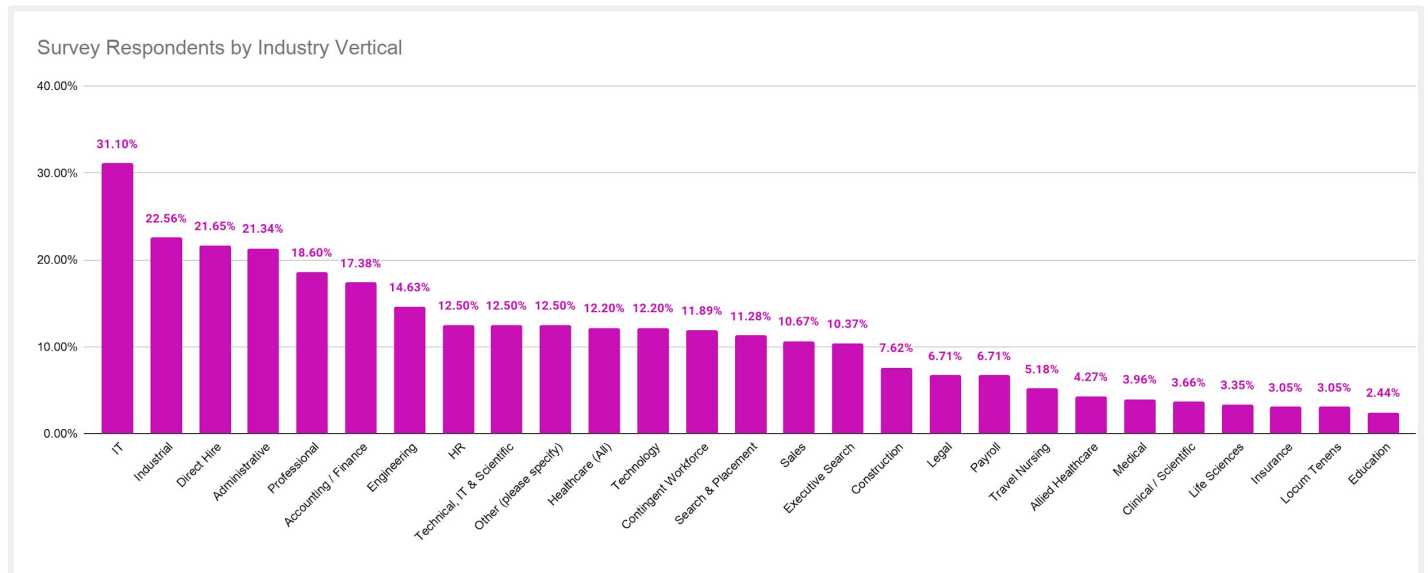
**COVID-19**

**PULSE SURVEY**

2020 State of Staffing Sponsors

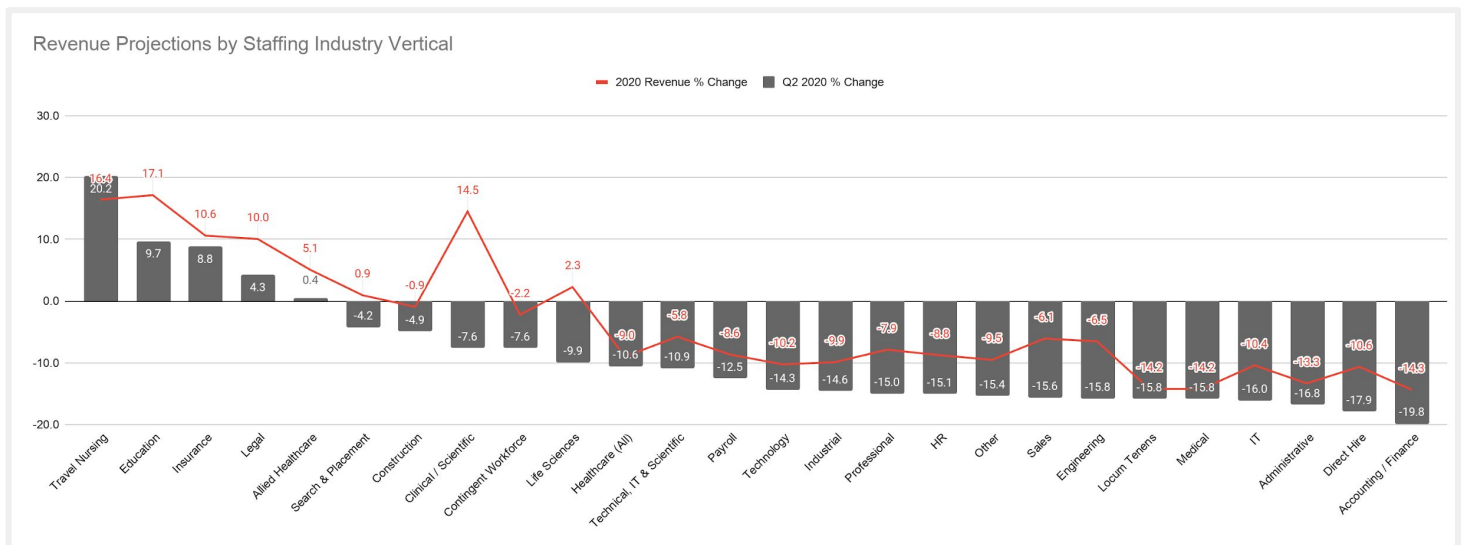
# Who Took the COVID-19 Survey

334 staffing professionals completed our COVID-19 pulse survey from March 31 to April 8, 2020.



## Revenue Impact by Vertical

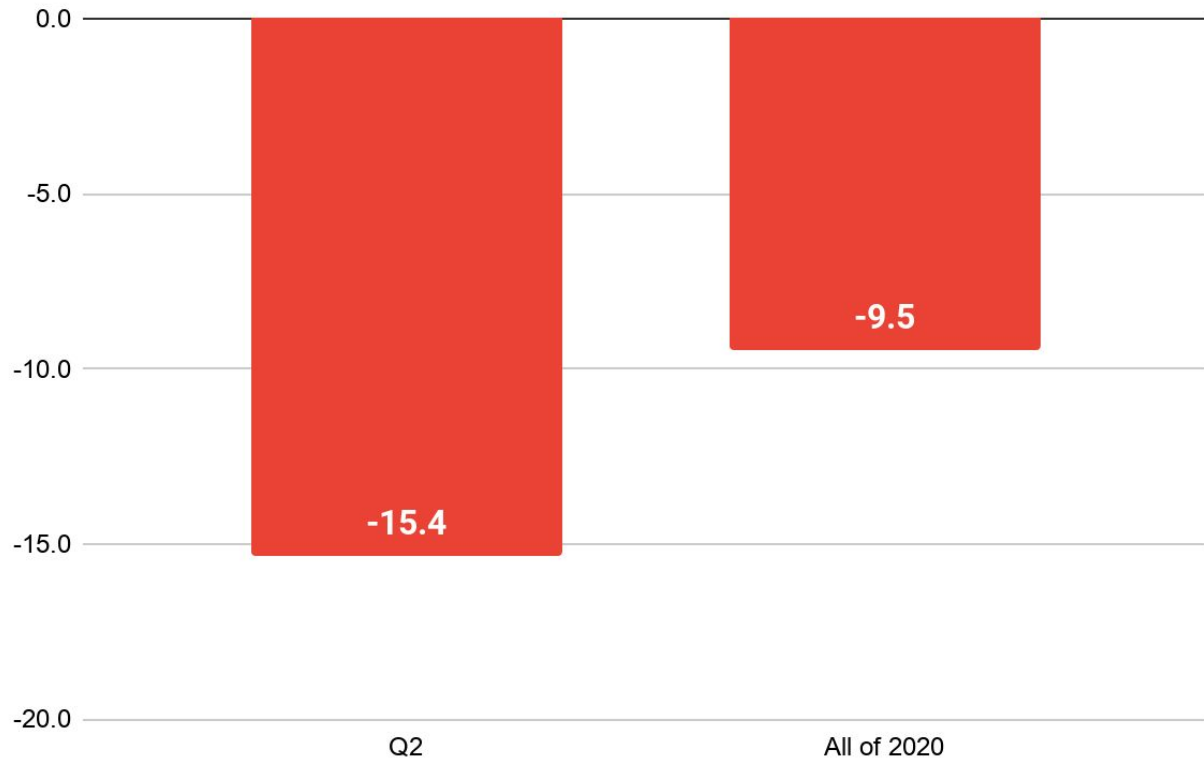
Most verticals anticipate revenue declines in 2020, but staffing firms in travel nursing, education, insurance, and legal verticals expect to see growth.



# Revenue Impact Overview

Staffing firms expect business revenue to decrease by **-15.4%** in Q2 2020 and **-9.5%** in 2020.

Revenue Projections Post Pandemic - All Verticals



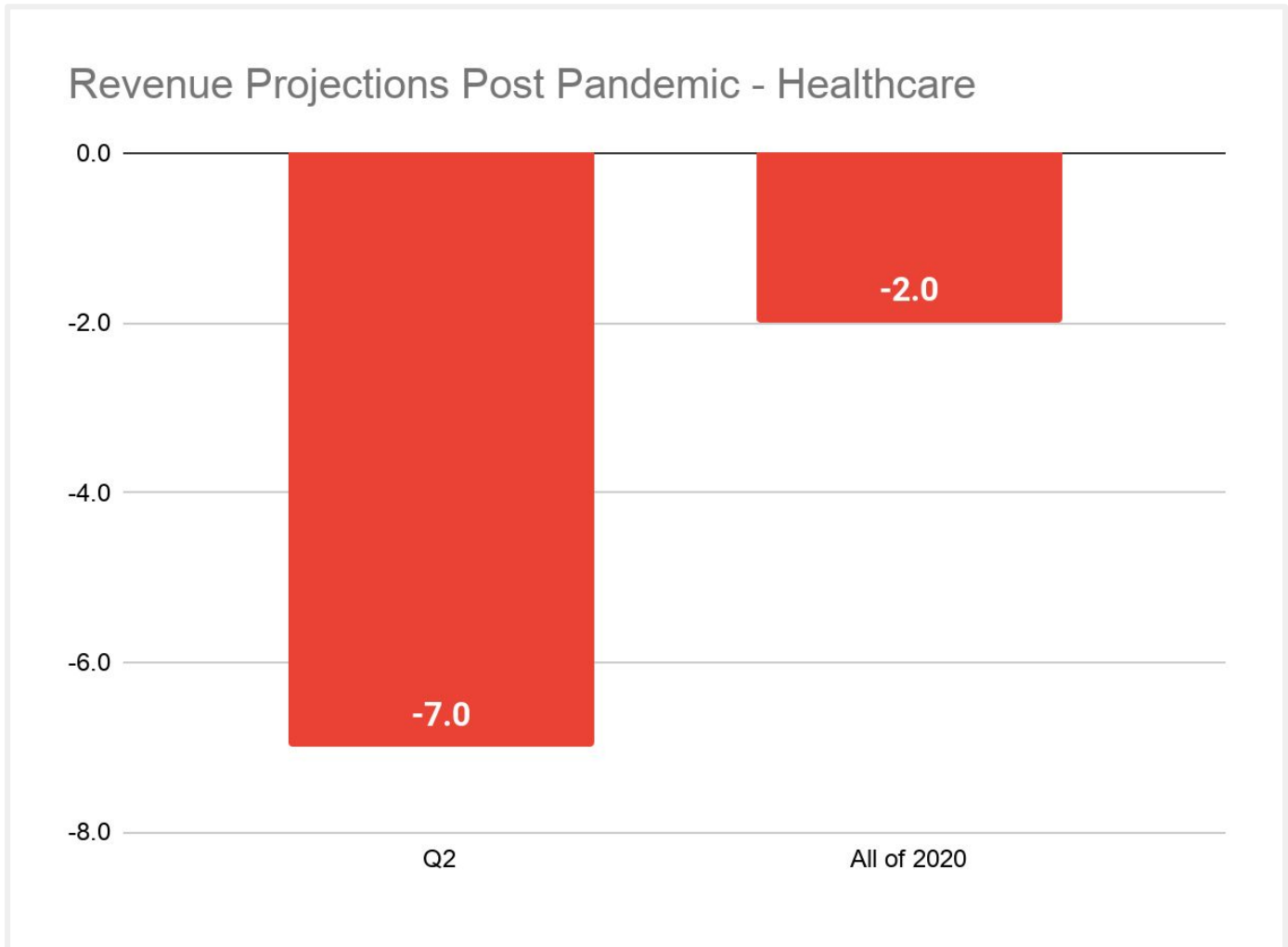
**-15.4%**

Decrease in Q2 2020

**-9.5%**

Decrease in Q2 2020

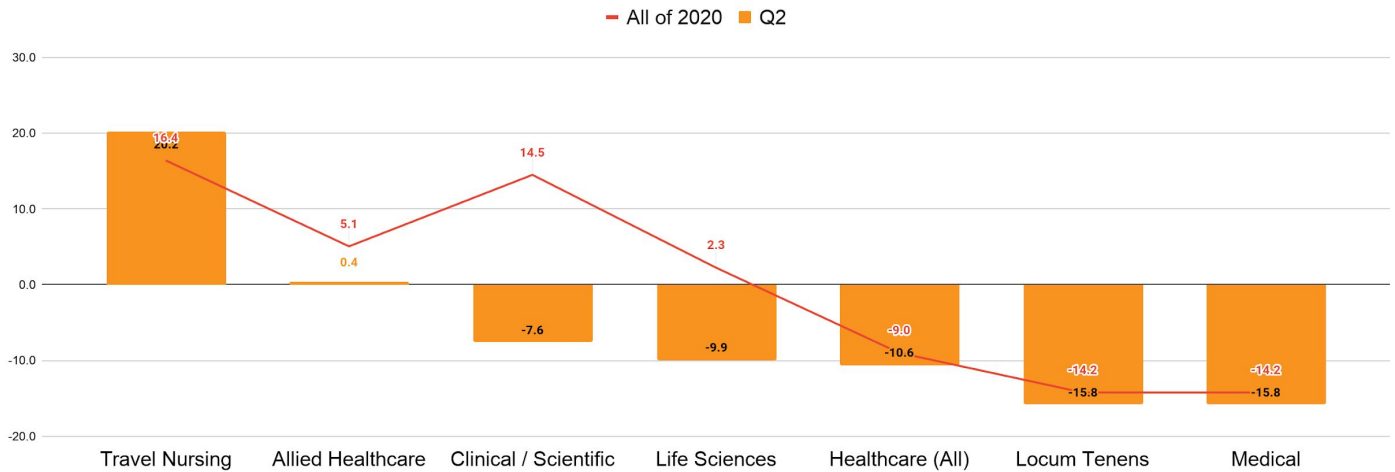
# Revenue Impact: Healthcare Staffing



While the industry expects to see deep losses in Q2 and throughout 2020, healthcare staffing firms' predictions were more optimistic, with a **7.0%** loss in 2020 and only a **2.0%** loss for the quarter. Comparatively, all other verticals expect losses of **15.4%** in Q2 and **10%** for the year.

# Healthcare Revenue by Specialty

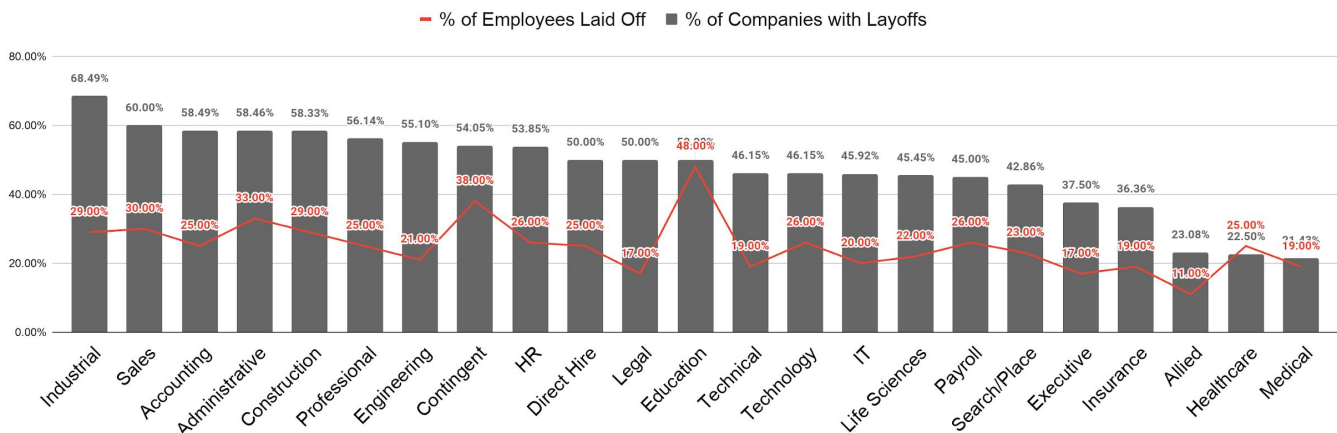
Healthcare Staffing Revenue Projections



Taking a closer look at healthcare staffing, travel nursing, allied healthcare, and clinical/scientific verticals, all expect to see annual profit growth this year. Locum tenens and general medical staffing anticipate being hit the hardest, both anticipating **14.2%** annual losses.

## Layoffs by Vertical

Staffing Industry Layoffs by Vertical



**45%** of staffing firms reported layoffs due to COVID-19, with an average of **30%** of the workforce being laid off.

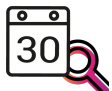
Education firms and contingent workforce solutions saw the deepest cuts, laying off **48%** and **38%** of their employees respectively.

# Factors Impacting Revenue

## All Verticals



**Hiring freezes**



**Client shutdowns**



**Widespread layoffs**

## Healthcare Verticals



**Hiring freezes**



**Uncertainty and health risks**



**Some positions are booming, some are shutdown**

## What's Shifting Revenue

*We were headed for a solid growth year and up every week in billing until COVID-19.*

*Staff getting ill, they are the front line, making sure they have PPE, paying them if they are quarantined*

*Job sites shutting down*

*More demand for outsourced services*

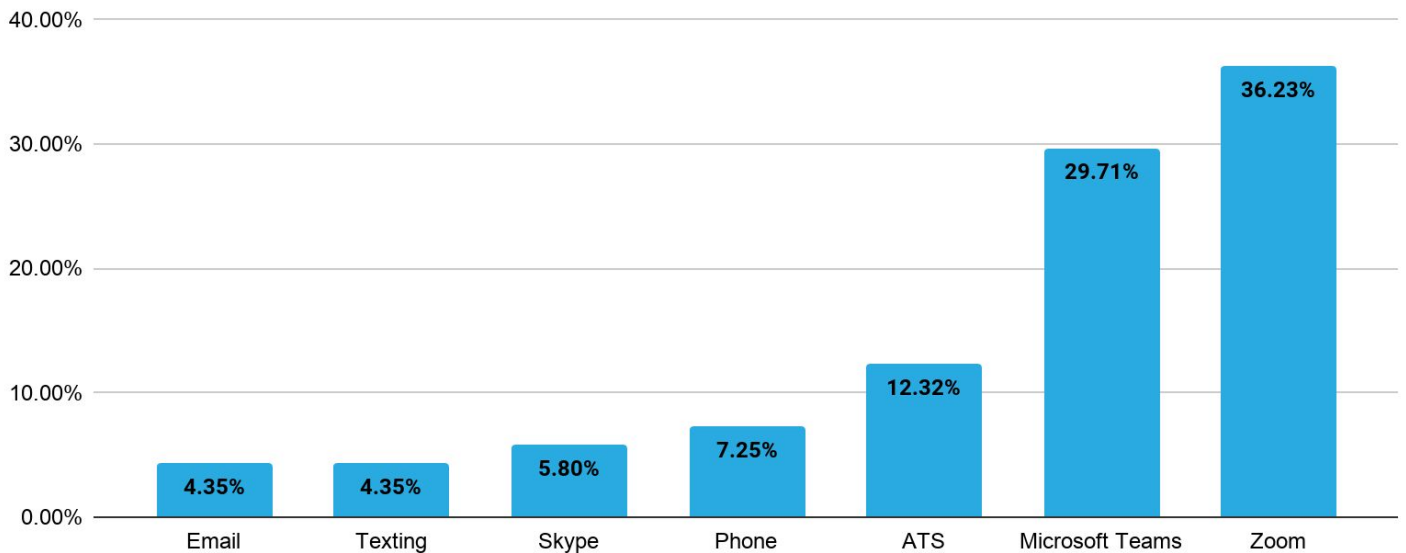
*Increased demand for healthcare professionals*

*Drop in our Therapy contract business (PT and OT), mostly in Outpatient settings. We started working Respiratory given the spike in demand.*



# Software Used During Pandemic

What Software or Tools Does Your Firm Use for Remote Work?



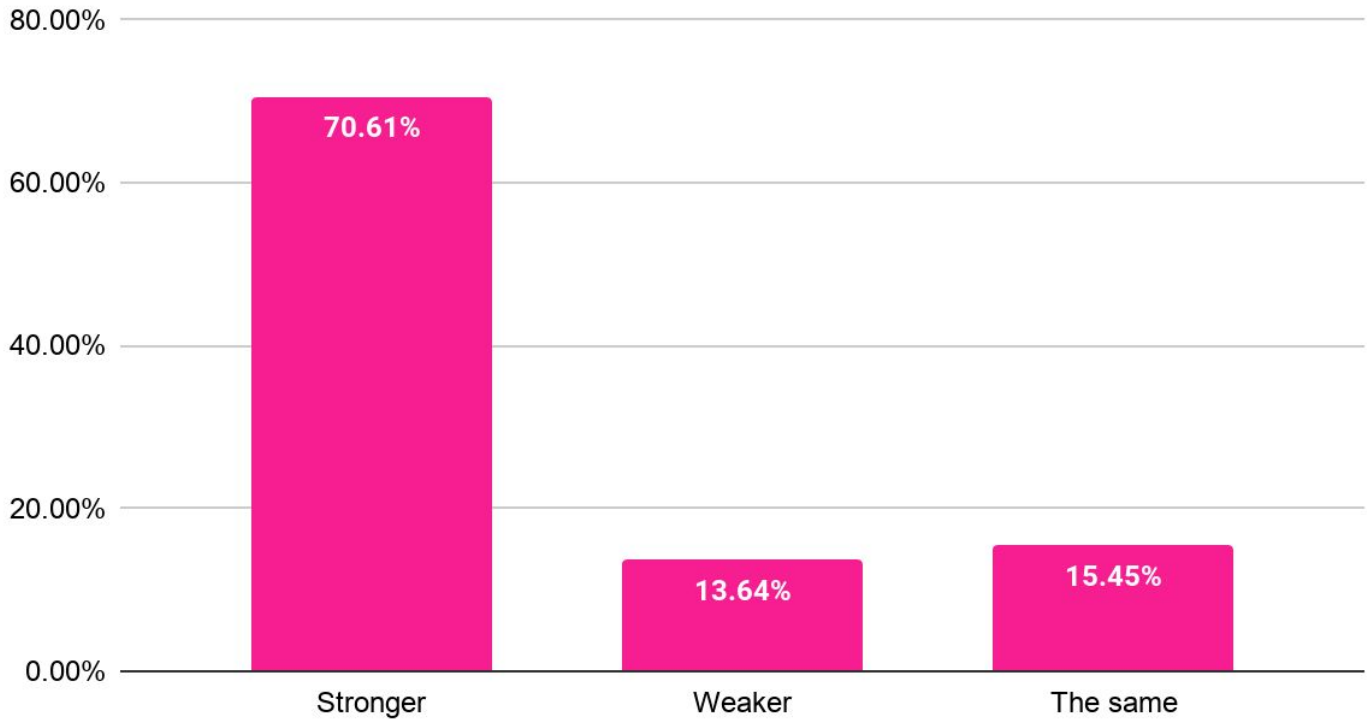
Likely as the result of moving to remote recruiting, **Zoom** and **Microsoft Teams** were reported as top tools used by firms during the pandemic.



# Emergence from COVID-19 Stronger

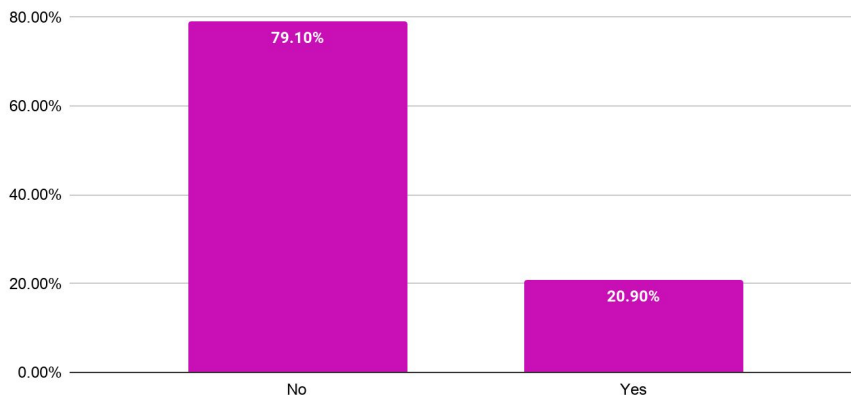
The staffing industry isn't going to be knocked down: the vast majority of respondents think the industry will come back from the pandemic stronger than before.

## How Staffing Firms Expect to Emerge from Pandemic



## Most Firms Not Offering Specials

### Firms Offering Special Pricing or Packages Because of COVID-19



Nearly **80%** of staffing firms say they do not expect to offer special pricing or packages during this time.



# Grow Faster with Real-time Feedback

The Only Experience & Reputation Management Platform For Staffing Firms



## Benefits:

- Improve your recruiters' performance
- Create a great candidate experience
- Boost your online reputation
- Increase referrals automatically
- Grow your staffing firm faster

*"We're seeing a 50% response rate on reviews from Great Recruiters — we were only seeing a fraction of that with the other services we've tried."*

Tara Sprakel  
Chief Marketing Technologist  
**Fusion Medical Staffing**



# COVID-19 Resources for Staffing Firms

Below are some resources specifically for staffing firms to make this era a little easier.



## Avionté

[Avionté](#) created a [COVID-19 resources page](#) to ensure staffing firms have the latest information available to help navigate this challenging time and adapt to a new employment environment. Avionté is focused on providing relevant industry and government resources along with the necessary tools and techniques staffing firms are seeking.



## Bullhorn

These are unprecedented times for everyone across the globe, and the team here at Bullhorn are working to bring you the most up-to-date content, government guidance, data, and webinars to keep you informed. [Visit this page often](#) as we add new resources on a regular basis.



## ClearEdge Marketing

[ClearEdge Marketing](#) is offering a complimentary one-hour consulting session to help address some of the most frequently asked questions, from engaging a newly remote team to sales strategies in these uncertain times to best practices for virtual candidate marketing to appropriate social media responses. ClearEdge Marketing wants to help businesses persevere. No strings attached. Just [send an email here](#).

# COVID-19 Resources for Staffing Firms



## Doximity

[Doximity](#) is posting free jobs for any urgent COVID-19 temporary clinical need. Jobs will be distributed via our expansive network of U.S. clinicians and high-engagement career email digests. If you have a job to fill, you can post it by [submitting this form](#).



## From Wolf

We know countless people are hurting right now and in desperate need of work. That's why [From Wolf](#) is introducing an initiative for entrepreneurs and intrapreneurs to start their own on-demand staffing platform with next to no upfront investment to help our communities find jobs. Talk to us to learn more about how we can help. Together, we can rebuild.



## Haley Marketing

Check out the [COVID-Recovery Resource Center](#). We created a library of on-demand webinars, eBooks, and educational articles about how staffing companies can quickly recover from economic downturns. We're also offering discounts on many of our services, and we've created new, low-cost sales and marketing tools to help staffing companies increase their visibility, improve remote selling, and drive new sales opportunities.



# COVID-19 Resources for Staffing Firms

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## Kamana

[Kamana](#) is offering nurse and allied health staffing agencies a mobile-friendly platform for their candidates to "self-prepare" profiles to expedite the screening, submission, and onboarding process. Kamana can provide an agency-specific portal link, inform healthcare professionals of core profile requirements upon signing up, and direct them where to share their profile upon completion.



## StaffingFuture

We're offering [covid19jobs.io](#), a free job board listing any positions related to the crisis, including charity work or jobs available to those that have been laid off. This is a totally free resource and we are looking for support from our industry partners in the form of traffic, jobs, donations for paid traffic (which will be matched by our partners) and in communication this to the market.



StaffUpApp

## StaffUpApp

There's a lot of uncertainty right now with everything that's going on in the world, and strong candidate engagement is more important than ever. To help get through this together, [StaffUpApp](#) is providing our service complimentary for the first two months to help get your jobs filled and candidate engagement better than it's ever been.

# COVID-19 Resources for Staffing Firms



## Great Recruiters

As many staffing firms move to remote recruiting, we've heard from recruiting managers that Great Recruiters helps them stay connected to their teams and celebrate the wins during these tough times. To help firms make sure both candidates and recruiters are happy, Great Recruiters is offering complimentary real-time reviews and reputation management to staffing firms for 30 days. No obligation after 30 days. Sign up by 5/31 and get onboarded by 6/15 to qualify for this offer and waive onboarding fees. Email [sales@greatrecruiters.com](mailto:sales@greatrecruiters.com) to inquire further.



## Staffing Referrals

Our platform helps find qualified referrals in even the toughest of situations. After learning that our software placed [23% more nurses during the pandemic](#), we decided to offer complimentary access to firms that are helping on the frontlines. Email [sales@staffingreferrals.com](mailto:sales@staffingreferrals.com) to inquire more.



## TextUs

Right now, most essential workers are strapped for time, in the field, and away from computers. But, communication and coordination are more important than ever for managing relationships and sharing time-sensitive updates. That's why we're offering [TextUs for Essential Businesses](#), a complimentary service during Q2 to help essential businesses communicate quickly and easily via text messaging with their customers and employees.

# COVID-19 Resources for Staffing Firms

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## WorkN

WorkN builds custom mobile apps that help staffing firms connect the companies who have immediate demands for workers to the millions of healthy Americans who need work during this pandemic. To help staffing firms more efficiently and quickly deploy workers for [essential service sectors](#), Atlanta based software firm [WorkN](#) will offer a special payment plan to reduce up-front costs for the implementation to any new clients through July 31, 2020. If your firm is interested in leveraging WorkN's on demand staffing mobile app to efficiently recruit and place workers, please contact WorkN directly.



## WurkNow

Stop manually entering employee information and get back time in your day so you can do what matters most, placing the right person for the job every time. WurkNow's all-in-one solution goes beyond the typical HCM software by providing you with a platform that is intuitive and scales with your business. What's better than that? Our Time and Labor Software is free through 2020. All you have to do is download the app. No development required! WurkNow will work, wherever you are. You may learn more about us by visiting <https://wurknw.co/huboffer> or calling us directly at 866-987-5669.



# About the Team

## **Team:**

Authors: Caitlin Delohery and David Folwell

Editors: Krista Garver and Camilla Howard

## **Methodology:**

In January and April of 2020, StaffingHub fielded two nationwide surveys. The responses were sourced via email invitations, blog promotion, and social sharing.

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### Notes:





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