

# Burning Priorities of the Employment and Recruitment Industry in an Ever-Evolving Competitive Landscape

STAFFING  
INDUSTRY  
ANALYSTS



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# Our Clients provide us with a Global Perspective

- Suppliers to Staffing Firms
- Investment Banks & Consulting Firms
- Staffing Firms
- Clients of Staffing Firms



# Staffing Industry Analyst's Clients

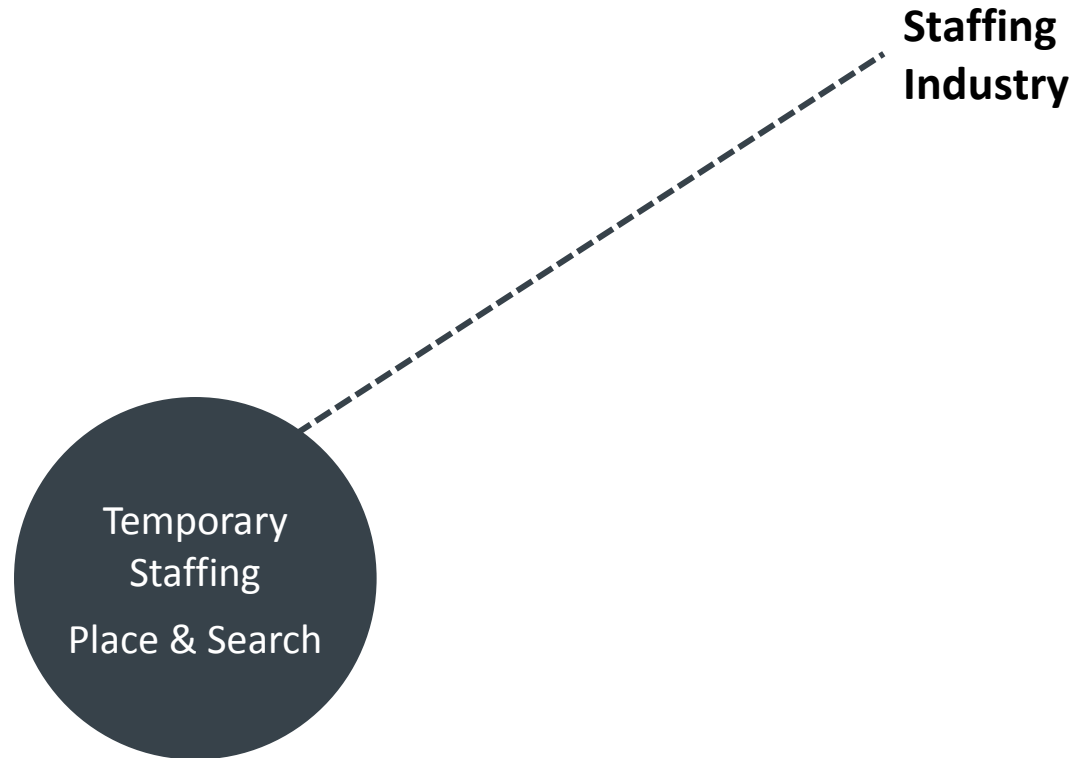


# Burning Priorities

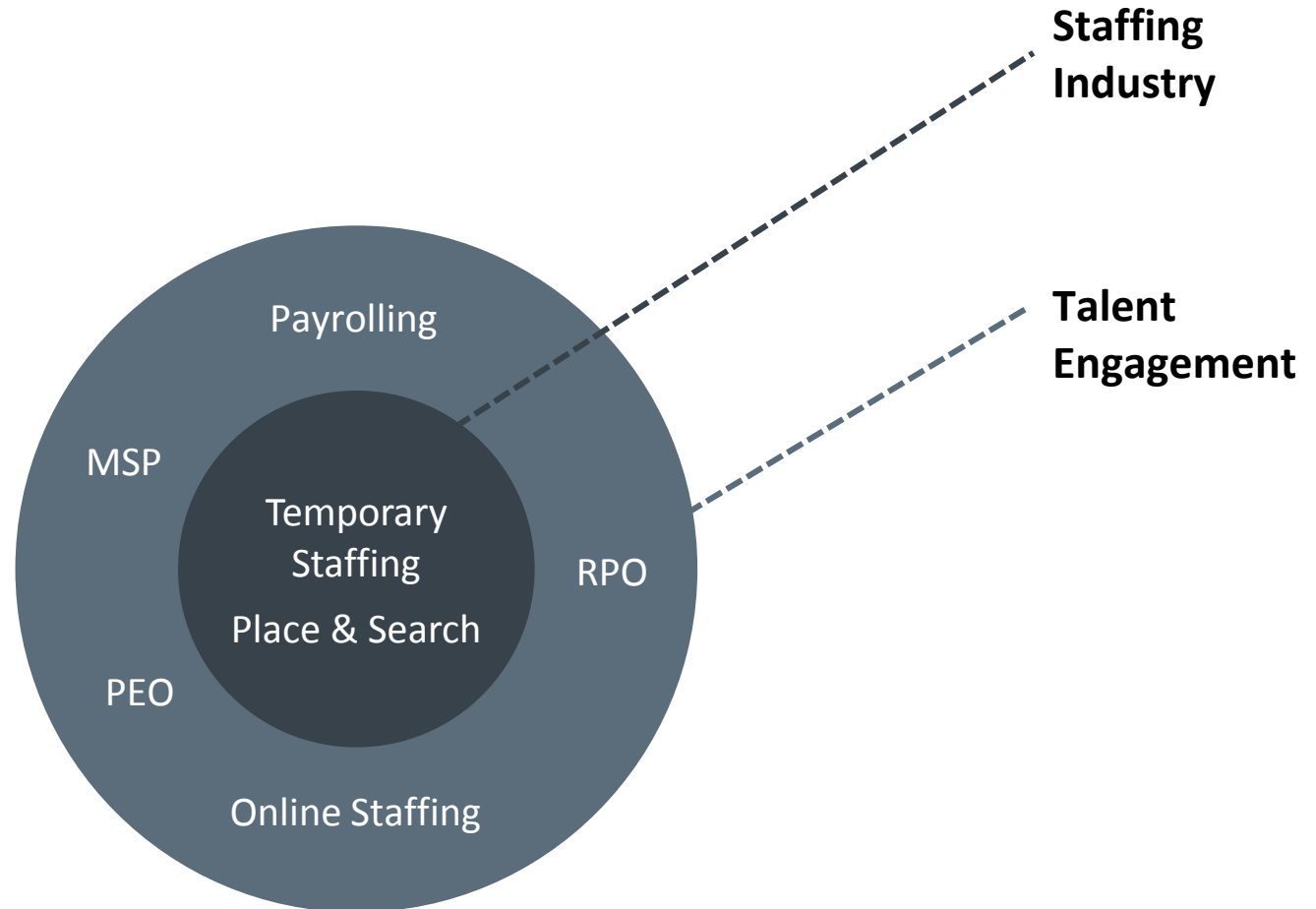


- Definition
- Reputation
- Privation
- Disintermediation
- Automation
- Sophistication

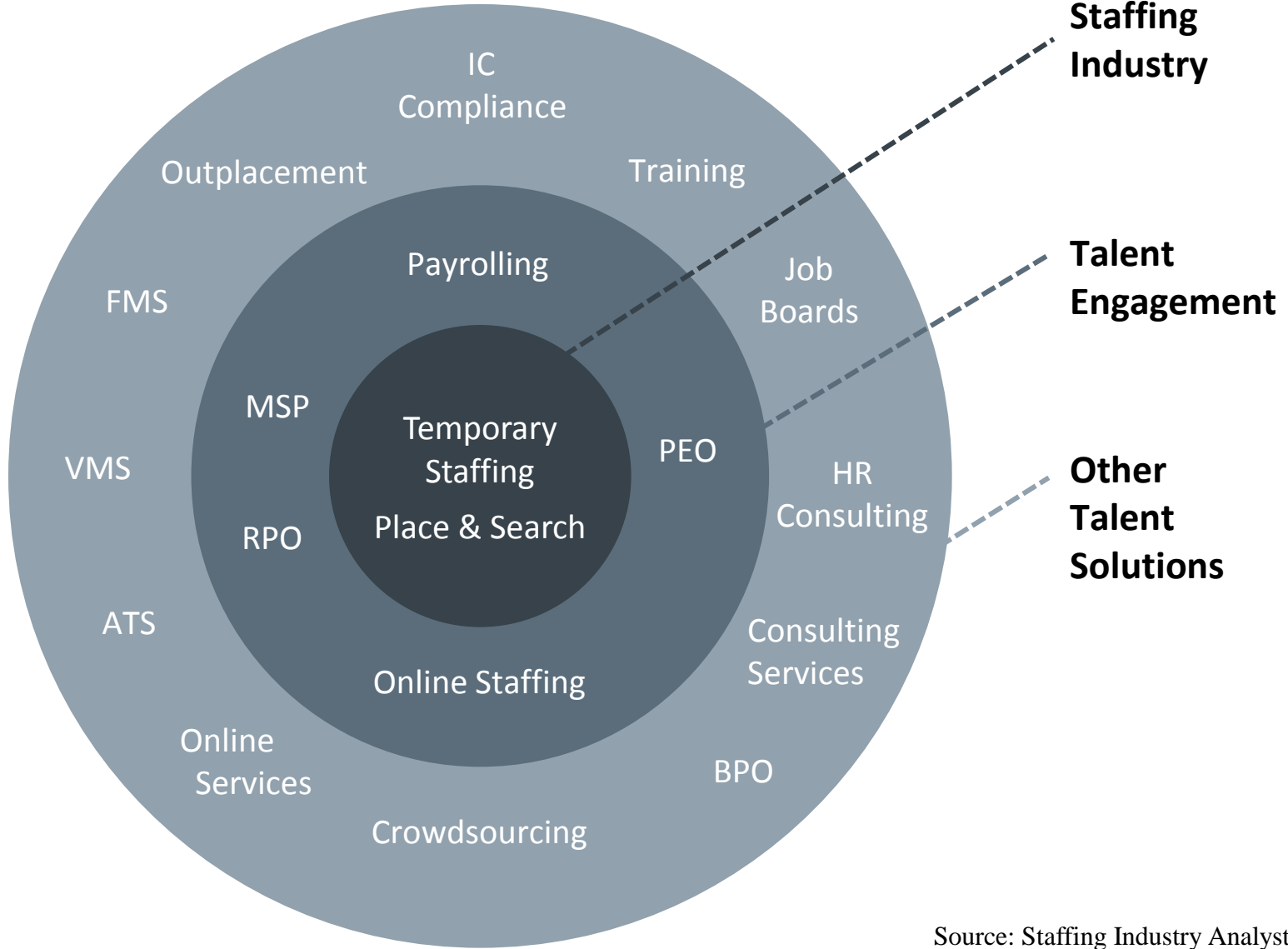
# Extended Workforce Eco-System



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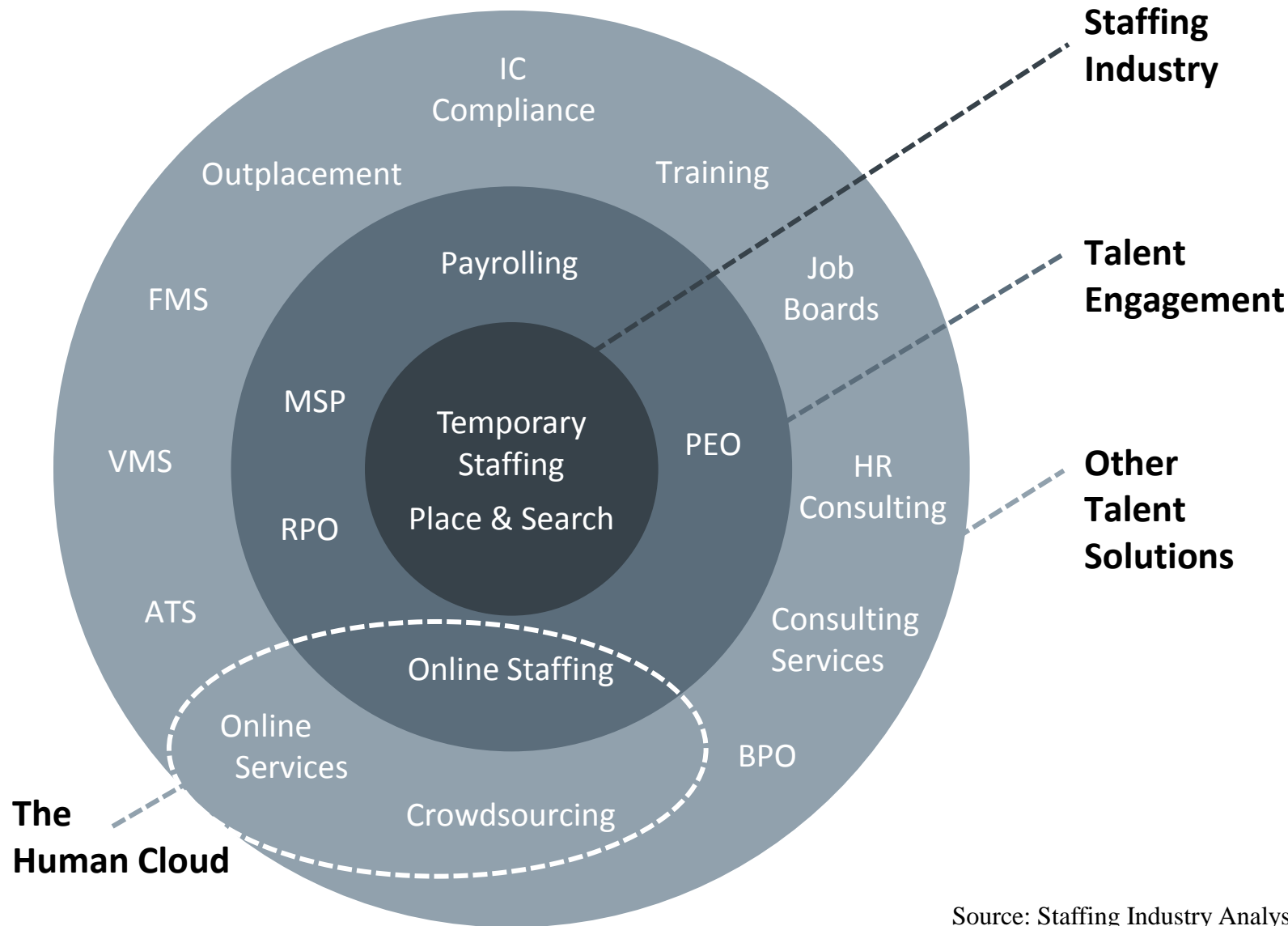


# Extended Workforce Eco-System



Source: Staffing Industry Analysts

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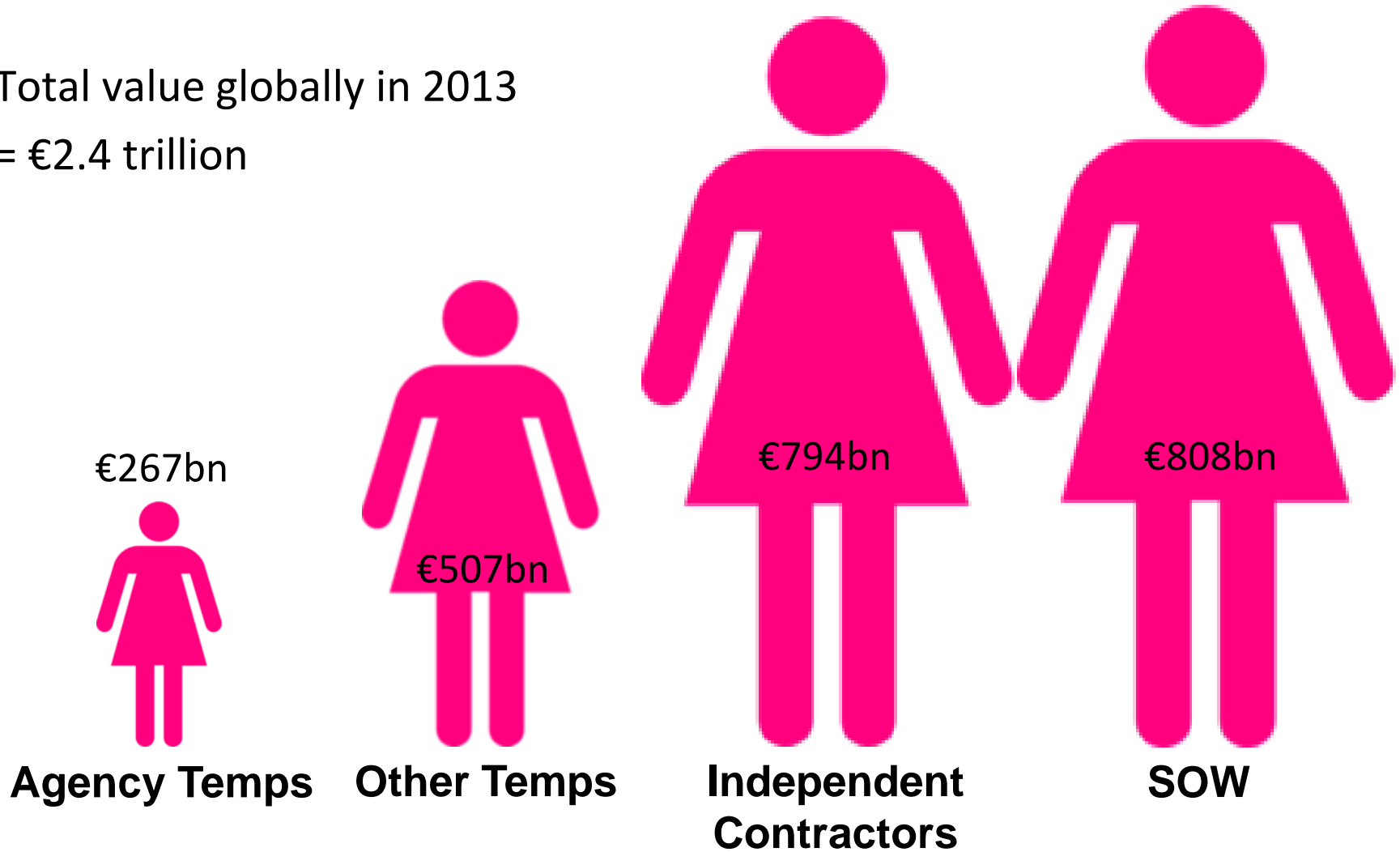


Source: Staffing Industry Analysts




# Contingent Work by Value

Total value globally in 2013  
= €2.4 trillion



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# Restrictions on Temporary Agency Work

Restrictions	Member States
Replacing striking workers	Austria, Belgium, Bulgaria, Croatia, France, Greece, Hungary, Italy, Poland, Slovenia, Spain, <b>UK</b>
Sectoral bans re. Health & Safety grounds	Belgium, Croatia, France, Greece, Poland, Portugal, Slovenia, Spain
Public sector restrictions	<b>Belgium</b> , Greece, Spain
Construction industry	Belgium, Germany, Greece
Limited reasons for temporary agency work	Belgium, Finland, France, Greece, Poland, Portugal, Romania
Limited duration of assignments	Belgium, France, Greece, Italy, Poland, Portugal
Prohibition after dismissal of workers for business reasons	Croatia, France, Greece, Italy, Poland, Slovenia, Spain
Limitation of numbers/proportion	Austria, Netherlands

# Protests Against Temporary Work



# Burning Priorities

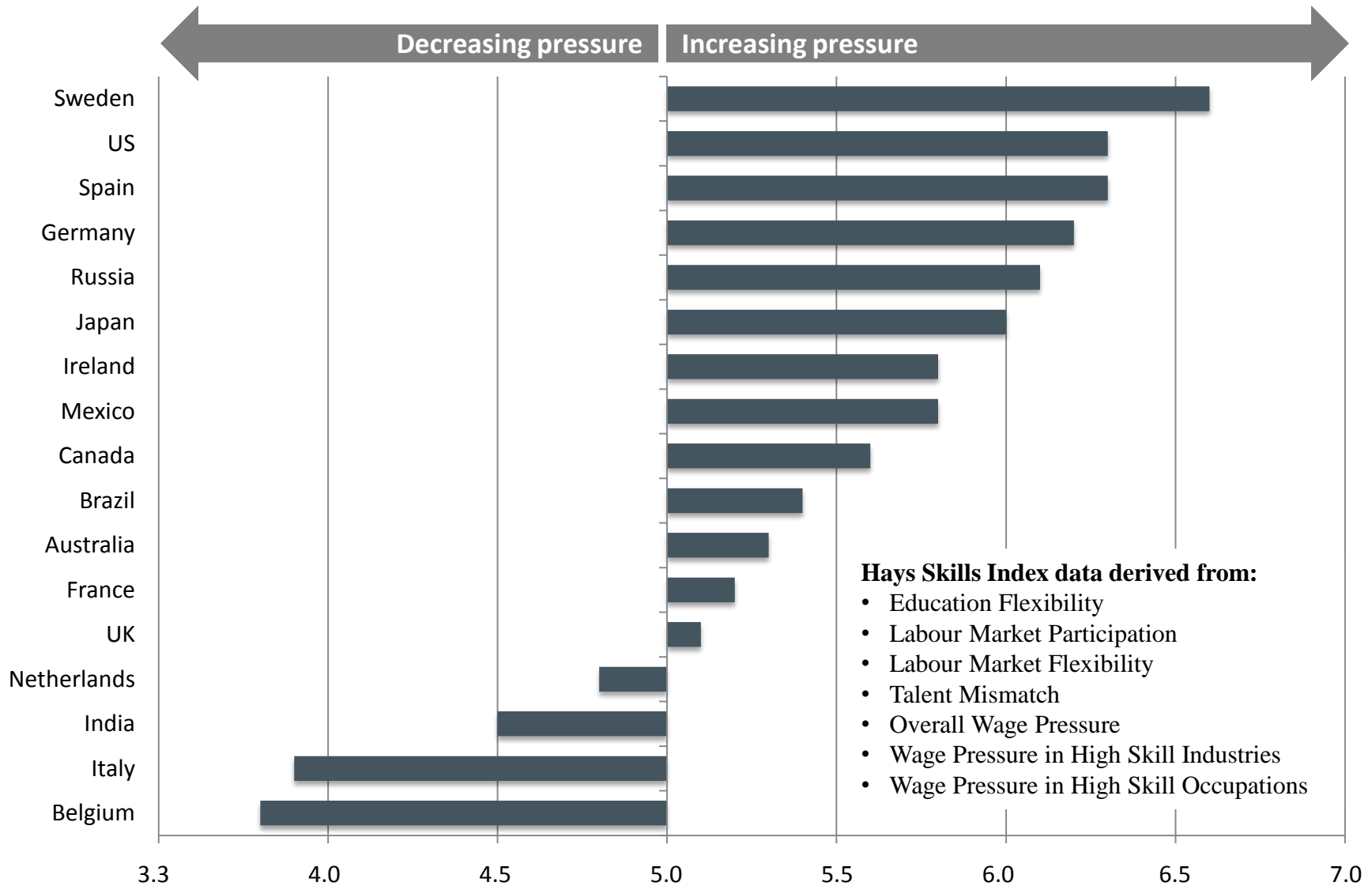
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# Ageing Population

## Number of People of Working Age (15-64) for Each Person Aged 65+

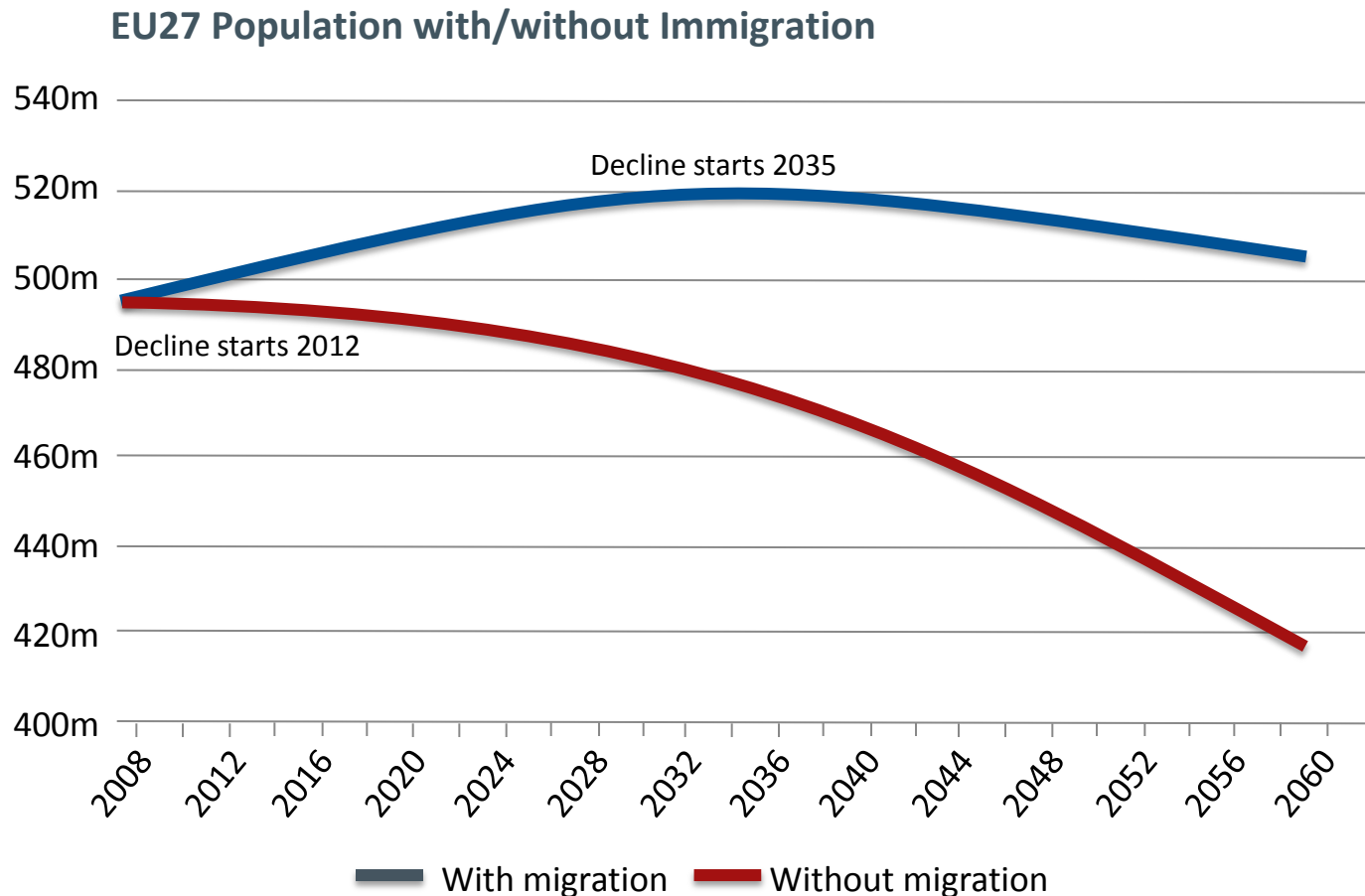


# Global Skills Index




Source: Hays & Oxford Economics, 2014

# Without Immigration European Population Would Already be in Decline



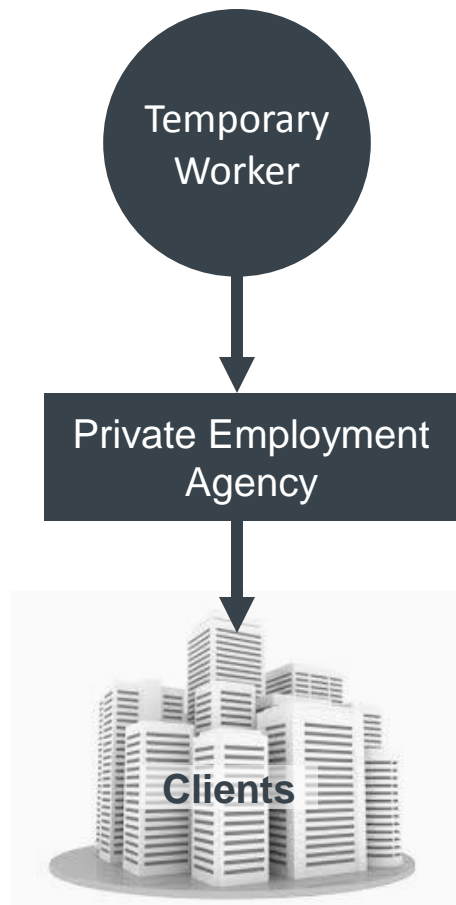


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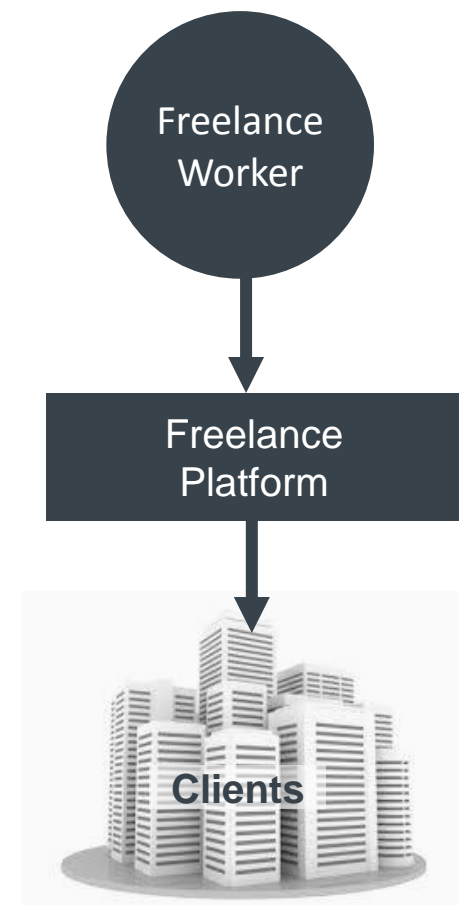
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# Online Staffing: The Same and Different

## Temporary Staffing

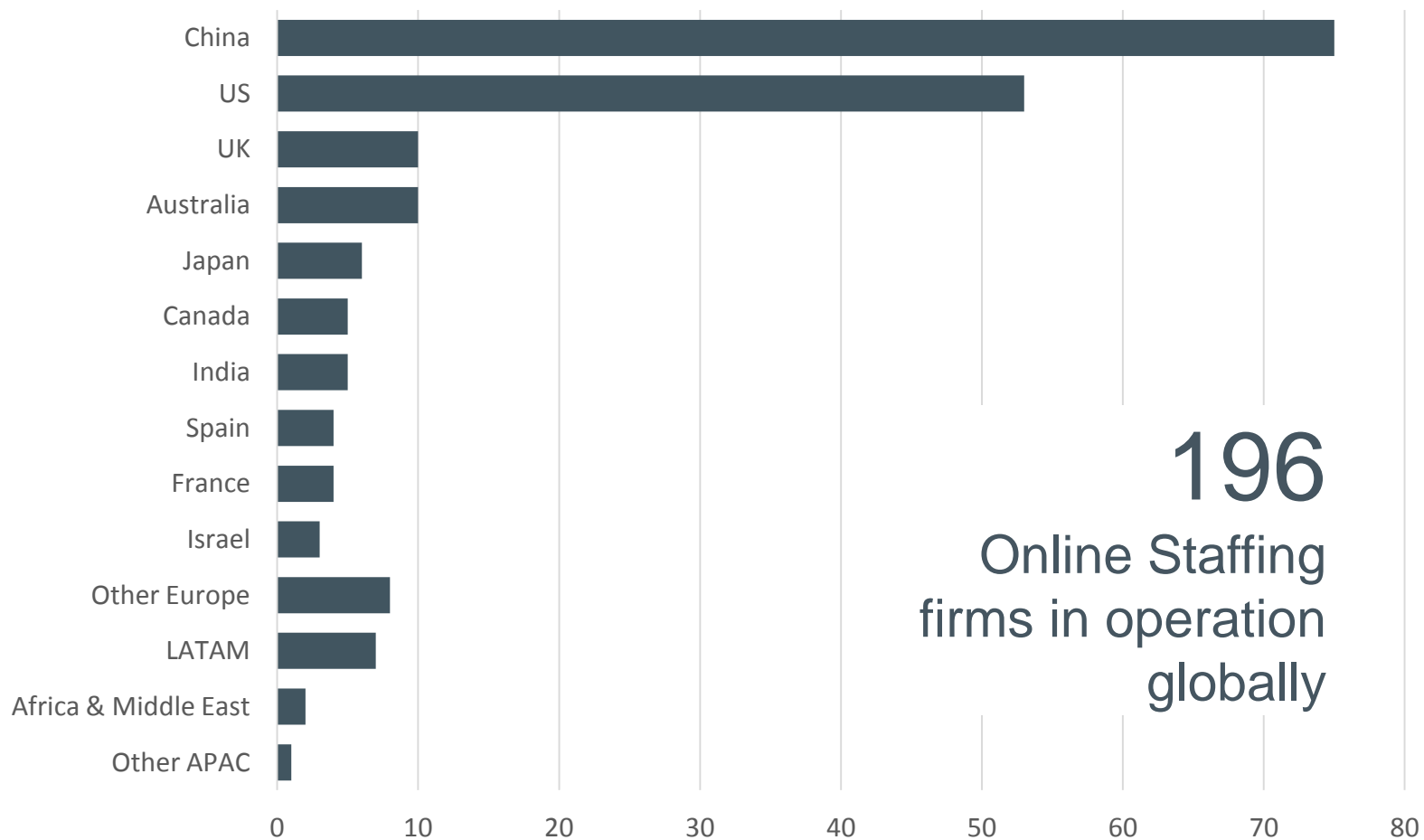


## Online Staffing



# Online Staffing Dominated by China and US

## Online Staffing Platforms by Country Started




Source: Staffing Industry Analysts

# Fastest Growing Part of the Staffing Industry

- Online staffing estimated €1.5 billion in global revenue in 2014
- Forecast growth to 2020
  - Conservative
    - €11 billion (CAGR of 40%)
  - Quite plausible
    - €14 billion (CAGR of 50%)
  - Aggressive, but possible
    - €32 billion (CAGR of 60%)

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# Frey & Osborne

*“The secular price decline in the real cost of computing has created vast economic incentives for employers to substitute labour for computer capital.”*

***Carl Frey and Michael Osborne***

- 47% of total US employment is at risk of replacement through automation over next 10 to 20 years
  - Predictions are based on current and near-term technological breakthroughs and did not consider the impact of any future technology inventions
- Given more recent advances in machine learning (data mining, machine vision, computational statistics, etc) and mobile robotics, **the next technological wave will increasingly hit higher-skilled white-collar jobs**

# Probability of Computerization Over Next Two Decades

Job	Probability of Computerization
Recreational Therapists	0.003
Dentists	0.004
Athletic Trainers	0.007
Clergy	0.008
Chemical Engineers	0.02
Firefighters	0.17
Actors	0.37
Health Technologists	0.40
Economists	0.43
Commercial Pilots	0.55
Machinists	0.65
Word Processors & Typists	0.81
Real estate sales agents	0.86
Technical writers	0.89
Retail Salespersons	0.92
Accountants & Auditors	0.94
Telemarketers	0.99

+0.7 = High Risk



# What Do We Mean by AI and Robotics?



- Robots



- Drones



- Software substitution through cognitive computing applications



- Bots





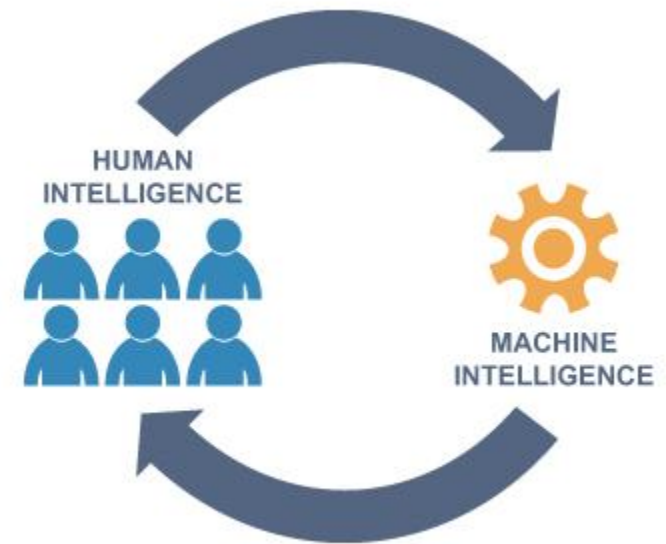
# Impact of Automation on the US Staffing Industry

63% of all temporary agency jobs susceptible to replacement over the next 10 to 20 years

Staffing Segment	Probability of Computerization
Office/Clerical	0.814
Industrial	0.796
<b>Commercial</b>	<b>0.802</b>
Finance & Accounting	0.845
Clinical/Scientific	0.413
Marketing/Creative	0.364
Other Professional	0.346
IT	0.278
Legal	0.275
Education	0.252
Healthcare	0.242
Engineering/Design	0.233
<b>Professional/Specialty</b>	<b>0.327</b>
<b>TOTAL TEMPORARY STAFFING</b>	<b>0.719</b>

# Competing Against the Machines or Running With Them?

- Can AI and automation be harnessed to develop broader and better staffing services?
  - Workfusion sources, trains and manages a hybrid workforce of machines and people to undertake repetitive data-driven tasks
    - Leveraging three key resources: automation tools, crowdsourced workers, and so-called “employee experts”
  - Is the human-machine hybrid the staffing model of the future where machine algorithms perform high-volume repetitive tasks and freelance or temporary workers perform tasks that require more judgment and analysis?

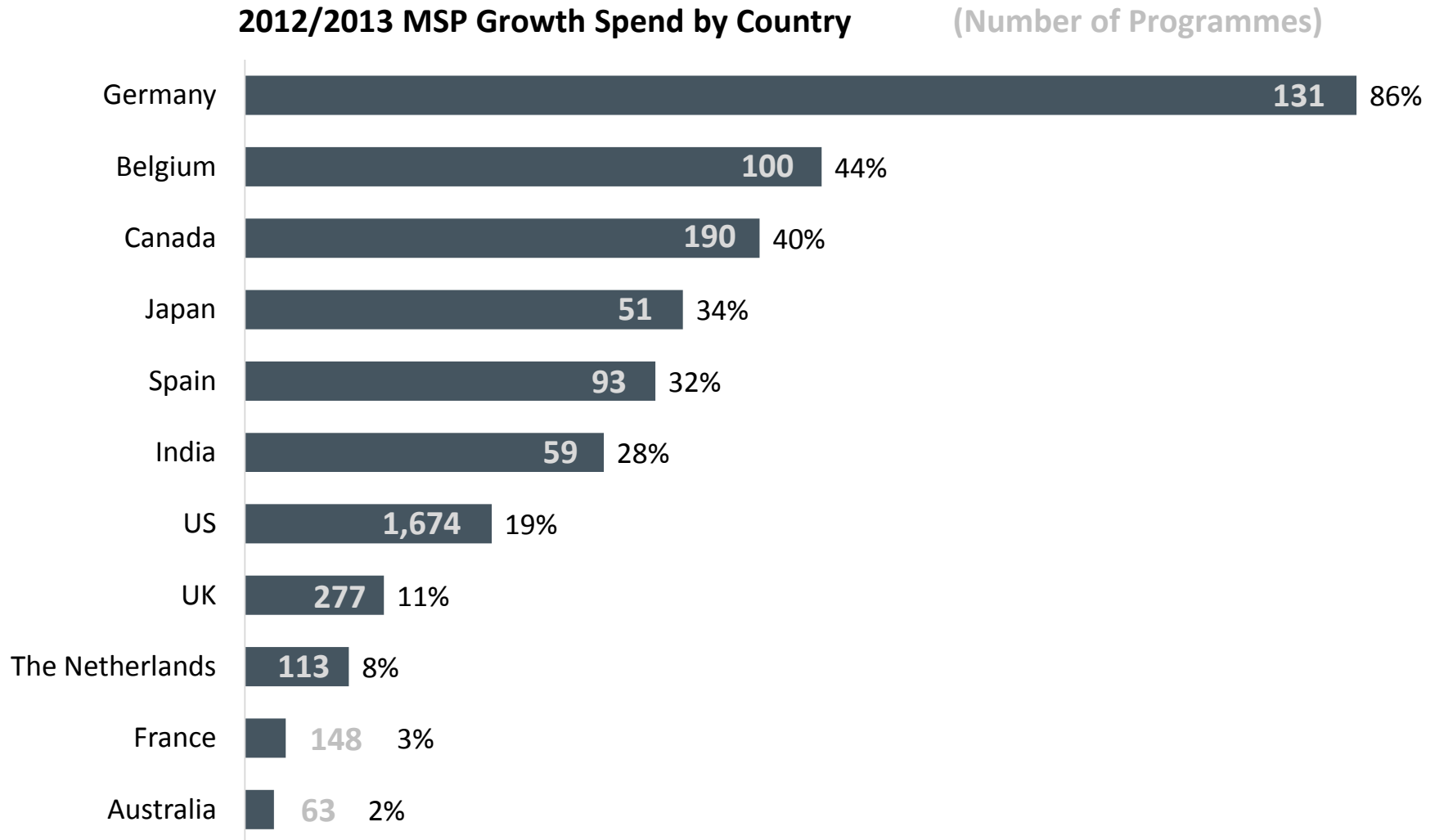


Source: [www.workfusion.com](http://www.workfusion.com)

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# The Inevitable Growth of MSP



Source: Staffing Industry Analysts – 2014 VMS and MSP Supplier Competitive Landscape

# Work Undertaken by Employees and Non-Employees

- Employees
  - Full time or part time
  - Apprentices, trainees, and paid interns

- Non-Employees

- Tertiary workers
- Independent contractors (consultants, relationship workers, micro tasks, crowd sourcing, etc.)
- Professional services (e.g. management consultants, lawyers)
- Contracted services (e.g. security guards, maintenance)
- Partnerships (e.g. supply chain, partnerships, joint ventures)
- Informal and informal (e.g. self-service customers)
- Freelance/affiliated (e.g. marketing sales agencies)
- New technologies (e.g. drones/cognitive computing applications)

160%

# What is Total Talent Management?

Total Talent Management (TTM) refers to an employer's practice of routinely considering TOTAL TALENT when it comes to talent acquisition or management. For example, when there is a job to "fill", an employer that practices TTM will consider various options such as hiring an employee, using a contingent worker, acquiring a robot, etc. And when thinking about "engaging" talent, an employer that practices TTM will design programs/approaches that engage ALL Talent, not just employee talent.

# Examples of Total Talent Initiatives

- Kelly Workforce Solutions
  - KellyOCG service line
  - “A Total Talent Approach”
  - “A holistic approach to talent acquisition and management”
- Randstad Integrated Talent Solutions Group
  - Launched in January 2015
  - “A holistic capability offering...”
- Volt Consulting Group
  - Total Talent Management Solutions
  - Blending recruiting of both contingent and perm workers
- Peoplefluent
  - A total workforce management solution that spans the acquisition and management of your hourly, salaried, and contingent workers
- Tapfin
  - Integrated Resource Fulfilment

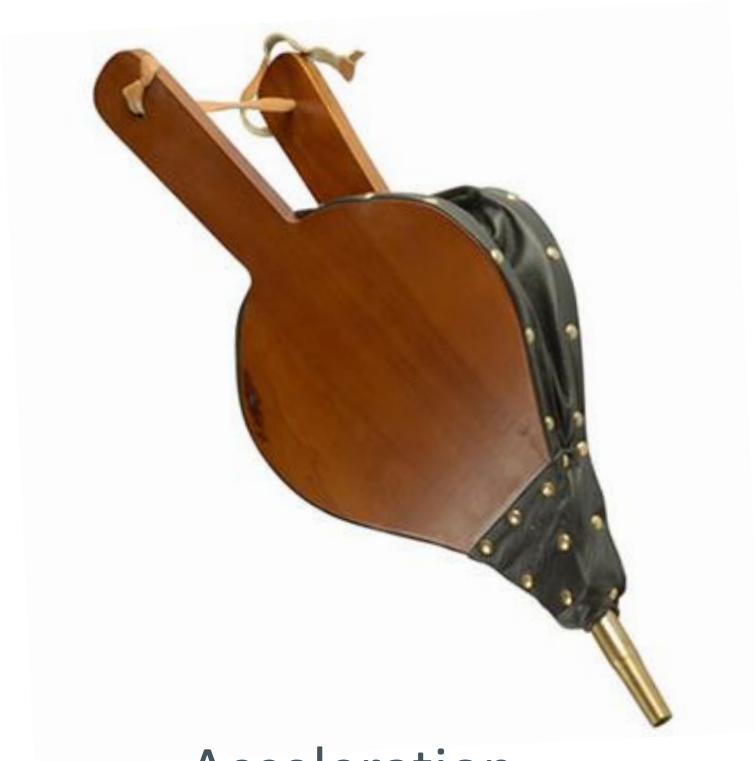


# Pricing Transparency Imminent

- The Talent Data Exchange is a suite of data aggregation and analysis tools developed by Brightfield Strategies
  - Ongoing, validated data and analysis related to the pricing, performance and quality of suppliers and contingent workers
  - Direct relationships with VMS providers providing transactional and aggregated programme performance data from large, global users of contingent workers
    - Unsurpassed by other data sources
    - Only source of data that is independent of suppliers and is neutral and representative of the market
    - To incorporate FMS, ATS & HRIS data providing a gateway to.....  
**Total Talent Management**



# Burning Priorities Summary



Acceleration



Extinction

# Any Questions?

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