



Effective Strategies For Selling Staffing in a Recession

A Menemsha Group White Paper

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Executive Summary

Effectively selling staffing services in a good economy is never easy. It's highly competitive, requirements change on a moments notice, candidate availability often fluctuates, and there are pricing pressures and other factors in the sales process that we have little control over. It also requires a high level of sales activity, relentless persistence, discipline and attention to detail, not to mention exceptional salesmanship. During a recession we face all these same challenges, only on steroids. All of these challenges are now magnified because opportunities are fewer and farther apart. Think of a pack of wolves that have not eaten for over a week hunting for their next meal. They can't afford to waste energy so their senses and awareness for executing that next kill are at an all time high. They're sharp. They're "dialed-in" to the moment. As sales professionals of the staffing industry, we need to be "dialed-in" when selling in a tough economy. Here are eight effective strategies for selling staffing services in a recession.

Strategy One-Adjust Your Mindset

When making sales calls do not lead with your product or service and **do not** lead with questions related to "are you hiring?" We know the answer is most likely "no." Where are you going to take the conversation from that point? Instead, change your mindset away from seeking out pre-defined job orders and instead adjust your approach to uncovering projects within the account and the challenges or problems the customer faces. When no pre-defined, budget-approved job orders exist, you need to find a problem to solve. *Seek out problems, not job orders.* Every hiring manager has problems. It's our job to uncover those problems and propose a solution. Just ask your prospects the right questions and listen. They will tell you what they need help with.

Strategy Two-Account Selection & Targeting:

Group your accounts into three buckets. Hot, Warm and Cold.

Hot Accounts: Hot accounts are those customers where you have a good relationship and a high volume of business and which there is significant upside for additional opportunities. You need to stay in front of these customers as often as possible via face-to-face meetings, phone, email, mail, etc. Host a group lunch meeting at their office and invite an entire department or more including all temporary employees and associated hiring managers. Ask your customers to invite people you want to work with but have yet to meet. Make it fun. Tell them you want to learn about their business and understand their critical business issues. It's about them, not you. So don't make it a sales pitch. Focus on building the relationships. Whatever it is you do, just stay in front of them. Make sure you are cross selling into every department within these accounts, even if you don't think it makes sense to call on someone. For example, if 95% of the work you do is in the mailroom, I still suggest you call on the sales and marketing

department. Sell into *all* of the functional business lines. Or if you are in IT staffing, sell across the software development lifecycle. Spend time on location with your temporary employees (your clients will see you in the hallways, cafeteria, etc) who are billing to get their help in expanding your footprint within these accounts. Think of your temporary employees as your personal account managers. They will help you find additional opportunities. Create an account development plan *with them*. Think about contract/assignment extensions 45 days in advance and start preparing your case for an extension for all of your consultants. And be prepared to negotiate. Spend a significant amount of your time in this area. Market previous candidates back into the account and to managers who hired the consultant in the past. Depending on the number of accounts you have in this category and their sheer size, you should spend a good portion of your time in this area.

Warm Accounts: Your warm customers are those who you have a good relationship with but volume is low. Start thinking about how and where else you can cross sell within these accounts. They have opportunities in areas you have yet to develop. You just have to find them. Start working to create new opportunities within these accounts.

Cold Accounts: Don't just cold call willy-nilly. Instead, you should operate like a neurosurgeon with a well thought out plan and calculated activities to support your strategic plan. You should have specific industries and specific accounts within those industries targeted as prospects. You need to understand what industries are growing (there out there, you just have to do the research) and why and what business issues those organizations face. Most importantly, you need to be able to map out how your service offering can help solve those business issues. Don't waste your time prospecting into companies who are scaling back or not growing. Don't just randomly call into any account, have a specific purpose for calling the account and the specific hiring manager.

Unsolicited Opportunities: If you get invited to participate in an RFI or RFP for a sales opportunity in which you didn't create through your own selling activities and/or you have no relationship with the account, don't waste your time. I know it's tough to resist these opportunities, especially during a recession when sales opportunities are hard to come by in the first place. But unless you created these opportunities, they are very difficult to win. Statistics show you have less than a 10% chance of winning under these circumstances. Another sales rep from another firm has already done all the sales work and helped the client write the RFP or RFI. The only reason the client has included you is to fulfill their strategic sourcing strategy. They want to make as many vendors as possible feel like they have a chance at winning. That is how they get the best possible contract. Learn to quickly recognize these opportunities because they are time killers. Instead, go out and create your own sales opportunities.

Strategy Three-Messaging

Now, more than ever sales people must have a laser-focused and airtight message in order to stimulate interest on behalf of their customers and prospects. Specifically, your message regarding your service offering must be tied to the business/technical challenges your customers and prospects are currently experiencing. If your message doesn't talk

directly to their issues, customers will have no interest in talking with you. A little bit of research and a few extra calls will get you the information you need to deliver an air-tight message. **Suggestion:** Make sure you understand the problems your temporary employees or consultants solve for your customers-these are your solution offerings. For example, if you offer administrative staffing and the office manager at your client account is complaining of the phone ringing off the hook or the fact that she or someone else has to constantly get leave their desk to answer the front door, you might want to suggest how one of your receptionist's could solve that problem.

Strategy Four-No Business Pain, No Sale

It's that simple. People buy for two reasons: 1.) To make themselves feel good, for emotional happiness such as purchasing new clothing or a flat screen HDTV or 2.), to move away from discomfort or "pain." Here is an example. Think of that dishwasher that has been on the fritz for a month. The repairman came and told you that you need to purchase a new one. While contemplating the purchase for the past month you've been doing dishes by hand. As a result, you finally decide to purchase a new dishwasher. You don't purchase it because you enjoy loading it every night; you purchase the new dishwasher because you hate doing the dishes by hand. You want to move away from that personal discomfort or "pain" of scrubbing dishes after dinner each night. Every manager who hires contract labor has "business pain" and as sales people it's our job to uncover it and turn it into a sales opportunity. That is the true art of selling staffing. Creating an opportunity where no pre-defined, budget-approved job requirement exists. You have to create it. One good way to gauge how much "pain" a customer has is to ask them a few test questions when they give you a requirement. Here are a couple of examples.

- "What is the impact if you can't hire a temporary employee to solve these issues?"
- "What would it cost you/the company if things stayed the same?"
- "What are the personal consequences if things remain the same?"
- "Are you/the company committed to fixing this problem?"

If they can't convince you that they need to solve this problem than they probably will not be able to convince their boss either.

Strategy Five-Qualify, Qualify, and Qualify Some More!

We're not exaggerating when we say you can never ask a client too many qualifying questions. During a recession it's more important than ever to make sure you and your recruiting staff are working on real, qualified sales opportunities. The first and most common mistake sales people make during a recession is they talk themselves into believing that the requirement they have is real when often it is not. They're afraid to ask the client tough questions because they are so excited over the fact that they finally found an opportunity. Remember, customers have no problem giving a job requirement that is not fully approved. It's no skin off their back. And all hiring managers have challenges every day that they need our help solving. But they don't have budget to hire a temporary employee to solve every problem. What hiring managers often do is give us a

requirement, tell us it's approved and hope we provide them with a candidate who is so exceptional that they convince their boss and their boss's boss to approve the budget and hire your candidate. That convincing often takes many weeks. Too long for your candidate to "wait in the wings." But sales people often don't know this is happening because they don't ask the right questions. Here is a good rule of thumb; if you are afraid to ask your customer a question it's most likely a question you need to ask. Always be qualifying throughout the entire sales process. Budget approved for a \$50 bill rate on Monday does not make it so on Wednesday. Remember to keep qualifying and reconfirming your understanding of the customer's requirements until your candidate is hired. Things change on a moments notice in corporate America, especially in a recession.

Strategy Six-Understand Your Customers Purchasing & Approval Process

During tough economic times when organizations tighten their budget they often implement more stringent purchasing processes. They will add additional checks and balances that might not normally be in effect during "the good times." Unless your client is the CEO, you need to make sure you ask your client who all of the decision makers are for approving your requirement. We have seen VP's, SVP's and EVP's think they have approval only to get their request squashed by the CFO or CEO. Don't be afraid to ask the tough, money related questions, it can save you a lot of time and grief in the long run, not to mention your reputation with your recruiting team.

Strategy Seven-Don't Drop Your Price

Don't drop your price. Not only is it a sign of a weak sales person but it also commoditizes your service offering. Just because your competitor's do it doesn't justify you doing it. You don't need to lower your price to compete. You need to sell value. Once you drop your price your customer will always ask you to lower your price and they will expect you to do it. That is how you become and remain a transactional vendor instead of a business partner and trusted advisor. Your goal is to build long-term customer relationships and get exclusives on their requirements. Hold your ground. Besides, lowering your price can often lead to delays in making a hiring decision. If you lower your price then the customer is going to ask the competitor to lower their price and create a bidding war. That is a lose-lose scenario for everyone. Don't give in. It's bad business for everyone.

Strategy Eight-Use Case Studies

In times of a recession is when you really need to rely on using good customer case studies. A good case study is one that clearly articulates the business problem(s) *your temporary employee* solved, and the results (increased revenue, decrease costs, improved efficiency, retained customers, etc) you delivered. This is how you demonstrate ROI and value for customer. Sharing these success stories is a great way to sell, and customer's love hearing them. Review your best customer case studies and think about what other prospects might be struggling with the same issues discussed in your case study. Determine who those prospects are and go share your story with them. A good place to start is usually with your customer's competitors.

About The Menemsha Group

The Menemsha Group was founded to empower sales professionals in the IT staffing and consulting industry with the tools and knowledge to sell more effectively, differentiate from the competition and increase gross profit margins. Menemsha Group addresses the profound gap between what is offered by traditional sales training and technical training organizations and what sales professionals truly need to be successful in the IT professional services industry. Menemsha Group is the author and creator of the Menemsha Methodology, a proprietary sales methodology designed exclusively for Sales Managers and Sales professionals in the IT Staffing and Consulting industry to sell up the value chain resulting in increased revenues and gross profit margins.

About Dan Fisher

Dan Fisher is a thirteen year sales veteran and thought leader of the IT Staffing and Consulting industry. Over his career, Dan has gained industry specific experience in everything from recruiting, sales and business development, service, operations, and branch management to building and leading a \$40M region. Dan has provided innovative ideas including sales and marketing best practices and has designed and delivered local, regional and national sales training programs. Recognized as a sales leader, Dan has been a top producer with a track record of consistently exceeding sales quota and delivering multi- million dollar revenues. He has won numerous awards for his leadership, revenue and gross profit attainment and has built his reputation on transforming underperforming sales teams and territories into market leaders. Dan is an active member of the National Association of Computer Consultant Businesses as well as the Massachusetts Staffing Association and has published articles for the NACCB and The Fordyce Letter. Dan graduated from Michigan State University and has held sales and sales leadership positions for industry leaders Oracle and Kelly Services as well as Alliance Consulting, Darwin Partners and Connect Global Solutions.

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