



Getting Started with Contract Staffing

MRINetwork Contract Staffing® services makes it easier than ever to provide best-in-class contract staffing solutions for your clients and candidates. In this guide, we'll show you how.

THE FUTURE OF CONTRACT STAFFING

Contract staffing makes up roughly 85 percent of the staffing and recruiting market, generating \$497 billion in global revenue, according to Staffing Industry Analysts. Once focused on a handful of industries, contract staffing has grown across many sectors including healthcare and pharmaceuticals, e-commerce, technology, logistics, and distribution.

Staffing Industry Analysts forecasts U.S. contract staffing will reach a record high of \$162 billion in 2022, and increase to \$165 billion in 2023. Given this potential, recruiters and search firms that embrace contract staffing will be better positioned to succeed in the future, especially in uncertain times.

At MRINetwork, we created MRI Contract Staffing services to help search firms keep pace with the evolving demands of today's workforce. Contract staffing presents numerous opportunities, challenges, nuances, and considerations. With MRINetwork as your partner, you can get up and running quickly.

Together with People2.0, MRI Contract Staffing offers expert business advisory services, comprehensive back office support, and best-in-class tools, technology, training, and resources. With MRI and People2.0, you can bolster your business without adding expensive overhead, risk, or headaches.

BUILDING YOUR BUSINESS WITH CONTRACT STAFFING

Why should you consider contract staffing for your firm, particularly if you have a thriving perm business? Here are just a few of the advantages that contract staffing offers:

- Enhanced credibility as a total talent access partner to your clients and candidates
- A more balanced business portfolio to offer protection during economic downturns
- Predictable, recurring revenue to boost your business
- Increased ability to be more selective with your perm work, resulting in improved ratios, metrics, and job satisfaction
- A powerful competitive advantage to protect your business against competitors
- Increased business value, especially when selling your company

CONTRACT VS. PERM: KEY DIFFERENCES

If you're new to contract staffing, you may not be sure how it compares to permanent recruitment. Overall, there are more similarities than differences; however, contract staffing does differ in several key areas.

Contract Staffing	Perm Recruiting
<p>In contract staffing, the process is much faster. You are getting paid to deliver someone in your inventory quickly. Contract placements are typically made within one or two weeks, requiring rapid decision-making.</p>	<p>Perm placements usually take 30 to 45 days. Part of what you're being paid for is the research you will do on the job market, providing insights on compensation, available talent, and competitor behavior.</p>
<p>Contract staffing requires less direct recruiting than perm. Candidates are seeking opportunities, just as you are seeking candidates. There are no passive candidates.</p>	<p>In perm recruiting, you are more likely to be recruiting someone who is currently employed. This typically stretches out the process, as quitting a perm job and moving on to another is a complex decision.</p>
<p>In contract staffing, you're working with a different pool of candidates. Contract candidates are typically coming off an assignment or openly seeking new opportunities.</p>	<p>It is highly unlikely that you will recruit a perm employee for a contract job. Perm candidates are seeking long-term employment rather than contract roles.</p>
<p>With contract staffing, you have monthly revenue coming in.</p>	<p>With perm placement, you start every month at zero.</p>
<p>Post-placement engagement with contract clients and candidates is critical. Ongoing dialogue ensures you stay top-of-mind and there are no surprises with assignments.</p>	<p>Perm recruiting focuses more on maintaining and growing relationships over the long term, rather than managing many short-term opportunities and placements.</p>
<p>The client or contractor can choose to end contract assignments at any time. There are no guarantees.</p>	<p>With perm recruiting, there is no financial risk to you once the guarantee period is over.</p>
<p>Contract staffing requires more legal and compliance considerations. You will need to abide by the Fair Labor Standards Act (FLSA) and employment laws (or engage a partner to help you manage all of these moving pieces).</p>	<p>When hiring for perm, candidates are not your employees, so you needn't worry about considerations such as COVID mandates, overtime, accrued time off, worker status, tax withholding and payments, or pre-employment screenings.</p>
<p>With the right partner, it's easier to scale up a contract staffing business than perm. Contract staffing requires many direct costs such as insurance, payroll, tax burdens, and team resources. Outsourcing these burdens allows you to be successful without incurring additional expenses or overhead.</p>	<p>In perm recruiting, the main cost to your business is the time spent on the search. You are not responsible for direct costs associated with candidate employment.</p>



MRINETWORK PRO TIP: SPEED TO MARKET IS KEY

In contract staffing, it isn't about who you can find; it's about who you already have. Typically, you have two to five days to present a candidate, and many times the entire process from req to start takes less than two weeks. This is why talent inventory is key. You simply don't have time to start every search from scratch.

"Contract staffing is faster, more aggressive ... There are higher highs, and lower lows. You have to be Eli Manning, and have the same reaction after a touchdown as an interception."

AARON ARMSTON, EXECUTIVE RECRUITER, THE BLUESTONE GROUP



Getting Started with Contract Staffing: A Step-by-Step Guide

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STEP 1: DEFINE YOUR BUSINESS GOALS & STRATEGY

There are many ways that contract staffing can benefit your recruiting business. Perhaps you want to open doors to new perm engagements down the line, or separate yourself from competitors. You may want to build a contract staffing practice to carry you through the inevitable peaks and valleys of the business, or increase the value of your company. Whatever your objectives, it's important to identify what you want to achieve so you can accomplish your goals.

MRINETWORK PRO TIP: BE PROACTIVE

Contract staffing is not something that should only be thought about when your perm business is down. It's critical to nurture candidates proactively, not just when clients have an immediate need. This will enable you to readily deploy consultants when there are hiring freezes or when clients simply need additional expertise to supplement their permanent staff.

CONTRACT STAFFING TOOLBOX

Need help? MRINetwork Contract Staffing offers robust consultation services, including personalized business advisory and go-to-market strategies tailored to your business. There is no upfront fee or cost to utilize these services.

Questions to Ask Yourself

- What is your end goal? What are you trying to build or achieve?
- What is your current industry focus and office team structure?
 - Note: Don't let the size of your business hold you back. Some of the most successful contract staffing account executives at MRINetwork work a 360 desk.
- What contract staffing opportunities exist in your industry?
- Is contract staffing the right decision for your business, team, and industry? (An example, low-level jobs such as warehouse workers can get messy and require a lot of time and attention that you may or may not want to devote.)

STEP 2: UNDERSTAND HOW CONTRACT STAFFING WORKS

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There's a lot to learn when it comes to contract staffing, but with the right partner and training, you can ramp up quickly. Many leading recruiting firms have launched successful contract staffing businesses without any prior experience or dedicated contract staffing resources.



"We got on the phone with the MRI team, and asked, 'How does this work?' We didn't know anything about contract when we started, but it was a very smooth transition for us because MRI was able to walk us through everything. With the resources of People2.0 and MRI behind us, contract staffing is easy."

WADE MORRIS, DIRECTOR OF RECRUITING, HARRISON GROUP

How Does Contract Staffing Work?

In contract staffing, the candidate you recruit will not be an employee of the end client (at least not initially). Instead of charging the client a lump sum fee based on first-year compensation, you will establish an hourly bill rate for the client and an hourly pay rate for the contractor. The greater the spread between these two numbers, the more money you will generate.



"We are leaps and bounds ahead of other recruiters who absolutely cannot provide these solutions. MRI and People2.0 offer great support. It's as though MRI has built this house for you. It's unlocked and you have access to it. All you need to do is step in and start taking advantage of the benefits that contract staffing offers you and your business."

CHRIS YEE, MANAGING PARTNER, ZENITH SEARCH PARTNERS

What Do You Need to Succeed?

Like perm, contract staffing requires a niche focus, tenacity, drive, discipline, and the ability to connect with people quickly. Because everything moves in hyperspeed, it's critical to have a strong sense of urgency and the ability to respond immediately.

There are many direct costs and back office tasks associated with contract staffing (see Step 4). MRINetwork Contract Staffing helps you to overcome these obstacles quickly and effectively. Together with People2.0, we manage all of the non-revenue-generating activities and float all of the payroll and billing costs. With MRI Contract Staffing, you are free to focus on what you do best: finding the best candidates and companies to make successful matches.

MRINETWORK PRO TIP: STICK TO YOUR AREA OF EXPERTISE

Your contract candidates should be very similar to your perm candidates in terms of skill sets, experience, and expertise. Create a dynamic pool of candidates to meet your client needs, and take them to market. Look for career contractors whom you can deploy on multiple assignments. Focus on your niche to build success.

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STEP 3: TEST THE WATERS WITH CLIENTS & CANDIDATES

Full-time permanent employment used to be the gold standard of work. But times have changed, and now many employers and employees are open to contract opportunities, in order to gain greater flexibility and control.

How can you identify contract opportunities in your own area of focus? Ask.

This is an easy way to surface opportunities and build your contract staffing candidate database. It's also an easier lift than bringing on a dedicated contract recruiter right away. As you discuss contract staffing with employers and candidates, you will also move from a staffing partner to a trusted advisor, particularly in times of uncertainty.

MRINETWORK PRO TIP: CULTIVATE NEW OPPORTUNITIES

Your contractors are an excellent source for new leads and business development opportunities. Be sure to talk to them about where they have worked in the past, and what they are hearing in the market. When your contractors bring opportunities to you, you are in a good space.

Client & Candidate Scripts

Here are some talking points that you can leverage when speaking with clients and candidates.

Scenario	Script
If you are on a marketing call for perm placement, at the end of the call say ...	<p><i>"(Name), I appreciate your time on the phone today. By the way, how often do you hire contractors?"</i></p> <p><i>If a permanent placement is not the right solution, we also offer contract staffing services. How do you currently handle your contract staffing needs?"</i></p>
If you are making marketing calls to existing perm clients to introduce contract staffing, say ...	<i>"... You are a valued client for our firm ... We are now providing contract staffing ..."</i>
If you are making cold calls, ask ...	<i>"How do you handle your contract staffing needs?"</i>
On every recruiting call, ask the candidate ...	<ul style="list-style-type: none"> <i>"Under what circumstances would you consider working on a contract basis?"</i> <i>"Do you know or have you worked with any contractors?"</i>
If you are on the phone with a career contractor, ask ...	<ul style="list-style-type: none"> <i>"Who do you know in the ____ (space, industry, location) whose assignment will be ending soon?"</i> <i>"What contractors do you know with ____ experience?"</i> <i>"Who have you worked with at previous assignments whom you felt was a really good contractor?"</i> <i>"Where else have you worked on a contract basis, and whom did you report to?"</i>

Did you know?

CONTRACT STAFFING TOOLBOX

MRINetwork Contract Staffing solutions include sales call scripts, conversion fee language, social media messaging templates, access to subject matter experts for client and candidate calls, and much more.

MRINETWORK PRO TIP: PITCH YOUR IMPACT PLAYERS

Presenting highly skilled, experienced contract workers to current and potential clients, you can better demonstrate your value as a total talent access partner, while also illustrating the benefits of contract staffing. Pitching impact players is a smart way to introduce contract staffing capabilities and make a strong impression right out of the gate.

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STEP 4: BUILD YOUR CAPABILITIES

Contract staffing is often difficult, time-consuming, and expensive to bring in house.

A better solution is partnering with a proven contract staffing leader. With MRINetwork Contract Staffing, you can avoid costs and headaches associated with contract staffing tasks and requirements, such as:

- Contract staffing is often difficult, time-consuming, and expensive to bring in house.
- Funding to cover contractor payroll
- Go-to-market strategies focused on sales, pricing, marketing, and negotiations
- Managing the journey and process for clients and candidates
- Screening and onboarding
- Insurance to cover risks associated with the contractors you place (i.e., workers' comp, disability, unemployment)
- HR and legal compliance
- Payroll and benefits administration
- Time tracking and invoicing
- Understanding employment laws within each geography that you serve

With MRI Contract Staffing and People2.0, you can hand off all of these items to reduce your level of risk, learning curve, and time commitment. Put our team's experience, expertise, and proven methodologies to work for you and your firm.

There is no upfront fee or cost to utilize MRI Contract Staffing — no placement, no fee. You do not have to be an MRI firm owner or team member to take advantage of MRI Contract Staffing services, although MRI firms do receive an added layer of training, consulting services, and guidance.

MRINETWORK PRO TIP: PRICING & NEGOTIATIONS

Generally, you want to strive for a 45%-75% markup or a profit of \$15 per hour when calculating your bill rate for clients. That being said, you may want to adjust your pricing based on the opportunity (length of the assignment, distance and location, number of openings, exclusivity, level of difficulty) and your relationship with the employer.

When calculating your pricing, don't forget to factor in potential costs such as State Mandated Paid Time Off (SPTO), overtime rules, MSP fees, insurance, and pre-employment screenings. All of these costs can and will eat into your profitability.

Also avoid quoting a firm bill rate until you are certain of the contractor pay rate. If you're pressed to provide a discount, focus on elements such as overtime bill rate or a tenure or volume discount. You also want to negotiate contract-to-hire conversions on the front end. MRI Contract Staffing can help you to formulate your pricing and negotiations to ensure sustainable success. Contact us for assistance.

CONTRACT STAFFING TOOLBOX

Ready to get started? MRINetwork Contract Staffing gives you all of the guidance, support, and tools you need to provide total staffing solutions.

Contact us today to learn more.

Get
Started

STEP 5: DELIVER EXCEPTIONAL SERVICE & RESULTS

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At MRI, our focus is taking care of all of the moving pieces, so you can deliver greater value to your clients and candidates. Whether you place a contractor once a year or once a month, MRI Contract Staffing and People2.0 are committed to helping you deliver best-in-class service and experiences.

MRINETWORK PRO TIP: ONGOING COMMUNICATION IS KEY

With contract staffing, it's essential to have regular communication with your contractors and hiring managers. This allows you to build rapport, mitigate any issues, and uncover new opportunities. With ongoing communication, you can build and sustain relationships, and ensure there are no surprises.

A Winning Formula for Your Success

Partner with MRI and People2.0 to open up new opportunities and develop recurring revenue for your recruiting business.



Your MRINetwork Contract Staffing Team

Expand your business successfully with support and guidance from our experienced experts.

**Tim Ozier, Senior Director**

Tim brings nearly 30 years of staffing and recruiting experience to MRINetwork, where he leads the contract staffing division. Having worked for three of the five largest staffing companies in the world, Tim is an expert in global workforce solutions. He has helped organizations ranging in size, structure, and industry to scale their operations effectively with strategic contract hires.

**Cara Alcott, Account Manager**

Cara has led business accounts, teams, and projects for more than 15 years, helping leaders and stakeholders to accomplish shared goals. At MRINetwork, Cara is responsible for providing back office support to MRI franchise offices and recruiting firms.

**Tricia Noche, Operations Analyst**

Tricia is an experienced accounts and operations manager with nearly 25 years of staffing and human resources experience. Throughout her career, Tricia has provided support and management for accounts including Nike, Microsoft, and UPS, consistently increasing responsibilities in leadership and account and vendor management.

MRINetwork & People 2.0

MRINetwork's exclusive strategic alliance with People2.0 provides specialized contract staffing solutions to search firms worldwide.

The combination of MRI's unparalleled talent advisory and training services and People2.0's global EOR and AOR services platform brings together two global powerhouses, delivering a seamless experience to your clients and candidates throughout the contingent talent placement process.

Experienced Experts & Business Advisory

Gain global perspectives and in-depth specialized expertise to define your contract staffing strategy, enhance your capabilities, and future-proof your firm.

Comprehensive Back Office Support

Let MRI fund payroll and expenses, carry all required insurance, ensure HR and legal compliance, and manage all tasks associated with candidate onboarding, benefits administration, billing, invoicing and other contract staffing tasks.

Effortless Onboarding & Assignment Management

MRI and People2.0 take the hassle and headaches out of contract management. Track your opportunities, jobs orders, talent, and revenues online quickly and easily.

Extensive Tools & Resources

Leverage our full library of tools and resources, including client agreements, invoicing forms, sales call scripts, conversion fee language, social media messaging templates, a pricing calculator, marketing materials, and more.

Ongoing Support, Training, & Education

Master contract staffing and dominate your market with industry-leading contract staffing training and coaching focused on real-world success.

Ready to Get Started?

We're here to help.

[Contact us](#) to discuss your business goals, and get your contract staffing services off the ground.