

Strategies for a Changed World:

CREATING YOUR
PLAYBOOK
FOR SUCCESS

*How to plan for, recover faster
from, and even THRIVE in
turbulent economic times*



"It won't happen here."

"I just hope everyone
(else) will be alright."

"This can't be real."

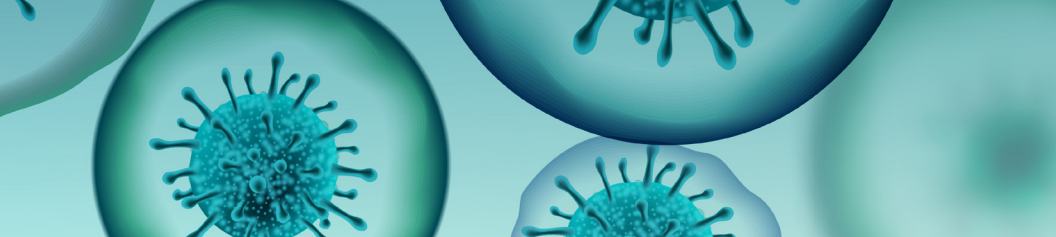
**"What am I
going to do?"**

We didn't see this coming.

**JUST A FEW MONTHS AGO, MOST OF US
HAD NEVER EVEN HEARD OF COVID-19.**

Now, we're faced with statewide shelter-in-place orders.
Closed business. Unprecedented economic challenges.
And an uncertain future.





There's no playbook for a black swan event.

While nobody knows precisely how long or large this crisis will be, the past offers many lessons for how to get through it.

Haley Marketing has been around for nearly 25 years; during this time we've helped staffing and recruiting firms navigate two recessions – and come out on the other end stronger. If we've learned anything over the past quarter century, it's this:

Businesses that plan carefully and market aggressively during a downturn recover faster from, and can even thrive in, turbulent economic times.

On the following pages, we share practical advice to help you create your firm's COVID-19 recovery playbook – and emerge stronger and more competitive on the other side.

Are we really in a recession?

Although we won't officially know for sure for a few months (after our economy as shown two consecutive quarters of negative Gross Domestic Product (GDP) growth), **both Morgan Stanley and Goldman Sachs declared global recession on March 17, 2020.**

COVID-19 has claimed lives, overwhelmed our healthcare system, closed businesses, destroyed consumer confidence and rocked the stock market. It's caused fear and panic.

And it's already impacted every aspect of our economy – including the staffing industry.



THE DOMINO EFFECT:

What happens in a recession?

Major crises, like the one COVID-19 has created, have a domino effect on our economy:

People & companies spend less.

Business activity declines.

Less work means less need for workers.

Hours get cut.

Flexible workers get let go.

Unemployment rises.

Bad debt and loan defaults increase.

Prices and interest rates tend to fall.



THE DOMINO EFFECT:

Recession's impact on staffing and recruiting.

First, some good news:

COVID-19 is actually **helping some sectors flourish**. Agencies that staff roles in healthcare, IT, collections and finance are already seeing surges in their business.

But if your firm is like most commercial staffing and recruiting agencies, **you're feeling the pain:**

- Hiring **freezes** kill direct hire business.
- Temps get **cut** first.
- New job orders become **scarce**.
- Up to **30%** of staffing companies **go out of business.**



So, what should you do?

If yours is one of the fortunate few niches whose business is positively impacted by this crisis, count your blessings.

BUT IF NOT...

- Now is **not** the time for **fear** or **panic**.
- It's **not** time to **slash prices** in a desperate attempt to keep sales.
- It's **not** time to hunker down and **wait** for the storm to pass.

It's time to take decisive steps to make sure you don't fall into that 30%.

Use the following lessons and advice to create your playbook for success – and make this recession “the other guy’s problem.”

LEARN MORE

Get your free copy of “Strategies to Recession Proof Your Staffing Company” and “Tips from the Haley Marketing Archive,” which include detailed synopses of the articles this advice was taken from.

haleymarketing.com/covid-recovery






**SURVIVING
A RECESSION:**

Creating your playbook for success





PLAY #1: **Seek out great business advice – and take it.**

Harvard Business Review, Bain & Company, Signature Analytics and Sequoia Capital have published amazing advice on **how to weather recession.**

On the following pages we share some of their key takeaways – and how to apply them to your staffing or recruiting agency:



PLAY #1

HARVARD BUSINESS REVIEW

Takeaways from “How to Survive a Recession and Thrive Afterward”

DE-LEVERAGE BEFORE A DOWNTURN.

Rule #1: don't run out of money!

Because a recession usually brings lower sales and therefore less cash to fund operations, surviving a downturn requires deft financial management.

- Restructure your debt to get lower interest rates.
- Turn to a funding company or bank to get capital to keep your business running.

FOCUS ON DECISION MAKING.

- Making tough decisions should be centralized (i.e., handled by senior leaders).
- Decentralized is best for fast response (i.e., put real-time decision-making where the expertise lies: in local managers' hands).

LOOK BEYOND LAYOFFS.

While some layoffs are inevitable, they aren't the only – or best – way to cut costs.

- Cutting costs via operational improvements leads to faster recovery.
- Furloughs, hour reductions and performance-based pay also help control labor costs.

INVEST IN TECHNOLOGY.

Look for tech that helps you become more transparent, flexible and efficient, or that lowers your cost of service.

PLAY #1

HARVARD BUSINESS REVIEW

Takeaways from “Roaring Out of a Recession”

DON'T BE TOO DEFENSIVE.

- Slash-and-burn, crisis-mode thinking may cut costs short-term, but it also hinders recovery.
- Fact: Defensive companies achieve just half the post-recession growth and one-tenth the profitability of top performers.

DON'T BE TOO AGGRESSIVE.

- Organizations that are too optimistic and opportunistic may miss important warning signs – and be blindsided by poor financial results.
- Fact: Post-recession (if they even survive), promotion-focused companies' sales and earnings may rise faster, but they realize only 60% of the sales growth and one-fifth the profitability increase of the top performers.

STRIKE AN OPTIMAL BALANCE: BECOME A PROGRESSIVE COMPANY.

- Examine every aspect of your business model. How can you do things differently: better, faster, more cost-effectively?
- Reduce costs permanently through process improvement.
- Invest to develop new markets and enlarge your assets.
- Increase spending on R&D and marketing.



HARVARD BUSINESS REVIEW

Takeaways from "How to Market in a Downturn"

UNDERSTAND "RECESSION PSYCHOLOGY."

Thinking and decision-making change during a recession. Traditional market segmentation (by age, income or interest) may be less relevant than a psychological segmentation that considers consumers' emotional reactions to the economy:

- **Slam-on-the-brakes:** reduces all types of spending by eliminating, postponing, decreasing or substituting purchases.
- **Pained-but-patient:** optimistic about the long-term but less confident about the near term, so they also economize (less aggressively) in all areas.
- **Comfortably well-off:** feel secure about their ability to ride out bumps in the economy and consume at near-prerecession levels.
- **Live-for-today:** carries on as usual and remains largely unconcerned about savings.

Consider how each of these types of buyers views your services:

- **Essential:** something they cannot do without.
- **Indulgences:** desirable services whose immediate purchase is considered justifiable.
- **Postponables:** needed or desired services whose purchase can reasonably be put off.
- **Expendables:** unnecessary or unjustifiable.

Then, focus your marketing on becoming more essential, offering lower-cost versions of indulgences, increasing the urgency of postponables, and showing how expendables are actually necessities.

PLAY #1

BAIN & COMPANY

Takeaways from “Beyond the Downturn: Strategies to Take the Lead”

This recession will combine with several structural changes in our economy to sound the starting gun to a new business cycle, including:

- **The end of non-tech businesses.** The digital transformation is here – for every industry and business.
- **The end of low interest rates.** Though it may be painful to do so right now, finance things today that’re going to need to be financed—and find ways to cut the need for financing in the future.

Based on data from 3,900 businesses, these are the strategies winning companies use in a downturn – and how you can apply them:

- **Restructure costs, without cutting muscle.** There’s still time to look for costs you might be able to restructure.
- **Put the financial house on order.** Create a six-month cash reserve.
- **Invest selectively for commercial growth.** Invest in what you’re already good at to become even better at it.
- **Maintain marketing.** Stay highly visible to instill consumer confidence in your brand and continue creating new sales opportunities.
- **Improve the customer experience.** Make it easier and more enjoyable for clients and candidates to work with you.
- **Pursue a proactive M&A pipeline.** Start identifying organizations that are good strategic fit, so you’re poised to build your business when the recovery starts.

THE RESULT?

Companies that employed these strategies had 17% compound annual growth during recessionary periods. Their competitors, the losers, had 0% average compound annual growth.

17% annual growth during a recession or 0% - which sounds better?

PLAY #1

SIGNATURE ANALYTICS

Takeaways from “How to Recession Proof Your Business: 7 Tips to Thrive in an Economic Downturn”

1. **Financially prepare for the downturn before it happens.** While we didn't see this crisis coming, this is good advice for planning for the next recession (or adjusting your current plans).
2. **Strengthen customer relationships.** Now is the time to get closer to your clients:
 - a. Learn more about their business and how they are being impacted
 - b. Ask how you can help.
 - c. Teach them new ways to use staffing to reduce costs, drive efficiencies and capitalize on new opportunities without adding overhead.
3. **Master what your company does best.** During a downturn, build on your strengths to get even stronger.
4. **Beat the competition.** Examine what they do well – and where they're vulnerable. Figure out how you can beat competitors where they're weak—and ensure your services at least equal theirs where they're strong.
5. **Don't let marketing fall through the cracks.** Out of sight is out of mind. With in-person meetings impossible right now, digital visibility is essential.
6. **Don't get comfortable (optimize all processes).** Scrutinize everything you're doing. Find ways to make processes faster, easier, more cost-effective and more enjoyable for clients and candidates. Streamlining your business with technology will reduce your expenditure and maximize your profits.
7. **Maintain good credit.** Good credit is crucial because down the road you may need to take out a loan to keep your business afloat. And with interest rates at historic lows, you may want to access a low-interest loan in case of emergency.

PLAY #1

SEQUOIA CAPITAL

Takeaways from CEO letter to their portfolio companies

The coronavirus is going to be the black swan of 2020. The impact of the outbreak will be far-reaching: reducing business activity; disrupting supply chains; curtailing travel and business meetings.

Now is the time to question EVERY assumption about your business, including:

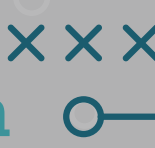
- **Cash runway:** Make sure you have enough cash to cover a few poor quarters.
- **Fundraising:** Plan for a cut in funding.
- **Sales forecasts:** Anticipate what your customers will do and help them forecast their needs.
- **Marketing:** Fight to maintain consistent ROI on your spend.
- **Headcount:** Strive to do more with less and raise productivity.
- **Capital spending:** Examine whether capital spending plans are sensible.
- **Be opportunistic:** Look for opportunities to accelerate plans.

In some ways, business mirrors biology. As Darwin surmised, those who survive “are not the strongest or the most intelligent, but the most adaptable to change.”

A distinctive feature of enduring companies is the way their leaders react to moments like these. Your employees are all aware of COVID-19 and are wondering how you will react and what it means for them. False optimism can easily lead you astray and prevent you from making contingency plans or taking bold action. Avoid this trap by being clinically realistic and acting decisively as circumstances change.

Demonstrate the leadership your team needs during this stressful time.

PLAY #2: Learn from our experience.



Haley Marketing has survived two recessions – and helped hundreds of staffing and recruiting firms do the same.

In this next section, we revisit lessons from our own recession playbook – sharing tips from our content archive to help you craft strategies that:

- Drive sales growth
- Keep you competitive
- Position you to explode out of the box when the economy rebounds

LEARN MORE

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PLAY #2

Lessons from

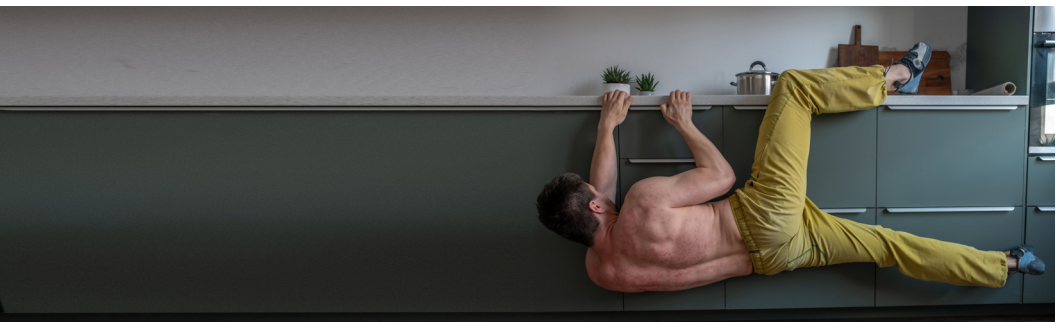
“Surviving the 2007 Recession: 10 strategies for recession-proofing your firm”

1. **Lock in agreements now.** While you may not be able to control how much staffing your clients use if their business slows, you can make sure your firm is the first call they make for all of their staffing needs. Options include:
 - a. First call. Provide incentives for clients who call your firm first with staffing needs.
 - b. Volume. Offer volume purchase incentives.
 - c. Single source. Negotiate agreements with clients to become their MSP.
 - d. On-site. Sign long-term contracts to assume responsibility for managing clients’ temporary staffing function.
2. **Expand client relationships.** Develop a network of relationships within each client organization, so your dependence on any one relationship becomes negligible.
3. **Find ways to reduce cost, without damaging service.** Ask clients: “Which of these services would you be willing to pay extra to receive?” Anything your clients won’t pay for isn’t really valuable – and can be eliminated to save money.
4. **Investigate diversification opportunities.** Carefully consider natural market extensions in the following ways:
 - a. Service line extension: entering related disciplines that thrive during a recession.
 - b. Market expansion: opening new offices in geographic areas resistant to recession.
 - c. Product line extension: offering entirely new services that move you up the value chain.

PLAY #2

Continued Lessons from “Surviving the 2007 Recession: 10 strategies for recession-proofing your firm”

5. **Broaden your client base.** If more than 10% of your business comes from any account, invest in sales and marketing to expand your client base, and reduce your dependence on key accounts.
6. **Help your clients plan ahead.** Interview customers to learn more about the recession's impact on their businesses, and then help them develop the best staffing plans.
7. **Aggressively manage financials.** Cut non-essential costs and generate additional savings by driving process efficiency. See where you can negotiate better deals where possible.
8. **Upgrade technology.** Adopt better digital technology platforms that improve your service delivery and train your team to use your tech to its full advantage.
9. **Make the economy “the other guy’s problem.”** During any downturn, there’s still enough business out there for you to thrive. Do everything you can to capture it.
 - a. Target weaker competitors’ clients.
 - b. Increase sales activity quotas.
 - c. Hire away top employees from competitors.
 - d. Improve your ability to locate hard-to-find talent – so you can fill every order you get.



PLAY #2

Continued Lessons from "Surviving the 2007 Recession: 10 strategies for recession-proofing your firm"

- 10. Invest in smart marketing.** Invest in high-ROI tactics that drive more sales inquiries, strengthen client relationships and give your sales team more opportunities to sell. Here are a few examples of smart marketing:
- a. Using integrated direct marketing to increase sales efficiency and capacity.
 - b. Creating low-cost direct marketing campaigns to stay top-of-mind.
 - c. Designing targeted promotions to drive immediate response.
 - d. Conducting educational workshops to teach people to use staffing strategically.
 - e. Developing deep and broad candidate networks to fill orders faster.
 - f. Upgrading your website to improve service and increase inquiries.
 - g. Repackaging services into new solutions.
 - h. Bringing sales and service to client meetings to create custom-tailored staffing plans.
 - i. Getting more involved in your community (increase networking and visibility).
 - j. Doing more research to gain insight into your clients' businesses.
-

**Want 140 more ideas to make your
marketing smarter & more affordable?**

DOWNLOAD CHECKLIST

**FREE Smart
Marketing
Checklist**



PLAY #2

Lessons from “Recession 2008: Five things to do RIGHT NOW”

Resist the temptation to “slash and burn” right now. Here’s what you firm can – and frankly, should – be doing instead:

1. **Help your clients plan ahead.** The downturn may affect your clients as much or more than it does you:
 - a. Discuss the impact it’s having on their business.
 - b. Brainstorm ideas for converting more fixed labor expenses to variable to minimize risk.
 - c. Recommend churning talent to top grade staff.
2. **Get a jump on the competition.** Use multiple channels of communication to:
 - a. Be more visible
 - b. Strengthen your positioning
 - c. Stay top-of-mind.
3. **Demonstrate the ROI of your services.** Target prospects with case studies that prove the economic impact of staffing and direct hire services.
4. **Educate your clients.** Use webinars, eBooks, blog posts, sell sheets and more to teach prospects and clients new ways your services can be of value...in all market conditions.
5. **Don’t wait to get started.** When a downturn hits, marketing more aggressively helps you boost awareness and stay top-of-mind. It signals to the market that your business is doing well. And people want to work with companies that are successful!



FACT:

**Aggressive advertisers
obtained 4.5x the
market share gain
of competitors who
cut back on marketing
during a recession!**

Source: Center for Research & Development

When competitors pull in spending, they signal that they’re in trouble. Don’t fall victim to this trap.

PLAY #2

Lessons from “How to Sell When Someone Says ‘We’re not hiring’”

Bad news about the economy scares employers. They pull back on investments in technology, marketing and of course, talent.

“We’re not hiring” is a phrase you’re going to hear a lot of in the coming months (maybe longer).

So what can you do? If you want to survive, you have to think smarter.

STEP 1: Stop being reactive

Ask better questions:

- How is this impacting your workforce?
- You may not need temps right now, but what do you need?

STEP 2: Go back to sales 101

Do more homework to understand their pain right now. The more you know, the better solutions you can offer.

STEP 3: Drive out cost

“Cost savings” can take many forms. Show how your services reduce labor expenses, improve productivity, lower total employment costs (e.g., benefits, HR administration), improve flexibility and reduce risks.

STEP 4: Capitalize on opportunities

Help your clients find them in their businesses, then explain how you can provide the talent to allow them to capitalize on these ideas with minimal financial risk.

STEP 5: Strategic recruiting

Create future business by helping your clients plan hiring needs and proactively source and nurture a talent bench for those hires.



PLAY #2

Lessons from “Branding in a Recession”

In uncertain economic times, marketing may seem like easiest thing to cut. However, smart executives understand that during a recession, marketing (including branding) is a non-negotiable budget item.

HERE’S WHY:

- Lose visibility, and you WILL lose market share.
- Companies that market fall less and grow faster.
- Marketing gives your sales team a reason to call.

WHY DOES BRANDING MATTER?

During a downturn, a clearly defined brand helps:

- Strengthen your positioning.
- Build awareness, differentiation...and brand preference.
- Clarify (to clients, candidates and internal staff) what you’re known for.

3 TYPES OF BRANDS TO CONSIDER BUILDING RIGHT NOW:

- **Personal brands:** individual identities of your recruiters, sales people and leaders.
- **Product or service brands:** aligning your offerings with something your audience needs or wants.
- **Market brands:** defining your brand based on the niche you serve.

FACT:

Companies that advertise aggressively during past recessions had sales 256% higher than those that did not continue to advertise.

Source: Wharton School

PLAY #3: Do what winners do.

**Businesses that
thrive in any economy
do things differently.**

In this section, we distill the lessons we've shared into four moves your staffing firm should make to come out on top:



PLAY #3

Winners play defense.

TO WIN IN A DOWNTURN:

- **Get prepared, before it happens.**
Don't wait to act. Spend time planning, NOW.
- **Cut (non-essential) costs**
Negotiate contracts. Shop alternatives. And get rid of expenses your firm can do without, even temporarily.
- **Automate / streamline processes and procedures.** Look for ways technology and process improvement can drive efficiencies and cost savings.
- **Strengthen customer relationships**
Use Zoom, Skype or other technology to get much-needed facetime. Master digital customer service.
- **Sign long-term contracts.** Give employers incentives for volume or long-term contracts.
- **Focus on your core strengths.** Become unbeatable / irreplaceable at what you do.
- **Build a cash cushion.** Use every extra dollar to create a reserve.
- **Don't get comfortable.** Challenge everything you do, looking for ways to do it faster, better and in a way that's easier for clients and candidates.



PLAY #3

Winners play offense.

INSTEAD OF MERELY REACTING TO THE CONDITIONS AROUND YOU, GET AGGRESSIVE:

- **Market. Market. Market.** Stay visible! Pursue strategic opportunities.
- **Invest to improve efficiency.** Look for tools that eliminate wasted time, money and resources.
- **Top grade talent.** Capitalize on talent availability by driving healthy churn both internally and with your temps on assignment.
- **Invest in R&D or digital transformation.** Consider initiatives or technology that will generate cost, service quality and/or speed advantages.
- **Invest to build around your core focus.** Whatever your area of competitive advantage, spend intelligently to widen the gap between you and the competition.
- **Pursue M&A.** Buy companies now, when they cost less.



PLAY #3

Winners avoid big mistakes.

DON'T FALL VICTIM TO THESE TRAPS:

- **Panicking.** Stay calm and rational, even if the world around you isn't.
- **Only focusing on cutting costs.** Strike a progressive balance between reigning in expenses and spending wisely.
- **Cutting marketing.** While it may be tempting to reduce or eliminate marketing right now, remember this: in a customer's mind, out of sight = out of business.
- **Slashing prices.** If you cut prices, you devalue your services – and make it harder to recover.
- **Doing nothing.** Don't just hunker down and wait for things to get better. Plan what you will do now, to ensure things will get better sooner.
- **Jumping into a "hot" new market or industry.** Unless you have, hire or acquire (via M&A) the right expertise, you'll waste a ton of money and likely be crushed by competitors.



PLAY #3

Winners build a smart marketing strategy.

REGARDLESS OF YOUR SIZE, SPECIALIZATION OR GEOGRAPHIC FOOTPRINT, A SMART MARKETING STRATEGY WILL SUPPORT YOUR SUCCESS IN ANY ECONOMY:

- **Segment your clients.** Use demographic and psychographics to clearly define your audiences and deliver the right message to each.
- **Improve sales efficiency.** Use integrated direct marketing to support your sales team's efforts when they can't visit in person.
- **Stay top-of-mind.** Use email, PPC, social media and video to stay highly visible and signal your firm's strength.
- **Bundle services.** Create incentives for employers to buy NOW.
- **Skill market.** Find homes for top talent to generate more placements.
- **Become a resource to your clients.** Use content marketing to help employers solve their problems, position yourself as an expert, and drive inbound leads.



PLAY #3

Winners pivot their marketing strategy in a recession.

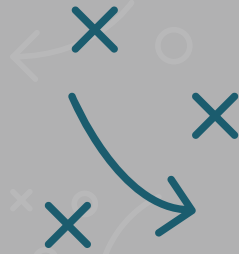
FOCUS YOUR MARKETING EFFORTS AND RESOURCES IN THE RIGHT DIRECTION DURING THIS DOWNTURN:

- **Broaden your client base.** Get as many new clients on board as you can, even if they're "little fish."
- **Find new services to provide to current clients.** Keep clients out of competitors' clutches by talking to them, helping them plan and brainstorming creative solutions to their biggest challenges.
- **Automate to improve the client / candidate experience.** Consider what more you could to make working with your firm easier, faster, more convenient and yes, fun.
- **Look for new business models.** Evaluate online staffing options or other new ways you could deliver services to your clients, especially as social distancing continues.
- **Go deeper with your clients to help them plan ahead.** Get on the phone or meet virtually to forecast their needs over the next 30, 60 and 90 days. This downturn won't last forever, and you should be the one they turn to when growth kicks back in.



PLAY #4:

Choose not to participate!



BY:

- Getting more aggressive and creative with sales, marketing and pricing
- Relentlessly nurturing relationships with current customers
- Focusing on services that add the most value for customers
- Investing in training and product development to crush the competition

**...you can
come out the
other side
stronger, more
resilient and even
more profitable.**



PLAY #5:

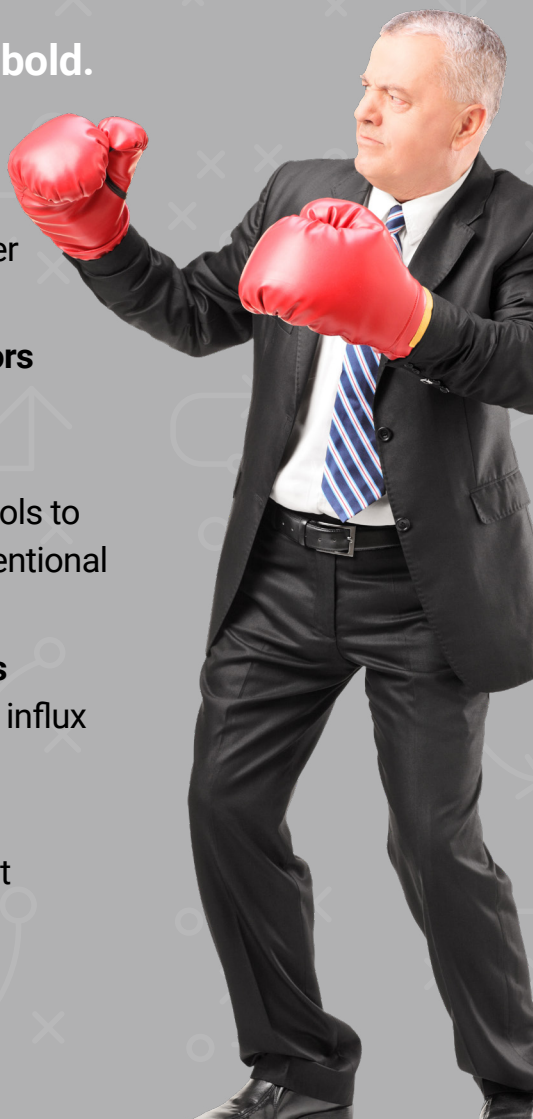
Make this recession “the other guy’s problem.”



Recession favors the bold.
The highly adaptable.
The decisive.

Now is not the time to cower
or hunker down; it's time to:

- **Target weaker competitors**
and go after their clients
- **Increase sales activity**
and provide marketing tools to
make every call more intentional
and effective
- **Hire away top employees**
while there's a temporary influx
of highly qualified talent
- **Recruit more**, so your
candidate pool is the best
in the industry



THESE MAY BE UNPRECEDENTED TIMES...

...BUT OPPORTUNITY IS EVERYWHERE.

AND WE'RE HERE TO HELP YOU SEIZE IT.

We're retooling products. Offering special promotions. And finding new ways to ways to make marketing faster, more effective and less expensive for you.

VISIT OUR COVID-RECOVERY PAGE

haleymarketing.com/covid-recovery

It's filled with business strategy and marketing resources to help your firm plan for, and even thrive in, this economic downturn:

- Recession-beating strategies from Harvard Business Review, Bain & Company and more
- Proven marketing strategies our clients have used to recover faster from recession
- 3 eBooks to make your firm more flexible, competitive and profitable

**WANT TO BRAINSTORM IDEAS
OR GET EXPERT ADVICE?**

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