## Adams <br> Garth

STAFFING AND EXECUTVE SEARCH

## Workforce <br> Strategies Guide

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## Better. Faster. Cheaper.

The pressures of the business world are relentless. To stay ahead of the competition, you have to constantly find creative - and affordable ways to get things done.

For some companies, the answer is cutting budgets. For others, it's driving people harder. And for the smartest firms, it's taking a more strategic approach to talent management.

By staffing strategically, savvy employers are discovering new ways to meet deadlines, expand capacity, lower costs, react to changing marketing conditions, manage risks and drive innovation.
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## Welcome to <br> The Workforce Strategies Guide from Adams \& Garth Staffing and Executive Search.

Inside this guide you will find 24 solutions that will help transform your staffing function into a significant source of competitive advantage.
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## 10 Ideas to Reduce Costs

If your company is like most, labor is the biggest expense on your P\&L. Adams \& Garth will help you manage your staffing expenses as aggressively as raw materials.

## Idea 1: Convert Fixed Cost to Variable

What percent of your labor expenses are variable? For most organizations the answer is zero to five percent, but when your labor costs are fixed, you are almost guaranteed to be over-spending. Why? Because you don't need all your people, all the time.

To reduce labor expenses, implement a flexible staffing model in which you reduce core staff to levels necessary to maintain normal operations. Then partner with Adams \& Garth to supplement your staff with trained temporary personnel to meet peak production demands.

For short-term and special projects, you can bring in technical and professional temporaries. You'll get on demand access to the expertise you need, and the cost will be far less than hiring full-time employees or using consultants.
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Idea 2: Eliminate Overtime
Overtime is an extremely expensive way to get work done. As the chart below illustrates, using temporary employees in place of overtime can reduce labor costs by $20 \%$ or more.

## Cost Analysis:

Based on an annual salary of \$35,000 for one administrative employee.
To determine the hourly rate, use the following equation:
\$35,000 / 52 weeks = \$673.08/wk;
$\$ 673.08 / 37.5$ avg. hours per week $=\$ 17.95 / \mathrm{hr}$.

| Expenses | Additional Hire | Paying Overtime <br> (1.5 x hourly wage) | Using a Temporary |  |
| :---: | :---: | :---: | :---: | :---: |
| Hiring and Termination Expenses ${ }^{1}$ | \$3,000.00 | \$0.00 | \$0.00 |  |
| Basic Hourly Wage | \$17.95 | \$26.93 | \$27.00 ${ }^{\text {² }}$ |  |
| Fringe Benefits <br> holiday pay, sick leave, vacation pay, personal days, insurance, F.I.C.A., S.U.I., F.U.T.A., workers' compensation, etc., (based on national average of $31 \%)^{3}$ | \$3.50 | \$5.25 | \$0.00 |  |
| Administrative/Payroll (based on national average of $12 \%)^{3}$ | \$2.03 | \$2.03 | \$0.00 |  |
| Over 3 Months ( $12 \mathrm{wks} \times 37.5 \mathrm{hrs}$ ) | $\times 450 \mathrm{hrs}$ | $\times 450 \mathrm{hrs}$ | $\times 450 \mathrm{hrs}$ |  |
| Total Cost | \$10,569.00 | \$10,899.00 | \$7,650.00 |  |

Hiring costs include the cost of advertising, resume screening, interviewing (by HR and hiring manager), reference checking, skill or assessment testing, and employment paperwork processing. Termination expenses include HR time, but do not include any severance.
2. Temporary staffing rates will deviate depending upon market area and job type. However, the relationship (ratio) will remain the same.

Percentages based on U.S. Chamber of Commerce statistics, which include firms that pay no benefits. For small firms with moderate benefits programs, this cost is typically $40-45 \%$ of payroll, and for larger firms with extensive benefits programs, the cost can be up to $100 \%$ or more of payroll.


## Idea 3: Limit Benefits Expense

On average, benefits cost $20 \%-25 \%$ in excess of payroll expenses. Where appropriate, use temporary and payrolled employees (employees who are paid through a staffing firm or professional employer organization) to eliminate benefits expenses. This option is most often used for interns, project professionals, and other short-term employees.

## Idea 4: Reduce Training Costs, Scrap \& Rework

Training is expensive - and not just the hard dollar cost of the training program. Consider also the soft costs of lower productivity and poorer quality that result from employing novice staff. Cut training costs and improve quality and productivity by employing experienced temporaries. By working closely with Adams \& Garth, you can gain access to candidates who are well-trained and have experience in the skills you need. To enhance productivity further, partner with Adams \& Garth to create an initial orientation and training program for new hires.

## Idea 5：Shift Administrative Burden

When you use temporary staff instead of direct hires，all costs associated with processing and administering payroll and benefits are transferred from your company to Adams \＆Garth．

## Idea 6：Prevent Unemployment and Work Comp Claims

Unlike short－term direct employees，temporary personnel work for Adams \＆Garth－not you．Consequently，their unemployment and workers compensation claims don＇t affect your rating or your bottom line．

## Idea 7：Avert Costs Associated with Burnout

Many companies have taken the concept of＂lean thinking＂too far． They constantly push their employees to produce more with fewer resources．As the stress increases，so do problems with quality， productivity，absenteeism，and turnover．Take the pressure off by supplementing your staff with temporary employees．The additional personnel will help your staff avoid burnout，reduce the cost of defects， avoid productivity losses，and limit turnover expenses．


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## Idea 8: Eliminate Operating Inefficiencies

Undoubtedly, some parts of your business are more efficient than others. To reduce costs, look to outsource non-core functions to specialists who can perform the task more efficiently. Not only will you save money, but you should also be able to get better results with fewer headaches.

If you are a high volume user of temporary employees, take advantage of Adams \& Garth's ability to provide onsite or single source management services. Often you can get a dedicated staffing specialist to take over responsibility for managing your temporary staffing needs at little or no cost. You receive better service while freeing your HR department to focus on more important duties.

## Idea 9: Reduce the Cost of Hiring

Hiring full-time employees is expensive. First, there are the hard dollar costs of recruitment advertising, assessment testing, and background checks. Add to this the costs of resume screening, interviewing, and managing the hiring process. And don't forget the impact of the disruption caused to your organization as managers divert their attention to hiring and training new employees.

When you outsource recruiting to Adams \& Garth, these costs are included in the fees charged. You will get access to a larger candidate pool, be able to fill job openings faster, and greatly reduce the distraction to your management team.


## Idea 10: Cut Costs by Hiring

Capacity constraints can be a significant source of cost. Constraints may affect the throughput of a plant or the productivity of an executive. To eliminate the bottlenecks, consider adding temporary or full-time staff.

## For example:

- Bring in administrative support to free key personnel to focus on core job duties (not only do you get a more productive employee, but the administrative work gets done for significantly less cost).
- Add temporary labor to relieve process constraints and improve productivity.
- Use technical and professional temps to keep projects on track.
- By adding the right people, work will get done more efficiently, with less administrative headache, and for less cost.
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## 6 Strateóies For Getting More Done.

Doing more with less has become the rallying cry of corporate America. To survive, you need to find effective ways to continually improve productivity while retaining the flexibility to react to changing market conditions.

## Strategy 1: Expand Capacity without Increasing Overhead

In an effort to reduce expenses, many organizations are running so lean that they lack the capacity to handle unexpected surges in demand. Hiring for these brief spikes can be risky, but so is losing sales. To expand capacity without increasing overhead, use temporaries to supplement your workforce and support your core staff.

## Strategy 2: Improve Focus on Core Activities

Give your key employees more time to focus on critical tasks by offloading administrative and other time-stealing activities to temporary employees, part-time staff or interns. You'll find that project deadlines get met more easily, your core staff feel less stressed, and often the non-critical tasks can be completed by less expensive people.


## Strategy 3: Manage Rapid Growth

Growth creates all kinds of stress on an organization. And when these stresses are not managed, problems can arise with product quality, service, morale and employee retention. To support your growth, and avoid growing pains, consider these strategies:

- Use temporaries to rapidly expand your workforce or add additional shifts.
- Use professional and technical contractors to complete projects faster.
- Use interim executives to provide leadership for new initiatives.
- Outsource recruiting to eliminate the burden on your managers.


## Strategy 4: Avoid Gaps in Your Workforce

The most traditional use of staffing services is to fill-in for employee absences. This can include vacations, disability and other leaves, and unplanned turnover. To ensure timely access to the people you need:

- Ask Adams \& Garth to maintain profiles of your most critical jobs.
- Plan your staffing needs as far in advance as you can.
- Train your staffing vendors to ensure they know what you need.
- Be willing to pay more to fill last minute needs or attract specialized talent.

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## Strategy 5: Take Advantage of Adams \& Garth's HR Capabilities

If hiring duties are sidetracking your key employees, use Adams \& Garth to handle screening, testing, interviewing, and reference checking. Our expertise can free your people to concentrate on critical activities and reduce your time to hire.

## Strategy 6: Overcoming a Hiring Freeze

When your organization puts a halt on new hires, you may be able to use payrolling services to retain qualified job candidates until a direct offer of employment can be extended. Many companies also permit temporary employees to be brought in during a hiring freeze.


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## 4 Tips For Reducing Liability.

Employing people is a risky business. Taxes must be paid, regulations must be followed, and hiring mistakes must be avoided. Failure to properly manage these risks can result in fines, increased insurance premiums, lost business, morale problems, excessive attrition, and in the worst cases, they could even put you out of business.

## Tip 1: Deal with Uncertainty

In an uncertain economy, using temporary staff can help to keep your workforce flexible. Using temps to supplement your direct staff gives you the flexibility to increase production when demand is high...and avoid layoffs or excessive staffing costs when demand falls.

## Tip 2: Reduce Hiring Mistakes

A bad hire can cost you between two and seven times the employee's annual salary. Adams \& Garth follows rigorous screening procedures for both temporary personnel and direct hires, which increases your chances of getting the right person. We will provide candidates who not only possess the skills and experience you require, but who also have the personality traits needed to thrive in your work environment.

To further reduce your hiring risk, take advantage of Adams \& Garth's temp-to-hire services and direct placement guarantees.


## Tip 3: Limit Legal Exposure

Using a direct placement service can help ensure that non-discriminatory hiring practices are followed. Using a payrolling or professional employer organization ensures compliance with federal, state and local tax laws.

## Tip 4: Avoid Independent Contractor Liabilities

In recent years, several high profile companies have been found guilty of misclassifying workers as independent contractors. To avoid the risk of misclassification, use contract employees paid through Adams \& Garth in place of independent contractors.


## 4 Tactics <br> for Capitalizing on Opportunity.

Ever have to put a great idea on hold because you didn't have the resources to implement it? To keep pace in the modern business world, you need to maximize your ability to react to changing market conditions - without overstaffing.

## Tactic 1: Shorten Learning Curves

The contingent workforce has grown to include engineers, IT specialists, sales and marketing professionals, and even senior executives. Highly skilled temporary professionals can be used to teach new skills to your organization and drastically reduce learning curves.

## Tactic 2: Test New Ideas

Before increasing your permanent workforce to implement a new concept, try testing the idea with temporary employees. The temporaries can be directly involved in the testing or they can fill in for your direct staff who are working on the new concept.

## Tactic 3: Bring in New Business

Temporary employees can be used to develop campaigns to bring in new business. Telemarketing and direct mail campaigns can be implemented by using temporary help without distracting your current staff from their core job duties.

## Tactic 4: Improve Access to Talent

Adams \& Garth maintains extensive candidate databases and uses direct recruiting methods that will give you faster and better access to top caliber employees. To further support your recruiting efforts, ask Adams \& Garth to provide a temporary employee to fill-in until the right candidate can be found.

# Central Virginia's Leading Staffing Services and Executive Search Firm 

Since 1989, Adams \& Garth has partnered with top companies throughout Virginia providing temporary and full-time staffing, training and HR consulting services.

Whether searching for a top performer or last minute help, or looking for a great job opportunity, the professionals at Adams \& Garth are here to help.
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## Our staffing and search services include:

## Workforce Management Solutions

- Flexible staffing plans
- Onsite staffing management
- Employee training


## Flexible Staffing Solutions

- Temporary staffing
- Payrolling


## Hiring Solutions

- Temp-to-hire
- Direct hire
- Executive search
- Employee assessment \& testing


## HR Management Solutions

- HR needs analysis
- Job performance standards
- Job description development
- Employee handbook development
- New hire orientation
- Performance problems analysis
- Progressive disciplinary action programs
- Rewards and retention programs
- Customer service training
- Performance appraisals
- Team building

Adams \& Garth provides highly skilled temporary employees and direct hire candidates in the following job disciplines:


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## Our Mission: Live, and do business according to the Three R's

## Respectful

We respect your time, and we believe the best way we can show you respect is by providing the right person, the first time.
We will always strive to make the best match between employee and employer.

## Resourceful

Our team will always work to find creative solutions to your temporary and full-time staffing requirements - solutions that provide you with superior employees while controlling costs.

## Responsive

Even the best planning can't predict every staffing need. When last minute challenges hit, our staff is committed to providing the fastest solutions.
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# The Adams \& Garth Difference 

At Adams \& Garth, our goal is to make hiring hassle-free. Whether you've been asked to trim costs, you're looking for a top candidate for a full-time hire, or you're in urgent need of some last minute fill-ins, Adams \& Garth can provide the solutions you require.

## For a consultation on your staffing strategy, contact Adams \& Garth today.

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