NEW YORK STAFFING ASSOCIATION

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SPECIAL POINTS OF INTEREST:

- **Nominate your Staffing Professional of the Year! Nominations are due 9/5.**
- **Participate in Disability Mentoring Day on 10/15 and make a difference. Deadline is 9/5.**
- ***"How Effective Marketing Can Grow Your Business Today"* Register now for this interactive marketing panel discussion on 9/24.**

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The NYSA News

NYSA NEWS- 3RD QTR 2008 AUG/SEPT

Letter from the Presidents

Summer is almost over in New York! As we look toward the Fall season, we look forward to the exciting programs we have coming up...

In the first half of the year, NYSA has been hosting complimentary Industry Partner events, and the attendance and interest in these events has skyrocketed. The feedback continues to be extremely positive about the program topics, speakers, and venues.

We're thrilled to present the exciting events that we have coming up in the third and fourth quarters of 2008 — from Staffing Professional of the Year to our interactive marketing panel discussion, "*How Effective Marketing Can Grow Your Business Today,*" to a program NYSA is participating in with the NYC Mayor's Office, Disability Mentoring Day. For the latest details, please visit our upcoming events page online.

Get your applications and registrations in NOW to be eligible for these exciting programs. The deadline to apply for Staffing Professional of the Year and Disability Mentoring Day is September 5th.

We look forward to a great year with you!

To Your Company's Success,

Stan Kravitz, Metro President

Kate Post, State President

At the Mayor's Mansion

August 12, 2008 — New York Staffing Association (NYSA) members represented at Gracie Mansion during the mayor's annual Summer BBQ in honor of the Americans with Disabilities Act and to kickoff the annual **Disability Mentoring Day** (DMD) program. Mayor Michael Bloomberg and NYC Commissioner Matthew Sapolin presented the awards ceremony.

NYSA attendees included Stan Kravitz, NYSA President, Ivy Liu, NYSA Executive Director, and Caroline Sanchez of Metropolitan Staffing and NYSA member. To participate in DMD day and mentor a disabled worker for the day at your office, send in your applications by 9/5/08.

Pictured: (top) Matthew Sapolin, Stan Kravitz, (bottom) Caroline Sanchez, Stan Kravitz, and Ivy Liu.

Making New Clients

"Market Tight? Don't Find New Clients, Make Them."

"In your sales process, show people how you can help them to control costs, improve productivity, manage risk, and get more work done."

"In today's market, educational selling can play a big role in growing sales."

By: David Searns,
Haley Marketing Group

Market Tight? Don't Find New Clients, Make Them.

"We made 100 cold calls this week, had twelve really good face-to-face appointments, and still we closed no new business. What are we doing wrong?"

Sound familiar? Not too long ago, I was given the opportunity to participate in a fascinating event. Scott Wintrip, founder of StaffingU (http://www.staffingu.net) allowed me to listen in on one of his sales training classes. Scott's advice was terrific. But what I found most interesting were the frustrations, and the perceptions, of the sales professionals involved.

Listening to these people was kind of like watching someone run up the down escalator. You know they may get where they're going, but what a waste of energy! For example, consider how these people are being told to deal with the current economy:

• Since business is slowing down, these reps are under intense pressure to compensate for declining sales by making more cold calls.

• High volume accounts are using less staffing support than they did just six months ago, yet many of these reps are being told to focus on major accounts.

• HR managers, in an attempt to address the constant onslaught of staffing sales reps, are prohibiting direct contact with end users. In response, sales reps are going around HR—and in the process creating resentment and distrust with the HR department.

• Fortune 1,000 and even many mid-tier buyers are turning to VMS and purchasing departments to drive down cost, yet sales people are being told to focus on driving up margins.

Pretty easy to see why sales people feel frustrated. They're using transactional selling techniques (cold calling and order taking) with sophisticated buyers during a time when demand is down. And rather than changing their techniques to deal with market conditions, they're being told to simply do more. These poor people are fighting an uphill battle and relying on outdated tools.

Making New Clients

If you were in the staffing industry 30 years ago, you probably didn't do a lot of transactional selling. When you called on a new account, you couldn't ask them about their staffing needs; they didn't have any (or at least, they didn't know they had any). To close sales, you frequently had to teach people what a "temp" was and how to use one. Essentially, you made new clients through a process of education.

Today, many companies have become sophisticated users of staffing services, particularly those with large HR departments. You're not going to teach them about using temporaries. However, many other companies, particularly smaller ones, still don't really understand the value of staffing. Let me share a story I think you'll find interesting:

Several years ago, I participated in a program at the University of Buffalo's Center for Entrepreneurial Leadership. My class consisted of 22 business owners, and as part of the program, each owner gave a presentation on his or her company. One gentleman in my class ran a highly successful distribution firm. In his warehouse, they outsourced 100% of their labor to a staffing firm. Now here comes the surprise….

During the Q&A period, 20 of 22 other owners berated this owner for his use of "temps." They threw out all the typical stereotypes: "they're not reliable," "quality will suffer," "they're expensive," etc. To my shock, these 20 business owners unanimously viewed temporary staffing as a bad thing…and certainly not as a means to running a more profitable business.

In today's market, educational selling can play a big role in growing sales. With small companies, you can use education as a means to sell value. In your sales process, show people how you can help them to control costs, improve productivity, manage risk, and get more work done.

With larger companies, educational selling may be a bit more challenging. First, you have to find out what kinds of people-related challenges the business is having. Next, you have to determine if (and how) you could solve these challenges. And finally, you have to convince a fairly savvy consumer that you can really solve the problem…and that the solution justifies the price. While it may not be an easy sale, educational selling may be the only way to get beyond the pricing game with larger accounts.

Educational Selling "How To"

Step 1: Define the kinds of problems you can solve.

Step 2: Identify businesses likely to

be having those kinds of problems right now.

Hint: If you can, skip the big companies with sophisticated HR departments. If you can't, you will need to make sure that one of the problems you can solve is lowering labor expenses.

Step 3: Create an educational curriculum.

- Break your educational message into a series of small pieces.

- Be sure to repeat key learning points often.

Step 4: Deliver your curriculum.

Get your message to your prospects (and even your clients) through the most cost-effective methods. Consider using a series of direct mail, e-mail, drop-offs, seminars, or a mix of all these techniques.

Step 5: Follow-up, follow-up, follow-up.

- Integrate your education with your sales efforts.

- Don't just sell, focus on helping clients and prospects to understand how your services can help their business to be more profitable.

"Share the information inside your company."

Making It Work

Training

Unfortunately, many sales reps do not fully understand how staffing can be used to solve problems. Some don't know how to sit down with higher level decision makers to determine the real problems a company has. Before sending your educational curriculum to the outside world, share the information inside your company. Teach reps about the value of staffing. Provide them with a list of the kinds of questions they can ask to uncover problems and offer formal training on selling to executives.

Coaching

To maximize the effectiveness of your sales and service staff, hold regular coaching sessions to review specific client challenges and brainstorm staffing solutions. Through this process, everyone will come to better understand the value your services can offer and how to sell that value to their clients.

More training

Effective training is not a one-time event. Make training a process you regularly repeat.

Purchase your content curriculum

Educational content sounds like a great idea, but it's hard to create. Most people don't have the time to develop this kind of curriculum in-house. Find an outside vendor who knows your industry and can help you create the right content to sell the value of your services.

Think cost-effective

Find ways to reach the most people with the greatest impact for the lowest cost. Often, a mix of media is most effective (e.g., direct mail, e-mail, in person).

Be Persistent

Educational selling is not a quick fix. It takes time to get people to recognize and admit to their problems, understand the value you can deliver, and develop enough trust in you to test out the solutions you recommend. Stick to the process, and over time, people will come to see you as an expert, a problem solver, and someone to whom they want to give their business.

David Searns is the founder and President of Haley Marketing Group. www.haleymarketing.com

"It takes time to get people to recognize and admit to their problems, understand the value you can deliver, and develop enough trust in you to test out the solutions you recommend."

7 Tips to Maximize Social Networks

Bullhorn's latest research report, "How Danny Sees It: Danny Cahill's 7 Tips on How to Use LinkedIn and Other Social Networks," reveals tips from the Staffing and Recruiting Industry Guru, Danny Cahill, on how to best utilize social networks such as LinkedIn, Facebook, and ZoomInfo for candidate recruiting. Some of Danny's key tips include how to use a social network aggregator to target your searches; how your voice mail message strategy can help you to best utilize LinkedIn; and ways to use ZoomInfo to generate better job orders.

Click here to download the entire report!

About Bullhorn, Inc.

Bullhorn is the global leader in On Demand, front office staffing and recruiting software, providing the only completely integrated front office solution for staffing and recruiting firms.

For more information, visit www.bullhorn.com or call +1(888)GoLive8.

Learn the Top 7 Tips on How to Use LinkedIn, Facebook, and Other Social Networks

NYSA Happy Hour Pictures

New York Staffing Association's End of Summer Happy Hour at the Irish Rogue Pub

The NYSA Happy Hour Had Networking, Fun, and a Kickoff for Disability Mentoring Day , an annual program with the NYC Mayor's Office and the NYC Mayor's Office of People with Disabilities (MOPD).

Upcoming NYSA Events

September 18   6 – 7:30 p.m.

NY Staffing Employee of the Year Reception

Nominate your top temp and go to our awards ceremony to honor the best NY temporary workers.

Recognize Your Top Temps at NYSA's Awards Ceremony

September 24
8:30 – 10:00 a.m.

"How Effective Marketing Can Grow Your Business Today"

This marketing panel discussion led by industry leaders shows you how you can still succeed today with a strong marketing plan.

September 25   6 – 9:00 p.m.

Long Island Summer Soirée

An evening of wine, cheese, and discussion with industry peers.

October 15

Disability Mentoring Day

We're an industry that prides ourselves in protecting our own while helping others. NYSA is participating in Disability Mentoring Day (DMD), one of the highlights of National Disability Employment Awareness Month, a national program launched by the American Association of People with Disabilities (AAPD) and the NYC Mayor's Office for People with Disabilities (MOPD).

For the latest information on NYSA events and to register, download a copy of the **upcoming events schedule** or visit our upcoming events page online.

Questions? Contact NYSA at (800) 264-7029.

Evaluating How Much Credit to Give to Clients

By Henry E. Rakowski, Esq.

Law Offices of Henry E. Rakowski

Like a bank or a credit card company, any commercial business acts as a creditor that must conduct due diligence on its prospective clients. Even publicly traded corporations have issues which are hidden without conducting successful due diligence. Any commercial enterprise that misses the opportunity to conduct due diligence – even on triple-A rated clients - may find itself regretting that decision when payment is not received.

I urge that all commercial business prepare and properly use a credit application. Information provided should include Tax I.D. number, officers, top five shareholders, and home addresses of officers and shareholders. The information provided by the client must be verified to ensure accuracy. While not practical in many industries, the credit application should be accompanied by at least one month's bank statement, a corporate good standing certificate, ledgers and sworn financial statements. The name on the contract must match the name on the corporate filing certificate. A collection attorney can only name the client in the contract. I know of no way to correct the name after the fact where it is the creditor's mistake. You are limited by bringing suit against the entity with whom you have contracted. Arguing that the court should correct the mistake means that you are going into court admitting to careless practices from the outset. Courts will not correct or reform contracts. This is basically a fraud action which is much more difficult and expensive to prove than a breach of contract action.

The bank statement should be reviewed to confirm that the client is the same entity that is processing the corporation's revenue. Even sophisticated commercial creditors have found out too late that the client was a mere shell and that a holding company was processing all or most of the client's revenues.

Don't assume that because the individual owner of the client is signing the contract in his individual capacity you have sufficient assets to cover an unpaid contract. Reverse-piercing situations arise where an individual makes himself liable, while the corporation is the entity receiving all of the cash revenues.

I have found a common practice for publicly traded entities to use holding companies in one way or another. In these instances, the holding company is a different corporate entity not contractually bound to the creditor. To get paid, the creditor would need to pierce the corporate shield – another very difficult and expensive law suit. In other instances where the client is out of business, your only remedy is to go after the principals for diverting corpo-

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"Once the information is accumulated, it should be reviewed and confirmed by independent verification techniques. "

"Creditors that professionally and diligently learn to whom they are offering credit will be delighted to learn that they have successfully contracted with only the most qualified clients while simultaneously improved their chances of collecting unpaid fees or commissions."

rate funds for their own personal use. At least one judge in New York has ruled that the creditor could not pierce the corporate veil because the creditor should have, and, could have, determined before it approved credit that the principals were paying their personal debts with the corporate client's funds.

It is therefore a good practice to ask for a "QuickBooks" ledger and verified financial statement to confirm how the client operates. The ledger should provide detail on the source of revenue and the recipient of payments. The financial statement should detail the client's assets their location and in what form they take. After you get a judgment, you can use this information to track assets to get paid.

Once the information is accumulated, it should be reviewed and confirmed by independent verification techniques. If the financial documents show that the client is not the entity that is processing the revenue, get a cross-corporate guaranty. If the assets being held are outside of the reach of a New York court and not subject to restraint then the creditor is advised to get a letter of credit. The face amount of the letter of credit is likely to be your only recovery under such circumstances. Letters of credit must be checked so that they unambiguously and unconditionally allow a creditor to submit for payment to the bank in the event of a default. They also have a side benefit of not being considered an asset of the client, so that in the event of a bankruptcy, there is no bankruptcy stay on the creditor's effort to get paid through a letter of credit. Even advance payments made by the client within a ninety-day period prior to the bankruptcy filing can be ruled a preferential payment, which must be paid back to the Bankruptcy Trustee or Estate.

After the Agreement is signed, the creditor should send unambiguous statements of account. They should show any unpaid invoices, etc. They should also show that period's payments and other credits. In New York, statement of account law is considered by a judge in a collection law suit for unpaid services. If the client sent a partial payment after receiving the statement of account, it has waived any objections to the balance owed belatedly raised for the first time in defense of the collection law suit.

To confirm that nothing changes after the Agreement is signed, the creditor should implement a practice of copying checks received from the client. These should be monitored because if checks start arriving from a different entity, the creditor should inquire of the relationship between this new payor and the client. If it is determined that there is a transfer of ownership or of the assets, prompt action should be taken to trigger the default provision inherent in the no assignment clause that should be in your agreements. The assignment clauses should be drafted to include any bulk transfer of assets outside the ordinary course of business or any transfer of stock exceeding 40% in the aggregate of outstanding and/or authorized or issued stock.

Serious consideration should be given to implementing these practices and procedures. Creditors that professionally and diligently learn to whom they are offering credit will be delighted to learn that they have successfully contracted with only the most qualified clients while simultaneously improved their chances of collecting unpaid fees or commissions.

Are you next to be on our Board of Directors?

We're Looking for You!

The New York Staffing Association is looking for new faces with new ideas for the NYSA Board of Directors. NYSA holds board meetings every other month to discuss the current happenings of the association and what can be done to ensure our membership is proud to be a part of NYSA.

If you are interested in learning more about the open positions on the board, contact Ivy Liu, NYSA Executive Director, at (800) 264-7029 or by email at info@nystaffing.org.

Membership Corner

We are pleased to welcome the following new member companies in 2008!

Core Staffing Services, Inc.
Mitchell Heine
mheine@employcore.com

RemX Specialty Staffing
Mr. Rory Sakin
rorys@remx.com

Contemporary Personnel Staffing
Ms. Meg Sherman
msherman@cpsprofessionals.com

Sound Advice Consulting Service, LLC
Mr. Jason Hill
jhill@sa-cs.com

Rotator Staffing Services, Inc.
Mr. Bradley Block
brad@rotator.net

Greystone Staffing
Ms. Alita McEmery
alitam@greystonestaffing.com

Express Professional Services
Mr. Farley Look-Kin
expressbklyn@yahoo.com

Linium Staffing
Ms. Miriam Dushane
miriam.dushane@linium.com

NYSA welcomes the following new Industry Partners in 2008...

Wells Fargo Business Credit
Mr. Matthew J. Nutter
matthewnutter@comcast.net

Bullhorn, Inc.
Ms. Ashley Burgess
aburgess@bullhorn.com

Capital TempFunds
Mr. Rob Derbabian
rderbabian@capitaltempfunds.com

Frank, Frank, Goldstein & Nager, PC
Mr. Peter Rubin
prubin@ffgnesqs.com

Capital One Bank
Mr. James Wohn
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Riviera Finance
Mr. Jerome Gregory
jgregory@rivierafinance.com

NYSA Metro Board of Directors

President
Mr. Stan Kravitz
The Metropolitan Companies, Inc.
skravitz@metstaff.com

Vice President
Position Open
If interested, please contact
Ivy Liu, NYSA Executive Director,
at (800) 264-7029 or
info@nystaffing.org

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Interested in learning more about open positions on the boards?
Contact us at 800-264-7029 or by email at: info@nystaffing.org

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Website: www.nystaffing.org

The Voice of the Staffing Industry

The New York Staffing Association (NYSA) is the trade association for the staffing industry in New York. We serve as the voice of the industry in state efforts to communicate industry matters to association members, legislative leaders, regulators, the news media and the general public. You can make that voice more effective when you join our association.

NYSA members enjoy valuable benefits year-round including exclusive NYSA member discounts for networking events, educational seminars, and industry partner services and products for their staffing businesses.

AFFILIATED WITH American Staffing Association

It's Time...Renew Now and Save

It's time to renew your NYSA membership. Take a few minutes to renew your NYSA membership now and you'll continue to enjoy uninterrupted member benefits all year. Act now and you'll get 2008 rates all through 2009.

It's easy to renew. Call Ivy Liu, NYSA Executive Director, to renew over the phone at (800) 264-7029 with a credit card. You can also mail your check or you can fax, email, or mail in your credit card payment.

Renew or join now so you won't miss out on these valuable member benefits:

- Professionalism— show clients and employees that you're active in your local industry association
- Exclusive member discounts all year for you and your company to NYSA events (savings of up to 50% off non-member prices)
- Member only discounts for NYSA Industry Partner services and products for your firm
- Valuable networking opportunities with your industry peers and industry partners
- Breaking industry news and legal updates that affect your business
- Impact change with your voice and lead the way for better business through legislative advocacy
- Quality educational programming for professional certification credits
- Network and learn best practices from your industry peers
- Build your competitive edge through networking, educational programming, advocacy, professional development
- Be on the pulse of your industry with access to the latest news and opportunities to build valuable long-term connections
- Dues are 95% tax deductible
- and much more...

Renew or join now!
Fill out the NYSA membership application online at
www.nystaffing.org/members/index.html

Questions? If you have questions about renewing or joining as a new member, please contact Ivy Liu, NYSA Executive Director, at (800) 264-7029 or at info@nystaffing.org.

Thank you for your continued support as a valued member of our association.