



# Inner View

The Bi-Monthly Newsletter of California Staffing Professionals

January/February 2003

## From the CSP Boardroom



Iris Brody Lopez, CAC  
CSP State President

It's a New Year and that means a fresh start for each of us. What are your goals and expectations for 2003? How do you plan on turning them in to realities? If you're in need of a kick-start, then plan on attending CSP's **Motivation Day** Events!

Southern California's **Motivation Day** is Saturday, February 1, at

the Sheraton Cerritos Hotel. You won't want to miss industry professional Patricia Drain, CPC, CIPC. She has successfully built and sold several recruiting/staffing companies, and has helped thousands of recruiters and business owners across the country take their businesses to the next level. Call Melissa Taub at 818-700-8282 or email [taubassoc@aol.com](mailto:taubassoc@aol.com) to make your reservation today! Breakfast, lunch and snacks will be served at this all-day event.

Northern California's **Motivation Day** is Saturday, February 8, at the Sheraton Hotel in Concord. Peter Leffkowitz promises a *new program* designed to meet your needs in today's market. He has trained thousands of industry professionals to take the "path less traveled" while also teaching owners and managers how to build and motivate successful teams. There is going to be a special Owners/Managers session where Peter will answer your questions. Call Joan Boragine at 415-433-1143 or email [email@jboragine.com](mailto:email@jboragine.com). You won't want to miss either of these events!

Your State Board of Directors met last weekend at the Santa Ana Embassy Suites. Legislative issues continue to keep us

busy in California. Edelstein & Gilbert, our lobbyist firm in Sacramento, filled us in on what to expect this year in the legislature. A special "*Taskforce on Worker's Compensation Issues*" was created to address all of our concerns in this area. State Board members Joe Mackey and Mike Binder, along with South Bay CSP member Ray Soll (who is also on ASA's Board of Directors and Garamendi's Insurance Taskforce) make up the committee.

The other "hot topic" discussed at our State Board Meeting was our "**Bet On Your Future**" conference in Las Vegas May 1-3. We are really excited about what we have planned! We have listened to your feedback. We will equally cover temp/contract and direct hire subjects at this conference.

There will be an Owner's Only session on Thursday afternoon, May 1. General sessions will be held on May 2 and 3. You won't want to miss our "Interactive Keynote Sessions" on Friday or Saturday. **Danny Cahill** will be speaking for three hours on Friday morning. Who knows our industry better than Danny? He always has his finger on our industry's pulse. Our Saturday "Interactive Keynote Session" will be presented by **Leslie Merrow**. Leslie will be speaking about "Staffing & Recruiting—A Look Back...A View of the Future." Leslie is Senior Vice President of Adecco's Southwest Division and is responsible for \$700 million in revenue. You'll want to hear what Leslie has to say. Industry vendors are already making their reservations to show off their newest wares. Mark your calendars now or call Lynn Ebro, our Executive Director, for more information and reservations. Look for your complete conference brochure in early March!

Remember to support your local chapters. They work hard to put on events that you want to see and hear.

Wishing you all a successful 2003.

## 2002-2003 CSP State Board of Directors Executive Committee



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## Post Annual Injury And Illness Report By February 1, 2003

California employers covered by Cal/OSHA record keeping requirements must post their **2002 Summary Of Work-Related Injuries And Illnesses** form by February 1. It must remain posted in a conspicuous place where notices to employees are customarily posted through April 30, 2003.

The Form 300-A summarizes the information recorded in the Log 300 throughout the year. You do not have to post the Log 300 form itself, but you must keep the Log 300 and Summary for five years after the year to which it pertains. You do not have to send the completed forms to Cal/OSHA unless specifically asked to do so.

Form 300-A must be certified by an owner of the company, an officer of the corporation, the highest ranking company official working at the establishment, or the immediate supervisor of the highest ranking company official. You may use an equivalent form other than the official Cal/OSHA Form 300-A. The substitute must include the employee access and penalty statements certification found on the official form.

- Post the Form 300-A in a conspicuous place where employee notices are typically posted by February 1 through April 30.
- Begin a new Log 300 to record occupational injuries and illness effective January 1, 2003.

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## How Much Should You Charge?

By Jeffrey G. Allen, JD, CPC  
Law Offices of Jeffrey G. Allen

Most fee schedules are “1% per thousand” with a 30% cap. But around half of the fees received are less than any scheduled amount. They’re less either because a lower fee was negotiated or simply because the “client” decided it was too high after the placement was made. For once and for all, here’s the way to determine how much to charge:

**SET A FAIR FEE.** No matter how you determine your fee, effectively presenting and collecting it will depend on your personal mindset about whether it’s fair. This is critical to any consistent, viable feegetting approach. Here are some things that will help you decided:

- Ö Review at least 20 fee schedules from competitors in your industry.
- Ö Ask at least 20 employers in your area about their fee policies. Then determine whether there are exceptions.
- Ö Analyze whether you can market your services in a way that will enable you to charge more or less.
- Ö Test market the fee schedule. Don’t just ask competitors or employers. Try it on for size.

### **KNOW THE DIFFERENCE BETWEEN AN UNCERTAIN FEE SCHEDULE AND AN UNCERTAIN FEE.**

A percentage contingency fee is an uncertain fee because the candidate’s starting salary is unknown until just before the contract is executed. An escalating percentage contingency fee is even less certain because even the rate isn’t known. But one thing is certain: If the employer doesn’t hire “directly or indirectly as a result of the referral,” your fee will be a big, fat, absolute Z-E-R-O. How many times have you said, “If you don’t hire someone through us, you won’t owe anything”? Do you realize what the effect of the “negative self-talk” is on the hiring authority and you? You’re talking yourself out of a fee every time.

Better to say, “We charge a percentage of the candidate’s starting salary. When he accepts (or starts), the fee is due.”

**DON’T BACK DOWN FROM THE FEE.** If you back down, the client will think you were deliberately attempting to overcharge him. You’ve lost your leverage and integrity.

That’s why most fee collections started as fee reductions.

When you try to enforce the fee, how do you show which one the employer agreed to pay? Either one? Another one? Neither one? How can an employer unequivocally agree to something that’s not definite and certain.

### **UNDERSTAND THAT LOWER FEES MEAN FEWER PLACEMENTS.**

Most placers think the opposite is true. If you manage to pry, push and pull a candidate through the hiring cycle, you won’t get a full fee. Lower fees mean working harder than average and less than average pay. If you’ve allowed yourself to get caught in this whirlwind, check your sendout, turndown, offer, acceptance and start

records. You’ll find that the greater the fee reduction, the less likely the placement.

### **DON’T TRY TO COMPETE WITH THOSE WHO’LL WORK FOR NOTHING.**

Nobody works for nothing, but employers would like you to think others do. When you try to compete with someone who’ll supposedly work for nothing, you’re not asking for a fee—you’re begging for it.

Someone who’ll work for nothing

doesn’t understand rudimentary placement cost accounting.

**BE ABLE TO PROVE THE FEE IS DUE.** The placement industry has talked itself into believing that the “customary and usual” way of doing business creates legally enforceable rights to a fee. The more sophisticated operators know the game. They used to just write off their losses, minimizing them by withholding commissions. But now, the losses on contingency search fees are over 20%. They might not tell you their procedures have changed, but they have—they’re requiring signatures of employers as SOP. One major company calls it “Standard Operating Procedure for Success On Payment.”



Jeffrey G. Allen, J.D., CPC, served as CAPC’s General Counsel for over a decade and is an honorary lifetime member. He has been a recruiter, human resources manager and placement law specialist for over 30 years and is the author of many international bestsellers in the career field. Among his industry works are “The Placement Strategy Handbook,” “Placement Management,” “The National Placement Law Center Fee Collection Guide,” and “Executive Temporaries”—available through Search Research Institute, P.O. Box 34343, Los Angeles, CA 90034. Credit card orders may be faxed to 310-559-6006. Jeff can be reached at LAW OFFICES OF JEFFREY G. ALLEN, 9601 Wilshire Blvd., Suite 1400, Beverly Hills, CA 90210. Phone 310-559-6000.

## Got Checks?

By Wilson Cole  
Adams, Evens & Ross

There are two questions about checks that I am asked on a regular basis and I thought I would share the questions and the answers with you.

**Question:** What should I do when a customer submits a check marked "Payment in Full" when it does not cover the full balance of the account?

**Answer:** It depends on what happened prior to your receipt of the check. When you receive a "Payment in Full" check, do you accept the check, possibly forgiving the difference, or do you refuse the payment altogether?

First, check your records. If there is no prior documented dispute over the total amount due, you can cash the check without prejudicing your right to recover the remaining account balance.



If there is a prior documented dispute, you have several options. The safest option is to reject the customer's check and demand either a check that covers the full account balance or a check without stipulations. Or, you can accept the check but at some risk to the collectibility of the remaining account balance. If you choose to accept a disputed full-payment check, you should stamp it with the words "This check is accepted without prejudice and with full reservation of all rights under section 1-207 of the Uniform Commercial Code."

Ensure that your stamp leaves a clear and legible impression. (This option is not applicable in Louisiana because that state is not covered by the Uniform Commercial Code. Ask your attorney to see if these methods are legal in your state).

**Question :** What should I do with unsigned checks?

**Answer:** A customer, either in error or as a ruse to delay payment, submits an unsigned check. Guarantee the unsigned check to your bank. This makes it possible to process the payment in a timely fashion. The procedure for guaranteeing an unsigned check is simple and straightforward:

- Write "over" on the signature line.
- Turn the check over and write or type, "lack of signature guaranteed" — followed by your signature, typed name, title, company name and account number. Process the check as usual.

Wilson Cole is the president of Adams, Evens & Ross—the largest credit and collections firm that specifically collects for the Staffing Industry. You may call their office at 800-452-5287 to receive your free 1-year subscription to "Credit Alert!" the email that identifies the top companies that have not paid other Staffing or Employment firms for the previous 2 weeks.

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## Resurrecting Dead Deals

By Alan Oaks, CPC

The only certainty in recruiting is uncertainty. The least likely placement happens while the deadlock does not. That can be frustrating at times and a pleasant surprise at others. One thing it should teach us is to be prepared for the unexpected.



In the office, I am known as the one recruiter specializing in “Lazarus Deals.” Those are the deals that are dead and buried but can be brought back to life with the proper timing and a reminder from the recruiter. The keys are being prepared for the possibility and a willingness to work through all the issues. The first thing to consider is why deals fail. That is where you start to resurrect them. Deals fail for the following reasons:

1. Poor offer
2. Counteroffer
3. Unrealistic candidate
4. Unrealistic client
5. Poorly closed deal (client extending the offer could be the culprit)
6. Process took too long
7. Candidate finishes second
8. Candidate is too expensive

The deals that fail the first time can come back like Lazarus in certain cases. The most common source of these deals are second place finishers, hiring freezes, minor stumbling blocks

in negotiating and clients and candidates who like each other but the skill match was not perfect. The key issue here is to catch the client as he has to reopen a search and be prepared to ask if he would reconsider a candidate. If the client is open to the candidate, the second test is your relationship with the candidate and whether he will trust you to try again. With this in mind, here are some of the ingredients needed to remake the deal:

1. The first time must have been a close call.
2. The candidate was qualified but finished second.
3. One side must have had continuing interest.
4. Timing must be right and the process must be very quick.
5. A second similar opening exists.
6. The candidate was the first choice and too expensive, but the second choice was not qualified so price can be negotiated.

Once the process starts again, the dealings with both client and candidate need to be carefully thought out and handled in a very measured way.

Remember these two have been jilted or at least stood up at some point, so there are more emotional issues than usual to be considered. Because of this the following must be done:

1. Qualify the candidate again.
2. Qualify the client again.
3. Assume it will not happen and perform extra due diligence.
4. Treat it as new deal, perform every step of the process as if both sides are hesitant.

Obviously these deals are fragile and there are many things to worry about:

1. What you do not know, have not been told or lied to about.
2. What was the “real” reason it failed the first time.
3. This is an emotional deal with the previous jilting looming in the background.
4. This is a low percentage deal compared to a normal one.
5. You must close more often and harder than you usually would.

Just remember these deals come by on a very sporadic basis but should not be dismissed until all issues have been addressed and the final bullet has truly killed the deal.

Permission for reprinting is granted by the author to ASA and its affiliated chapters. Alan Oaks, CPC, of the Jotorok Group has been an IT recruiter and CPC for more than ten years, and is currently the president of the Rhode Island Staffing Services Association.

## Member News....

### Orange County Chapter News

By Nita Busby, CAC, JCTC  
Résumés, Etc.

At its monthly dinner meeting last November, Rob Reiss, Executive Director of the *Orange County Business Journal*, shared his assessment of economics in OC for the coming years. He had good news and bad news, with a tad of encouragement to season the lot. Areas he touched upon included employment (high tech mostly) and housing. He compared today's events with those of the late 1980's and early 1990's when core staffing was laid off. Today for the most part, core personnel are still in place supported by temporary placements. This form of management is in place since industry wants to remain viable at the lowest cost. He stated that permanent placements have seriously fallen since the 9/11 events, pushing overall staffing down more than 12%.

He further observed that the OC housing market is in a bubble (price wise) but he predicts a significant drop in 2003. Currently there is a gap between supply and demand. As a general rule in the United States there is one new house for every new job. In OC, however, only one new house is built for every four jobs. In contrast, in the Inland Empire, one new house is built for every two jobs.

Reiss' tips for coping with the economic forecast: be aware of the economy and that there is typically a 5-year cycle — and Biotechnology has a positive future. Above all, he was positive that there are many advantages for business in Orange County. There is a diverse economy. The weather is moderate, and OC is in an ideal location for national and international trade. Therefore, he stated, the OC economic picture will brighten in time.

Cydney McFarlan, Chapter President, received many positive comments from chapter members and new attendees. The meeting was the best attended in several months. Due to good presenters and good information for the staffing industry, meeting attendance is expected to continue to increase in 2003.

Our chapter is looking forward to a prosperous 2003 and we "got the ball rolling" at the Chanteclair Restaurant for its holiday party. We certainly enjoyed the caroling, appetizers, and the door prizes that brightened the event. We wish the best to all CSP members and look forward to making 2003 reach its highest growth potential.

### New InfoLink Partnership

Recruiternet, Inc., the Portland, ME-based applicant tracking and staffing management solutions provider, has announced a partnership with CSP member InfoLink Screening Services, Inc., a leading provider of background screening services, to provide integrated background checking as part of Recruiternet's flagship applicant tracking system, Projectix™. As part of the agreement, Recruiternet has integrated the ability to order, track and view InfoLink's robust suite of candidate background checks and reference screening reports directly from the Projectix™ applicant tracking system.

InfoLink Screening Services is a nationwide provider of employment background checks, drug testing services and additional screening solutions. InfoLink's easy-to-use Web service, The HIRE Program®, enables human resource professionals to request searches, track work in progress, and retrieve and archive completed background screening and drug testing reports. Its cost-effective screening services and legal compliance expertise help companies hire with confidence and reduce workplace violence, employee theft, substance abuse and negligent hiring risk.

"It is important to our clients to be able to manage the entire hiring process in one place, and that's what our solutions let them do," Bob Neveu, Recruiternet president remarked. "By integrating InfoLink's background checking services into our Projectix™ software, we give our clients the ability to order reports directly from the system they're already using everyday...and cut down on the time and overhead involved in making a hiring decision."

"Our companies are jointly committed to helping clients recruit and hire the best applicants," said Barry Nadell, President of InfoLink. "The integration of our services fulfills this promise, offering clients full-featured applicant tracking, candidate-ranking tools and comprehensive background screening services in one seamless process."

*Next CAC Exam • April 26, 2003*

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Register online at [www.cspnet.org/acce.htm](http://www.cspnet.org/acce.htm)

## More Member News...



### New Members • Welcome!

November 1, 2002 - January 15, 2003

- The Private Club Search • Mountain View
- Hunter Employment • Yuma, AZ
- Steve Deem • Gilroy
- Eclectic Search • San Jose
- MicroNet Partners • Sunnyvale
- RealTime Services, Inc. • Winter Park, FL
- LIFT3 Business Solutions, Inc. • Vallejo
- Strategic Search Solutions, Inc. • Carlsbad
- Privilege Staffing Service • Brea
- The Dial Group • Whittier
- Valley Healthcare Systems, Inc. • Citrus Heights

## OC Chapter Helps the Children!

By Jill Caron & Diane Skullr  
Community Service Committee • Orange County



The Orange County Chapter was able to make a substantial contribution to *Canyon Acres Children's Services*. This is the sixth year that we have participated in buying Christmas gifts for all of the children.

We accomplished this due to the generosity of the following CSP members—and a few non-members as well. Thank you all!

Steve Payor • Bill Hogan • Teri Carter • Sandy White • Mary Emmerson • Jennifer Evans • Shannon Adams • Cydney McFarlan • Leah Solano • Diane Skullr • Pauline Lane • Robert Powers • Carole Kaye • Lea Timmons • Barry Gold • Nita Busby • Marie Rupsa • Karen & Herb Niles • Dean Gavello • Jill Caron • Gary Draper • Bonnie Webb • Candace Trude • Michael Rauen • Laura Hill • Angelina Arias • Carol Zadek • Don Ropain • Mary Ann Aadnesen • Paul Lenaburg • Ginny Parrish • Laura Horan

### We're Glad You Joined!

Peter Mack, President/CEO  
**Occuscreen Corporation**  
2425 Remington Drive • West Linn, OR 97068  
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Occuscreen has been providing cost-effective comprehensive drug testing and criminal background checks on a national level for over 9 years. Their contracted laboratory network has over 9500 collection sites nationwide. CSP members receive a 9 panel drug screen with GC.MS and collections for \$20; plus background checks for \$11/county.

W. Denis Nurmela, CEO  
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OneCall-OnCall, Inc., stands alone as a leader. Nothing comes close to their automated notification service. They save companies over 80% on their operating costs. They also reduce an hour of work into 15 seconds. They are the cutting edge of technology for the staffing industry.

## New Member Benefit

CSP has a new member benefit to keep you up to date with compliance news that affects California employers. CSP has partnered with the California Chamber of Commerce to bring you the latest news regarding California's labor laws by e-mail — FREE!

The *Labor Law Extra* is a bi-weekly e-mail newsletter sent directly to your e-mail box. It's easy to read, up-to-date and written by an attorney. You won't be disappointed! This is an "opt-in" e-newsletter, so you will only receive it if you register.

Take advantage of our new working relationship with the California Chamber of Commerce! The *Labor Law Extra* e-newsletter registration is one of the bulleted items under "Professional Development Tools" on the benefits page of our website ([www.cspnet.org/benefits.htm](http://www.cspnet.org/benefits.htm))

## Bookmark This Website!



There are some interesting sections on the EEOC website dealing with ADA, Discrimination and Sexual Harassment that you should be interested in. They not only spell out the law and give examples of how to handle a situation but, in some cases, give situations on how to apply them with temporary employees.

In this economic environment, there may be a tendency to overlook or ignore client requests about temps and job applicants that may be illegal when it comes to discrimination. After all, the client is always right. Or is he/she? A client's insistence to do it their way or no way may scare even the most seasoned recruiter when orders are scarce. Knowing the law and the repercussions of violating it may be a first defense as well as demonstrating to the client that you are looking out for their interests.

Sections dealing with ADA, Discrimination and Sexual Harassment:

<http://www.eeoc.gov/docs/guidance-contingent.html>

<http://www.eeoc.gov/september11.html>

On the September 11<sup>th</sup> page, there are links that look identical but have additional information and situations including specifics about temps:

<http://www.eeoc.gov/facts/backlash-employer.html>

<http://www.eeoc.gov/facts/backlash-employee.html>

The link below has general information covering all of the protective laws under the EEOC domain. These pages are worth bookmarks!

<http://www.eeoc.gov/qs-employers.html>

## The Conference Is Coming!

### Save the Date! May 1-3, 2003



Plans for our 2003 industry conference are well underway and it's shaping up to be the best ever. The entire structure has been changed to include:

- Industry only speakers! Hear some of the best we have to offer. Included are industry gurus Danny Cahill and Leslie Merrow who will be leading 3-hour general sessions on Friday and Saturday, respectively. Learn from John Thomas, Richard Wahlquist, Jan Haire, Leslie Buterin, Kitty Kotzebue, Adam Cipriano, Dave Knutson, David Rich, Judy Zacha, Jim Dowgialo, Wilson Cole, Sharon Schuetz-Judd and more!

- An "Owners Only Session" will be held on Thursday for the entire afternoon, capped off with the cocktail reception for staffing/recruiting company owners and our exhibitors.

- Topics for temp, direct hire, sales — for new and seasoned recruiters and salespeople.

- A new and convenient venue in Las Vegas with incredibly low room rates to help you keep your expenses down!

**Join us at the Flamingo Hotel in Vegas**  
**Complete information is coming!**