



They Must Be My Employees ...

We hear this all the time in speaking with clients. Let's break that down and examine the rationale the feelings and most importantly the data.

- **As my employees, they're part of my culture. FALSE**

According to Gallup, just 33 percent of American **workers are engaged** by their **jobs**. Fifty-two percent say they're "just showing up," and 17 percent describe themselves as "actively disengaged"¹; therefore, most employers have a lot of **work** to do to unlock the full potential of their workforce.

Unless you are investing big bucks, 66% of your people yawn at culture.

- **Because we've always done it that way. ADAPT OR SUFFER**

So, how's that working for you? Employees are disengaged and actively looking for their next bigger, better perfect job. A blended talent office (**Talent 360**) is a model that incorporates permanent and outsourced resources, isn't new – it's been in use for decades.

Almost half of U.S. **workers** — 48 percent — are likely to **look** for a **new job** in the next year, according to the American Staffing Association Workforce Monitor's Harris Poll of **more** than 2,000 U.S. adults.

Each business has a natural workforce line. Individuals who are above that line are vital to the company's survival. They have Intellectual Property and knowledge that if they were to depart, it would irreparably harm the company.

With resources above the line, by definition each business also has a number of people below the line. There's a strong math case for moving many of the resources below your line into a variable model (**Talent 360**)

- **Because we are different, we care about our employees. Does your Data prove it?**

What's your natural turnover rate? Retirement rate? Pending retirements in the next three years? What's the contract labor percentage of your workforce?

How much do you invest each year in retention, enhanced benefits, career path training, skills training, or other professional development? Do you have an employee recognition program? Do you have an employee feedback system?

The fact is many companies tell a great story but are short on delivery. It's just too much work to accomplish. It's just too expensive ... unless you're a behemoth with millions to invest. The truth is most businesses must invest their resources in getting the job done for the client. Spending on resources that "prove" we are different tend to move to the back of the line, are minimal and sporadic.

According to the Bureau of Labor Statistics the average turnover in American companies borders on 50%. Many companies experience turnover well beyond at, 80%, 90% or more. What does your data reveal about your ROI? Are you making money with each dollar invested or does it merely provide momentary relief?

- **Because it's less expensive. FALSE**

According to The Society for Human Resource Management (SHRM) the average cost to hire a resource is approaching \$8,000. Add to that re-training, overwork of remaining resources, missed project deadlines and opportunities ... and the costs keep mounting.

Not to pour salt on the wound but you also have to add in your internal fixed costs, and the long-term investments to continue to cycle through people: Human Resources, Recruiters (internal and external), Staffing Firms, job boards, advertising, social media boosts, databases, candidate tracking tools, candidate onboarding tools, employee survey tools and the list goes on and on and on.

In one recent TLX study, the costs to our client to do the work on their own would be \$2.4 million to identify, mine, recruit and onboard the 400 trades and professional staff needed to complete a \$37 million project.

Talent 360 provides an open-book, cost-plus pay-as-you go model with none of the fixed capital investments or expensive resources required to do it yourself. As a business looking to grow and achieve critical mass you have these three choices: build the functionality yourself, buy the functionality or lease it in some form of partnership.

Our value proposition is simple. At an \$8,000 average of cost per hire, with 50% to 100% turnover ... The **Talent 360** model is less expensive, and you incur NO FIXED COSTS. We Fix Broken Workforces!

- **Because they are more loyal, so my turnover will decrease. FALSE**

According to Gallup, just 33 percent of American **workers are engaged by their jobs**. Fifty-two percent say they're "just showing up," and 17 percent describe themselves as "actively disengaged," therefore, most employers have a lot of work to do to unlock the full potential of their workforce.

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Loyalty from “above the line” employees “can” occur but often does not. Loyalty from “below the line” employees “rarely” occurs. If a recruiter from a competitor secretly shops your business offering 5% more in compensation and benefits, what happens? If you just got that sick feeling in your stomach, your normal.

Fact is that most people will put themselves and their family’s welfare (compensation and benefits) ahead of your business. As business owners and leaders, we often have a blind spot here, thinking we are special, and our work family will always be loyal. The data screams otherwise.

- **Because it protects my Intellectual Property. FALSE**

Your business IP is more protected through the **Talent 360** model than under your current process. An employee who transfers your IP to another firm does not have insurance and often doesn’t have anything to lose by doing so (often much to gain). With **Talent 360**, not only do you have our IP security guarantee, but you also have millions in insurance coverage as well - something you simply will not have with an individual employee who sends your proprietary information to a competitor.

- **Because I can control them better. FALSE**

Control of an employee is a fallacy (like permanent employment). With 20 million independent contract workers in the American workforce, the trends toward independence will only get stronger. With so many opportunities to work available, resources merely move on to the next “more likable” work engagement.

The question is, knowing the turnover is coming, do you want that long-term unemployment expense on your books for years to come? Maybe you’d prefer that risk moves somewhere else ... that somewhere else is **Talent 360**.

- **Because I get better talent. FALSE**

There are more than 20 million resources working in the American Gig Economy today. These are talented people who aren’t looking for permanent employment, Actually, most enjoy the lifestyle and say they never want to take a permanent job again. Add to that number boomers and semi-retired folks who only want to work part-time or a few assignments annually.

The data reveals that the talent available in a “variable” labor market is just as viable, talented and valued as a permanent employee. It’s often argued that they’re better.

In **Talent 360**, we offer long-term employment to resources too. It’s attractive because they don’t have to quit a job to move to a different location, industry or schedule. We merely move them to another **Talent 360** client keeping them available to return to yours in the future.

If they quit as your permanent employee, you incur costs (unemployment, restaffing, etc.) and the data reveals a small minimal percentage will ever return for future employment.

In the **Talent 360** model the resources move at less cost to you and leave the door open to return in the future with knowledge of your operations already in place.

With more than three decades of experience and hundreds of thousands of assignments, the data, in most cases just does not back up the “feeling” that they must be your employees.

The data says that if your company is average, you are merely a temporary home for almost half of your employees. Many firms have turnover well beyond the national average. With a national average cost per hire of \$8,000 it makes financial sense to adopt a blended model of variable and permanent labor.

Welcome to a **Talent 360** world.