

***Bylined Article—
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***Technology and Staffing:
How the Cutting Edge is Boosting Efficiency and the Bottom Line***

One of the most valuable tools for most businesses is software, and the staffing industry is no exception. Whereas ten years ago roughly 60 percent of all staffing firms relied on old-fashioned hard-copy files, today more than 80 percent are automated, with fully integrated front- and back-office software systems. This gives a staffing firm a tremendous advantage, doubling its efficiency and thus enabling it to produce twice the revenue with the same amount of staff.

It can also confer the same advantage on other companies. Using good staffing software can help any business that needs to compete for the top talent in its field. And this gives the matter a special urgency as 2005 draws to an end. Five or six years ago, when the economy was red-hot, competition among firms to recruit the top talent was fierce. But the economic cooling-down of the past several years has served to push recruiting concerns to the back of the priority line at most companies. As a result, they haven't been investing in recruiting technology during this protracted dry spell, as human resource departments have focused instead on things like layoffs, rightsizing and cost controlling.

But already things have started to change on the hiring front, as the first wave of the massive baby-boom generation has reached retirement age. The unemployment rate has dipped to 5.0 percent, a four-year low, as firms have begun to hire again. And experts expect the recruiting market to heat up even more in 2006 and 2007 – and for the trend to continue for a long time afterwards, because the generation that followed the baby boomers is not large enough to replace them as they retire.

What this means for companies is that in order to keep their competitive edge, they have to be ready once again to compete with other firms for the best available talent. It's that simple. We're not talking here about *quantity*, but about *quality*. No matter what the size of the firm, it's not a question of hiring the *most* people, but of hiring the *best* people.

To do this, companies – not just staffing firms – need to have the recruiting technology that will help them find the pearls that lie hidden in the enormous sea of applicants. And not just to find those pearls, but to hire them before the competition does. This can't be done the old-fashioned way anymore – with hard-copy resumes stored in file drawers. There are millions of resumes posted on the Internet. Only with the help of the latest recruiting technology, with capabilities such as searchable databases, can today's firms hope to sort through those resumes to find the talent they need to succeed.

Such technology is not only for the biggest corporations. Nowadays, it's even affordable by the smallest of businesses – whose best hope of growing is to find and hire the best available talent. So firms of all sizes would be wise to wake up and take a close look at their recruiting technology, to see if they're ready to compete once again for the best talent. If they're not, they would do well to prepare themselves as quickly as possible, or they risk falling by the wayside.

That said, it must be realized that a software system is an investment, and that just as with any other investment, it must be utilized to the fullest extent possible in order to get the maximum return. Yet like any other tool, staffing software is not always used as efficiently as it can be. Most staffing firms today use only about 60 percent of the capability of their software systems. Improving that figure, even by a little bit, can make a world of difference – not only to overall efficiency, but to the bottom line.

One of the biggest reasons firms underutilize their staffing software systems is that they tend to take a passive stance towards them, expecting the technology to do all the work while they merely sit back after installation and reap the benefits. But like any other tool, a software system will only give you back what you put into it.

The first step in getting the most out of your staffing software is to review how effectively your current system is being used to improve productivity, and to focus on those areas in which it needs to become more productive. When doing this, it's very important to consult a wide selection of employees, not just managers. Owners and managers often assume they know what their employees need, but they may only have a general idea. The people who use the system day in and day out – who are concerned with such things as how quickly they can get from one screen to the next, and how quickly they can access the information they need to do their jobs – are much more attuned than owners and managers to how it can make the company more efficient. While it may not be practical to involve every employee in the decision, a wide cross-section should be consulted in order to arrive at a balanced decision between the needs of the users and the needs of management.

One thing that prevents many staffing firms from getting the most out of their software is a tendency to put the cart before the horse, to focus on the technology rather than on a company's real needs. This misses the whole point of the software, which is to help make companies more productive – not to dazzle with features they may not really need. Staffing-software providers have been in a kind of “feature frenzy” for the past decade, adding lots of “bells and whistles,” when the majority of customers just need a good, basic, solid staffing solution. Bells and whistles are nice, but it's really the core of the product that has the largest impact on your ability to improve productivity – things like matching peoples' skills with the needs of the jobs, putting them on the right assignment and so on. The bells and whistles tend to deflect attention away from these basic features.

Staffing firms also have a tendency to focus only on their front office, whereas in order to really improve productivity it's necessary to pay attention to back-office functions as well. If there are errors on invoices, for example, eliminating them can save a company a lot of money as well as time and effort. The back-office solution should be more than just a simple pay/bill solution; it should provide a complete accounting, reporting and financial-management system with tools for anticipating and controlling costs. A lot of staffing software solutions have a “homegrown” pay/bill system; that is, they built their front-office system and then merely added some more codes to enable it to handle back-office functions. But such systems are merely accounting systems; they don't facilitate financial management,

which requires a full-blown financial-management system capable of monitoring a company's financial health. And in today's business environment, such capability is becoming more and more critical to a firm's success.

Staffing firms can gain a considerable competitive advantage by giving prospects and customers an overview of your front- and back-office systems and explaining why your technology will allow your firm to provide them with better service. Yet many staffing firms will invest in new technology and then keep it a secret. Instead, they should differentiate themselves from their competitors by showing their customers and prospects the system you invested in, which will enable them to better serve them year after year.

When installing a new software system, too many staffing firms make the mistake of focusing only on the new technology. Instead, they should also be looking carefully at ways they can improve their processes. What better time is there to do this than when introducing a new system? That's the time to go in and look at what they're doing, and institute any changes that can help make your business more efficient. Yet so many firms merely incorporate their new software into their old way of operating – which is a big reason why they only use a portion of their system.

One example of this is what happened with CRM (Customer Relationship Management) systems in the 1990s. Companies installed them without changing their own processes to take maximum advantage of the new technology, and as a result they didn't get full value out of them. As service companies, staffing firms should make sure their CRM systems are truly helping their sales forces make more calls to prospects, provide quicker and more accurate responses to customers and spend more time "across the desk" from customers rather than on other tasks.

Before selecting a software system, staffing companies need to look carefully at the financial viability of the software vendor. This is especially important in the current economic climate. There are more than 100 staffing-software vendors in the marketplace, but that number is sure to dwindle in the months ahead. When those vendors shut their doors, their customers are going to be left out in the cold, with no support.

Technology has become more important than ever before for staffing companies. Many have downsized in the face of the recession. Now, on the brink of an economic recovery, it's essential that they be able to grow their businesses back up in the most efficient way possible. Getting the right software system, and using it to maximum advantage, can go a long way toward helping them do this.

Tim Giehll brings more than 25 years of experience as a technology visionary to his post as CEO Bond International Software's eEmpACT Division. Need more bio info here.

Bond International Software is a publicly held company quoted on the London Stock Exchange and is a pioneer in the development and provision of staffing software, support and consultancy services to the staffing and recruiting industries. It supports more than 50,000 staffing professionals in 42 countries worldwide and has over 160 employees worldwide in its offices in the U.K., Australia, South Africa, the U.S. and Canada. Since its founding in 1973, Bond has consistently combined innovation, dedication and market focus to forge ahead of its competitors. Its products and services have achieved prestigious acclaim and are now the market choice of many of the world's largest and most well-respected personnel

organizations. Its consistent, visionary perspective has enabled its network of global users to interpret and manage dynamic, complex markets and realize tangible competitive advantage in the race for human capital.

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