



Inner View

The Bi-Monthly Newsletter of California Staffing Professionals

December 2001/January 2002

From the CSP Boardroom



*Kathryn Shepherd, CPC
CSP State President*

Dear Members,

As 2001 ends, we celebrate with family and friends and reflect on a year filled with challenges of economic changes, hardships, disaster and a roller coaster of emotions. Priorities have changed as life tests our resilience, stamina and fortitude. Hope and prayers have found a country of people strongly united in patriotism as we work hard to strengthen our businesses.

It continues to be a time for bonding, bracing and building. CSP is here to provide the tools, training, networking and industry guidance to help reinforce your 3 B's. We still have a choice....to ride the shoulder or charge the road. Chapter meetings are being designed with those needs in mind. You are encouraged to participate or at least ASK for desired subjects, speakers and topics....simply contact your chapter Program chair....and feel free to mention my name!

Our Inland Empire chapter is off to a running start. Their first chapter meeting, held November 13th, was filled with energy, synergy and enthusiasm! Its overwhelming success was due to the leadership of President Alma Madrigal, Vice President Anita Starks and Secretary Charlie Fountain. Congratulations on a job well done!

Hats off to Past State President Lon McCracken for successfully organizing CSP's first owner's only retreat in Las Vegas November 30th where over 75 owners brainstormed and shared invaluable ideas with each other. What better place

for these risk-takers to strategize and "camaraderize" than the dazzling town of Las Vegas!

We are doing our duty to "save the trees" by going to paperless newsletters and membership directories. For those who miss the "paper" look, please print out (at no charge) onto any colored paper available in your office. Our directory will also be available in January on CD...with pretty packaging, of course.

A special thank you to the Chapter and State board of directors who have given so much of themselves and worked so diligently to the success of this organization. And, of course, a big hug to Lynn Ebro, our Executive Director.

I personally want to wish you all peace, hope, love and joy during this warm-hearted holiday season accompanied with good health and prosperity for 2002.

Kathryn Shepherd

Inside this Issue...

Convert to a Franchise?	Page 3
What Happened to All the Clients?	Page 4
Temp Workers Participate in Benefits	Page 5
Economics of Fear	Page 6
News from our Members	Page 7
Newly Accredited Consultants	Page 8
More News from our Members	Page 9
CSP's Conference in 2002	Page 10
Items of Interest	Page 11

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Happy Holidays!



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Should You Convert Your Placement Business to a Franchise?

By Jeff Allen, JD, CPC

Law Offices of Jeffrey G. Allen

Franchising a new placement business has become one of the surest ways to succeed. Whether it's recruiting, general placement or providing temps, franchises offer site selection, training, networking, advertising and ongoing support. The name recognition alone can start your phones ringing.

A franchise, however, won't fix a broken business. It can only make a good one better. If yours is an independent placement business that's been around for more than a year, it ain't broke. You've got what it takes to succeed. According to surveys by *The Forgyce Letter*, there's a 30-50% failure rate.

A number of franchisors have discovered that many placers are frustrated with simply living from placement to placement. They want the team spirit, interchange and identity of the majors without selling their offices.

What is a franchise? Surprisingly, it depends almost entirely on the franchise package and options offered. In most states that regulate franchises, *any* business that sells the right to use a trade name or business format is a franchise regardless of the term the promoter uses. That means a *license to franchise* must be issued by the state. That means people who buy those rights are protected by disclosure, financial stability and state prosecutors. Where no state regulation exists, the federal Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures (16 CFR 436) applies. States can be stricter, but not less restrictive.

The International Franchise Association defines a franchise as: "A continuing relationship ... in which the sum total of the franchisor's knowledge, image, success ... and marketing techniques are supplied to the franchisee for a consideration." Hidden in the IRA definition are three items:

1. A business identity, including the right to use the franchisor's registered name and trademark.
2. An operating system, usually contained in a comprehensive operating manual.
3. A long-term financial commitment consisting of an initial franchise fee, a royalty on placement fees received, and an advertising contribution.

Like the start-up franchisee, you're interested in the business identity. But you probably view the internal operating system as useless. In fact, most owner/managers reject them entirely as limiting the very reason for their success—control.

Your desire for control can easily clash with the franchisor's. The survival of every franchise depends on its "secret formula." Without uniformity, all the site selection, training and logos in the world won't sell. Existing franchisees also question what they bought. Too often converting owners think they know everything,

and franchisors are sure they do. Each is partially right—together they may be totally wrong. For this reason, the best conversions start with mutual respect, candor and flexibility.

Just as you fall in love with your own fee schedules and other documents, successful franchisors fall in love with their registered franchise agreements. They can be changed and re-registered, so don't let the legalese pull you away from the negotiating table.

Do you need an exclusive territory? A fledgling franchisee is usually motivated by the exclusivity of a territory. You, however, are probably more concerned about building on your own success than restricting competition with other franchisees. So see if you can structure a deal where the franchisor can sell the territory to someone else in exchange for a lower franchise fee or royalty from you. Franchisors argue that newcomers will want exclusive rights. It's a valid argument, but you've got one too: You represent instant money with almost no training or supervision expense.

Do you need to join a large franchise? For converters, the issue is whether you'll be recognized more (and more favorably) than you are independently. Size alone isn't the only issue. You might be in a highly concentrated area. Are franchisees (or company-owned offices) tripping over each other?



All factors being equal, I agree with Dennis Foster, author of *The Complete Franchise Book*. "If you're a sharp business person who doesn't need a lot of personal guidance, favor the large organization. Sheer strength in numbers creates powerful cooperative benefits, including national advertising [and networking]. Give added weight to the franchisor who is well capitalized. In an economic crisis, he is the one who will lead you through the economic waters [and who] is prepared to handle cash emergencies if the economy or industry takes an unexpected turn for the worse."

Philosophy of management. Without exception, the most successful franchisors were successful one-office operations that cloned themselves. As time passed, some entrepreneurial founders have sold out or retired and non-industry executives have taken their place. The biggest casualties have been the search businesses because corporate managers don't fully understand the pressures of running an office. They also don't understand the "go for the throat" headhunter philosophy that makes five-figure contingency fee placements. Retained search, general and temp placement are more like textbook businesses, so even gross mismanagement can be masked for years.

Do you need financing? If you plan to expand your temp payroll, you might want to consider the financing options

(Continued on Page 11)

What Happened To All The Clients?



By Terry Petra, CPC, CIPC

There is no question about it. There are ripples on the economic pond and because of this, the job order flow for many recruiters has all but dried up. This prompts the question: “What happened to all the clients?” The answer: They are calling proven recruiters and staffing firms who have taken the time to develop value-based relationships with them. If this is true, then what can recruiters,

who have not nurtured these types of relationships, do to survive and prosper? In order to understand “what” to do in these challenging circumstances, you have to first understand why your clients have disappeared.

Over the last five to seven years, clients have experienced exceptional growth — growth that has strained their resources to the limits. In no area was this strain more pronounced than in the area of human resources. The need for new employees greatly exceeded the available supply. Their emphasis was on filling positions, even if this meant compromising on their selection criteria. Therefore, job orders were plentiful and “low hanging fruit” was available to almost any recruiter who called.

Now, as economic growth has slowed, demand for new employees has changed from one of “we’ve got to fill these positions now,” to “we’ve got to fill these positions with the right people.” Additionally, as always happens in uncertain economic times, employees are less willing to change employment. The realization that their options may be limited creates a natural sense of hesitation, further hampering the efforts of the “point and click” recruiters.

The recruiters mentioned above reflect more than 50% of all the recruiters in this industry. They have never had to work hard to secure clients and new orders. For the most part they have functioned as “commodity brokers” and are totally unaware of how to position themselves as “value providers” to their prospects and clients. Meanwhile, many clients have short listed their staffing options to only include recruiters who have been consistently successful in locating mission critical talent, the type of talent that improves the performance capacity of their respective organizations. Consequently, most of the other recruiters are left out of the equation. So, what can be done?

First, know your numbers and ratios. How many calls do you have to complete in order to get through to one hiring authority (not HR or voice mail)? Once you get through to your hiring authority, how many do you have to contact in order to secure one properly qualified job order? Finally, what is your current job order to placement ratio?

These numbers and ratios are there whether or not you monitor them. Therefore, why not understand them and see what they tell you about your efficiency and effectiveness? This is the only way you can determine exactly how much time you need to allocate for developing new business.

Next, know the companies you are calling. You must have a valid reason for calling them. Unfortunately, many recruiters are just pounding out the phone calls without changing their approach. This may have worked last year, but it is all but counterproductive at this time.

Yes, you need to increase your efforts. However, you must also give your prospect a valid reason for taking your call. Therefore, the more you know about a prospect, their industry, and the type of employees they need to build and maintain a competitive advantage, the greater the likelihood that your call will create a positive response. Remember, the real art in this business is not getting prospects to listen to you. Rather, it is getting them to talk to you and for you to listen and understand what they are telling you. This concept is almost in direct opposition to how most recruiters have been trained to make their prospecting calls.

Nevertheless, the quickest route to a job order/placement is, and always has been, the marketing of a truly qualified candidate. Companies are still waging a “War for Talent.” The firms that win this war will be the ones that attract, hire and retain the mission critical talent required to build and maintain their competitive advantage. That’s where you come into the picture. However, you cannot succeed by just “pitching” your candidate. You must know with absolute certainty the capabilities of your candidate and exactly how those capabilities can be effectively utilized by your prospect’s organization. This requires “insider” information, not superficial facts and industry generalities.

Take the time during non-prime hours to do your research on the prospects you will be calling. Get to know your candidates on an in-depth basis, backing this up with performance-based reference checks. Learn how to conduct a proper marketing call where you build a directed business dialogue with the hiring authority. Understand

(Continued on Page 5)

“What Happened...”*(Continued from Page 4)*

how to properly position yourself and how to earn the right to present your candidate. Finally, you must learn how to design and deliver a compelling presentation.

You will get qualified job orders with this methodology. However, you must put in a consistent and focused effort, prepare yourself before the calls, and execute them with the proper value-based positioning. In this manner you will differentiate yourself on a qualitative basis and discover what happened to all the clients. The answer will be that they now belong to you because you have earned your prospect's trust by delivering real value to their organization. If you have any questions on “how” to do this, just let me know. Inquiries are always welcome.

Terry Petra is one of our industry's leading trainers and consultants. He has conducted in-house programs for search, placement, contract and temporary staffing firms in the U.S., Canada, Mexico, Australia, New Zealand, South Africa, England, Russia and Ukraine. To learn more about Terry and his training products and On-line Training Courses, check out his website at <http://www.tpetra.com>. Terry can be reached at 651-738-8561 or e-mail Terry@tpetra.com.

CSP Membership Directory and Website

The 2001-2002 Membership Directory is in production and will be released in January 2002. All companies who are members as of mid-December 2001 will be included in the Directory which will be published on a compact disc and on the CSP website (www.cspnet.org).

All member offices have been mailed a “pre-directory” form so that we can confirm and update the information in our CSP database. This information will be available not only in our CD Directory which will be mailed to all active members, but all updated information will be available on our website shortly after the deadline to return the pre-directory form (December 14).

The directory and the website include not only the contact name, address, phone/fax, e-mail and website addresses, but it is a terrific reference for candidates looking for companies which specialize in their industry. The CSP Executive Office receives numerous phone calls on a daily basis asking for referrals — both from candidates and clients! The website has become an invaluable aid to both in selecting a staffing or recruiting company!

Temporary Workers Can Participate in State Public Employee Retirement Benefit System

A California Court of Appeals found that staffing firm workers assigned to the Metropolitan Water District of Southern California (MWD), a public agency, were common law employees of MWD and were, therefore, eligible under MWD's contract with the California Public Employees Retirement System (CALPERS) to enroll in the system [Metropolitan Water District of Southern California v. Superior Court of Los Angeles County — 2001 WL 1230457 (Cal. App. 2 Dist.)]. State law provides that a state agency participating in CALPERS may enroll all or part of its employees in CALPERS. Exclusions of employees may be made on a group basis. Independent contractors are excluded by law from enrollment. The court found that MWD's contract with CALPERS stated that all of its employees were entitled to enrollment. CALPERS used the common law “right to control” test to determine whether or not an employment relationship existed.

The court ruled that the staffing firm workers were common law employees of MWD. It found that MWD interviewed and hired the workers and then referred them to one of several staffing firms. Sometimes workers were transferred from one staffing firm to another firm. The court also found that the workers' pay, hours, assignments, tasks, evaluations, promotions and terminations were determined by MWD. It concluded that the staffing firms were only payroll agents, and were not employers of the workers. MWD's contract with CALPERS did not provide for the exclusion of staffing firm workers.

The staffing firms argued that the court should create an exception to the common law test which would exclude staffing firm workers from CALPERS because of their co-employment status. The court held that such an exception could be created only by the legislature. It stated that even if there were such an exception, it would require the existence of an employment relationship between the firm and the workers, which did not exist in this case.

Finally, the court held that since the right to enrollment in CALPERS was created by statute, it could not be contracted away. It thus rejected the claim by the staffing firms that the workers had waived their rights under contracts they signed with the firms.

U.S. Confronts Economics of Fear

By Barry Nadell

The terrorist attacks of September 11 have caused many businesses to reassess their vulnerability to both external and internal threats. Higher security costs will be required for many to regain their footing in the new economic climate. According to one expert, tax credits may be the solution to offsetting the cost of added public safeguards.

The key action to move forward in the present circumstances is TO LOOK. Fear is overcome by looking — rationally examining potential threats and taking needed precautions. Background screening is one way of ‘looking,’ and the volume of background checks is already way up — a good sign!

New threats require new assessments. For some industries, security has always been viewed as a necessary expense — airlines check and re-check their flight crews. Other industries are just reaching this same conclusion. For instance, high-rise office buildings should be checking the backgrounds not only of their security personnel, but also their cleaning crews and parking attendants. The day may even come when we will be checking on hot dog vendors with their carts!

While the travel and tourism industries are already feeling the loss of public confidence, many others are likely to feel the pinch as security concerns become more widespread:

- In addition to government buildings, it has been reported that other office buildings such as the Sears Tower in Chicago may also have been targeted along with the assets of major U.S. corporations abroad.
- Investigations into those associated with the terrorists have revealed other mechanisms to execute attacks including crop dusting planes and tanker trucks.
- While not directly linked to the September 11 events, potential future targets might include other forms of transportation such as subways, trains or buses; public gatherings such as sporting events, theatres and theme parks and other venues such as hotels and hospitals.
- Even in industries which are unlikely as targets, re-establishing consumer confidence will be a key step to future economic viability. Airport security workers, limousine and taxi drivers are examples of this.

While many firms are feeling economic pain, some are still reluctant to add the expense of added safeguards. For these the solution may be some sort of government subsidy or tax credit to prime the pump. These types of incentives have already been used to promote the hiring of disadvantaged workers meeting specific criteria. The time may now have come to apply this principle in the post-terrorist economy and offset the additional costs of security that many industries are facing.

One benefit of life in the U.S. is that the infrastructure exists in the government infrastructure and the Internet to rapidly gather and verify information on an individual quickly and at reasonable cost. An average screening runs some \$15-25. This capability does not exist in most countries and we should take full advantage of it.

Barry Nadell is President/CEO and co-founder of InfoLink Screening Services, Inc., a national provider of background screening, drug testing programs and products, drug awareness training, behavioral assessments, employment physicals and online employment applications. He is an expert in the legal aspects of background screening. For more information call 1-800-990-4473, or visit www.infolinkscreening.com.



**Save
the
Date!**

**Our conference at Disney's
Paradise Pier Hotel in
Anaheim is fast-approaching!**

April 26-27, 2002

News From Our Members

What's It All About, Alfie?

By Nita Busby—Résumés, Etc.

The song of that name questions how one should react to unsettling events. Today, of course, “it” is the cataclysm that has hit the American economy and, in turn, the staffing industry through the downsizing of major clients. Luckily enough, some of your fellow staffing experts who have experienced similar economic downturns have good news.

Among the “older timers” is the Orange County CSP president, Barry Gold of Barry M. Gold & Co., an insurance industry specialist. He witnessed and survived a major downsizing in the late 1980’s. He learned from that experience and now strongly advises against using the media as a bellwether for this industry. “They like to create their own news, so be careful in reacting to their negativity.” Instead he advises placement staff to take this time to reassess routines and make their offices operate more efficiently. Attend seminars to keep skills sharpened and keep a positive attitude. Other staffers advise looking at niche markets as well as major industries, as the former areas are often a good source of business. A *Wall Street Journal* article (2/13/01) relates that it is the big placement agencies that are experiencing the biggest downturn.

To the dedicated staffing agency representative, it’s to his or her advantage if the “wannabees” fall off the sled. Less competition, after all, means a better take for those who hang on to their beliefs. Ruthie Ross of Recruitment Resources, Inc., predicts that in her pharmaceutical sales specialty, placements will grow as several major producers are planning to hit the shelves with new products. Elayne Yackey Estrada of Abbott Staffing Group is very optimistic. She notes that all indicators are that the 2nd quarter of 2002 will see a major upturn in manufacturing, management and support placements.

Other agencies are on the railings. Some predict that the dotcoms will come back big time as wireless becomes more necessary than the LAN PC in the next decade. Others express concern that perhaps it is time for the individual placement specialist to move indoors to corporate recruiting.

Commenting on the bigger picture, the U.S. Bureau of Labor Statistics predicts that the dotcom service industry is going to increase by 102% by 2008 as compared to general managers and top executives by a mere 16%. Lowest in the ranking are security and commodity brokerages.

Conversations with people in the classified advertising

business reveal that the Internet is going to challenge print media as a résumé posting resource. The top ten employment search sites will continue to be a natural resource. Major players in CSP, however, still express the idea that direct contact with candidates works best to recruit effectively for discriminating employers.

So, what **is** it all about, Alfie? It’s about staying in touch with reality and by acknowledging that the industry has ridden these waves before and benefited those who stayed connected. As Barry Gold’s attitude exemplifies, those who believe in their own success will find the greatest rewards because of their positive outlook.

Overtime Liability?

During the recent CSP Owners Only Retreat in Las Vegas, it was observed that some staffing firms are unwittingly compensating some of their “inside” sales producers in a manner which would make them entitled to overtime. This could result in a major liability if the producer filed an overtime and penalty claim with the Labor Commissioner which can go back 3 years for back overtime and penalties—not just for the claimant, but also for all other producers similarly situated. (Note: the exemption for an “outside” salesperson is completely different).

In order to be exempt from overtime under State law, an inside sales employee must meet two requirements:

- ❶ Be paid at least 150% of State minimum wage (as of 1/1/02, State minimum wage will increase to \$6.75 per hour); and
- ❷ Earn more than 50% of their compensation from commission

While it is possible that, under certain circumstances, a producer might be covered by one of the other general State overtime exemptions (all of which require a salary of not less than 200% of prevailing minimum wage), the commissioned sales exemption is the strongest exemption. The administrative and managerial exemptions involve the Labor Commissioner’s factual analysis of the actual duties of the employee (and a former employee-claimant may testify about very different actual duties than would the employer), while the commissioned salesperson exemption focuses just on whether the employee was in sales and his/her compensation structure.

— Jim Dowgialo
Law Offices of James J. Dowgialo

Newly Accredited Consultants

On October 27, the California Accredited Consultant (CAC) exam was offered in 5 markets — San Francisco, Sacramento, San Jose, Los Angeles and Newport Beach. This is the first time that CSP has offered the exam in so many locations, and plans are to do it again in the Spring (specific date to be determined).

Not only was this the first time CSP has expanded the offering of the CAC exam, but this group of test-takers were the first to use the newly revised Handbook (thanks to the efforts of Jim Dowgialo!) and updated exam. It was tough, but 32 consultants are now accredited!

We would especially like to recognize the achievement of 2 individuals as follows:



Ariel Abam • Southern California
Courtney Meyer • Northern California

Amy Ring Renoir Staffing Services
 Araceli Gonzalez Exceptional Staffing
 Ariel Abam Qualifind, Inc.
 Bill Mohler The People Connection
 Christian Nightingale J. Carson & Associates
 Christine Stout K•E•Y Resources, Inc.
 Courtney Meyer Solomon-Page Group, Ltd.
 Deborah McKim AT Staffing Consultants
 Elissa Ann Hall S&A Technical Staffing, Inc.
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 Raye Seals Raye Seals & Associates
 Rhonda Corey K•E•Y Resources
 Tim Neathery Madsen Staffing Services
 Tracy Reynolds Exact Staff
 Tyrone Tan Accel Employment Services
 Warren Carter Qualifind, Inc.

Be Careful About Unrenewed Domain Names

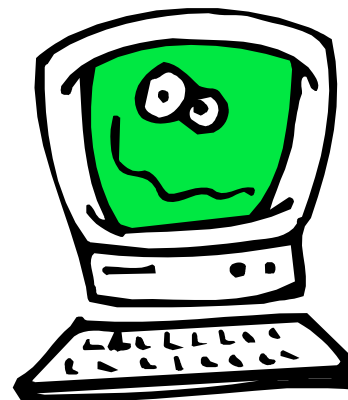
Many of your websites include useful links that help visitors find other related sites and online resources. These links can provide an important service for visitors to your site. However, a new scam is exploiting unrenewed domain names, linking unsuspecting visitors to adult sites!

More than 32 million domain names have been logged in Internet registries. The *Washington Post* reports that more than 10 million of these names will come up for renewal in the next several months.

Speculators that snatched up many popular names to build libraries that could be sold to the highest bidder are now finding this approach is not as lucrative as expected. Consequently, up to 5 million domain names will not be renewed by the original owner.

As this huge volume of available names hits the market, new buyers have emerged who are far less scrupulous than previous owners. The unrenewed names are scooped up by buyers who use these domain names to link or redirect visitors to pornographic sites.

You should occasionally check the links to other sites that you reference on your own site. Follow the links and confirm that they connect to the site you intended. If you find a problem, contact your webmaster and have them removed immediately.



Member News

XL Staffing & Security Companies

XL Staffing was recently named in the top ten "Fastest Growing Private Companies" in San Diego County. Beginning in 1996, XL Staffing pioneered the concept of using staffing companies to provide skilled laborers to construction firms. XL Staffing made their reputation by assuring their client companies they would have the qualified and talented work force to meet deadlines and budgets.

After his success in the construction industry, President and CEO Joe Mackey realized he needed to diversify his company. XL Staffing now provides services to manufacturing/light industrial and the hospitality industries. Mackey later became aware of a void in the area of security service and the need for a professional company dedicated to customer-oriented service. The overwhelming success of Joe's business diversity resulted in a 260% revenue growth from 1998 to 2000.

For more information call XL Staffing at 619-276-8677 or Excell Security at 619-275-5828 or Joe Mackey at joe@xlstaffing.com.

Index Staffing's New Partner

CSP member Index Staffing was recently handpicked by another staffing agency (Community Works Creative Personnel) to form a partnership that will allow both agencies to expand and work together. Community Works Creative Personnel will focus and expand its coaching and consulting services, while Index Staffing will handle all of the staffing services for both companies.

Index Staffing was selected because of their commitment to excellence, their work ethic and their integrity of operating in the community of San Rafael. "We are thrilled to be receiving this honor," said Patricia Zannini Jones, President of Index Staffing. "We have built our company on the solid foundation of serving our community and dedication to customer satisfaction is our highest priority." As a matter of fact, Index Staffing is the only staffing agency in Marin County to have earned the ValueStar Certified symbol of very high customer satisfaction.

Index Staffing is a full-service employment placement agency that provides temporary, temp-to-hire and direct hire services. For more information about the company and its staff, visit their website at www.indexstaffing.com.

CSP Restructured Dues Effective December 1, 2001

It has been one and a half years since the formation of CSP, our "new" association. The merger committee was exemplary in anticipating the needs of both staffing associations, CAPC and CATSS, and the merger was indeed a success!

The most difficult issue facing us was the membership dues because past configurations of both groups were so different. After a year of an amended dues structure, and in consideration of today's economy, the Membership Committee of the State Board of Directors has proposed a new dues structure, overwhelmingly approved by the Board, which we feel will be fair for all of our members.

Effective December 1, 2001, member dues will be based upon the number of offices rather than the number of employees as follows:

- \$175 Solo Operator (principal only—no consultants)
- \$250 Corporate Member (main office location—one to any number of employees)
- \$150 For each additional branch of a Corporate Member (maximum \$3,000)

We appreciate the support of all those who recognize the value of membership in CSP. Your State and Local Chapter Boards are working hard so that you continue to receive all the benefits that you expect from this fine association.



Embrace the Magic—Western Regional Educational Forum



Save the Date!

April 26-27, 2002

We're Going to Disneyland!

Paradise Pier Hotel

(a Disney Hotel located on the park grounds)

The CSP Conference in 2002 has been totally redesigned to respond to the ideas and suggestions submitted by our members.

LOOK FOR FULL DETAILS IN FEBRUARY!

New lower prices! A location for the entire family! A date earlier in the year! More meaningful breakout sessions! More “hands-on” training! Special sessions for owners, managers and staff! More time for networking! New speakers, new topics!

Miscellaneous News

Making Lemonade (another airport story)

Kathryn Shepherd does it again! It seems whenever she finds herself stranded in an airport, good things start to happen. On her way to the NAPS conference in Chicago, Kathryn found herself detained 5 hours at the Columbus airport due to adverse weather conditions in Chicago. And...as one might guess, she settled into the nearest terminal bar where she developed a relationship with the “gent” seated next to her who happened to be the Regional Sales Manager of a nationally known company. He had just left a national meeting where one of the topics of discussion was a particular staffing need in Cincinnati which had been open for 4 months. “Hmmm,” thought Kath, “maybe this is my cue.” Taking the order on cocktail napkins (not totally uncommon for her), she proceeded to collect all the necessary information, and when Mr. Hiring Authority excused himself to go the men’s room, she immediately called it into her office. They successfully filled it in 2 weeks and now have 2 more national searches with “their” exclusive client! Yes, Kathryn’s staff is trying to convince her to work remotely from airport bars!

Win the War on Worms!

If (or when) a worm virus gets into your computer, it heads straight for your e-mail address book and sends itself to everyone in there—thus infecting all of your friends and associates. The following trick won’t keep the virus from getting into your computer, but it will stop it from using your address book to spread further, and it will alert you to the fact that the worm has gotten into your system.

Here’s what you do: First, open your address book and click on “new contact” just as if you were adding a new contact to your list of e-mail addresses. In the window where you would type the first name, type in **!000** (an exclamation mark following by 3 zeroes). In the window below where it prompts you to enter the new e-mail address, type in [WormAlert@.com](mailto:WormAlert@com). Complete everything by clicking add, enter, OK, etc.

This is what you’ve done and why it works: The “name” (**!000**) will be placed at the top of your address book. This will be where the worm will start in an effort to send itself to all of your contacts. But when it tries to send itself to **!000**, it will be undeliverable because of the phony e-mail address you entered. If the first attempt fails (which it will because of the phony address), the worm goes no further.

And, if an e-mail cannot be delivered, you will be notified of this in your Inbox almost immediately. Therefore, if you ever get an e-mail telling you that an e-mail addressed to Worm Alert could not be delivered, you know right away that you have the worm virus in your system. Then get rid of it!

Convert to a Franchise?

(Continued from Page 3)

offered by the franchisor. They range from merely writing checks after you deposit the funds to actually funding the payroll. These features may be tempting to a new franchisee, but if you’ve got a successful track record, you probably have a payroll system and a banking relationship. Why not use that franchise fee as “seed money” to fund your own payroll?

Temp franchisors give the same financing to everyone in the system. They arrange a revolving line of credit, accounts receivable financing, or similar plans with their bank.

“Creative financing” is impossible in a franchise program. The best loans are secured by real or personal property. But an out-of-state lender won’t touch this collateral with a cross-country pole. That means it’s extending an unsecured loan to a stranger. The higher rates reflect this risk. If you deal with your local banker, there’s flexibility, control and often lower costs. Most importantly, you can self-fund all or part of the payroll whenever you like. Even commercial factors are often more competitive than franchises because they carry their own paper.

The temp business is so competitive, the markup is so low, and the hidden costs are so high that the finance charges can easily cause operation at a loss. The cash flow can mask it, too.

You’d better investigate the temp business carefully before you decide. Its employee wages are due every pay period regardless of whether you’ve been paid. No exceptions. Even a minor miscalculation about a client’s credit, the safety of its workplace, or the honesty of a temp can destroy your business.

That’s about all we can tell you about conversions to a franchise. With the identity, training and networking, your billings can increase by 30%. You can have a lot more fun, too. Then again, you may long for franchise freedom every month when you write the royalty check.

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