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**Five Questions About Surviving the COVID-19 Crisis with Tom Nunn,
President of Tom Nunn Consulting, LLC**

April 29, 2020: Martin L. Borosko, Esq., Staffing Practice Leader of Becker LLC, interviewed fellow Industry Partner Tom Nunn, President of Tom Nunn Consulting, LLC about the hot topics Tom is consulting with his Staffing clients about during the COVID-19 crisis.

Borosko: What message should staffing firm leaders deliver to their internal staff during this crisis?

Nunn: If you think as CEO that you & your company are already good communicators, double up your efforts! Employees are going through their own stress and need to know how the company is doing so communicate what is happening frequently and transparently. It's okay to be optimistic where warranted but be careful not to sugarcoat bad news as people will see through it.

Emphasize that leadership is working hard to stay strong as a company and that all staff can do their part by staying focused and productive, then adding that we will come through this crisis and when we do, we want to be poised to take off with renewed demand for what we sell! It's also important to acknowledge that these are stressful times for all of us and that great teamwork, finding ways to have a little fun, share success stories or creative ideas will help keep us all energized.

Borosko: What are the most important questions staffing firms should be asking themselves during this crisis?

Nunn: I have 5 questions that management should be asking themselves during this crisis:

1. How often and how well are we communicating with staff, customers and consultants?
2. Do we have a daily finger on the pulse of our most important KPM's (Key Performance Metrics) to gauge impact on billing headcount and corresponding revenue/GM?
3. Are we prepared for what we need to do if the situation gets worse before it gets better: have a list of contingency plans (primarily cost cutting) that is prioritized based on easiest to hardest to make?
4. How is my cash flow and what are the things I need to watch (payment slowdowns, reduced revenue, etc.)?
5. What are my sources of cash, so I have it when I need it?

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Borosko: *I know you preach to your clients about the importance of effectively monitoring and reacting to Key Performance Metrics. What Key Performance Metrics are you advising staffing firms to pay close attention to during this crisis and tell me why they should be monitoring those metrics?*

Nunn: I have 20+ KPM's that I recommend that staffing companies track. I think the most important ones right now are the leading indicators which are the ones that are "closest to the money/starts". These include the following:

- New Job Orders
- Candidate subs to the client
- Candidate interviews and interview to starts by client

And some lagging indicators would be:

- Fill ratios by client (starts this month./new job orders this month)
- GM% on new starts
- Accounts Receivable trends - DSO (Daily Sales Outstanding)

Ideally you are already tracking these and have TTM data (Trailing Twelve Month average) so you can compare current to historical trends. Also, most customers will just start slow paying vs. seeking permission to extend terms so it is very important to track your AR daily: focus on any \$\$ amounts more than one day past terms and management (vs. AR clerk) should take over chasing.

Borosko: *What opportunities exist for staffing firm leaders to take advantage of during this crisis to position their companies for growth post crisis?*

Nunn: Let go of poor producers (that you should have let go a while back!). Now is not the time to keep them, your good producers will notice and wonder why they are still there and doing poorly. If you are making hard decisions on people, costs and SOP's and are therefore operating in an efficient and lean way, why not keep it that way so you grow revenue and profits as we rebound?

Research and activities to best position the company to rebound:

- Talking to candidates that are laid off and updating their resumes in the ATS
- "Reboot" candidates in your ATS that you once dealt with, update resumes, contacts, etc.
- A robust and up to date ATS will serve you well!!!
- "Where are they now" analysis, run a list from your CRM of all hiring managers that did business with you over the last several years then research where they are, contact info, etc. then use for business development & prospect lists
- Simple strategic account planning on your current customers: who have you done business with at the customer level, who have you not, what do you know about org chart, buying habits, staffing programs, top vendors and what don't you know. Work hard to narrow the gap and plan to expand at each customer!

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- Take advantage of niche specialties or industry's that are doing well....use this to market your company as specialists vs. all things to all buyers
- How have you treated your customers and consultants: good communication, empathy, just being as supportive as possible so they want to buy from you as things get better

Borosko: Take out your crystal ball, how will this crisis reshape the future of the staffing industry?

Nunn: Some will not survive, many that do will be stronger. Gaining the experience of successfully guiding your company through a crisis and recession will help enable strong growth. Temp hires will lead coming out of a recession, it always has. Direct Hire has been super-hot the last several years but has and will continue to slow down.

Video meetings are the new normal and are here to stay as an effective way to communicate internally, with clients and consultants. Remote work can be effective and opens new opportunities & flexibility for staff. I hope this does not happen but many companies that are buyers will be hurting so will low margin/MSP business ramp up further?

About the Professionals:



About Tom Nunn: Tom Nunn is the president of *Tom Nunn Consulting, LLC*, a company that specializes in helping owners and executive teams of growing companies implement best practices to enable long term growth, profitability and health. Since starting his company in 2009, Tom has worked with over 100 staffing companies across the country ranging in size from \$2MM to \$500M. Tom also facilitates several peer group industry roundtables that provide an excellent opportunity for participants to share ideas and expand their network. He is a sought-after speaker and is actively involved in TechServe Alliance where he serves as Secretary-Treasurer for the Board of Directors

Prior to starting his own company, Tom was president of a national IT staffing company headquartered in Boston, Massachusetts. During the nine years that he was there, Tom helped develop and lead a high performing team that grew the company from \$25MM to \$100MM and top quartile profitability. Tom has over 40 years of diverse business experience including many years as an executive in the financial services industry where he led teams that oversaw IT and back office support for various investment management functions in multi-national banks.

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About Martin L. Borosko: Martin L. Borosko has been the Managing Member of the firm since 2006. Under his leadership, the firm has grown into one of the premier boutique firms with offices in New York, California, New Jersey and Pennsylvania.

Martin leads the Staffing team within the firm dedicated to studying the best legal practices within the staffing and healthcare industries. His philosophy is to direct clients toward legal strategies that facilitate growth and increase enterprise value in the long term. He often works as part of a team with leading investment bankers, accountants and risk managers to implement comprehensive growth strategies for clients. Martin is a frequent contributor to legal and business publications and lectures across the country on emerging issues impacting the Staffing Industry.

About Becker LLC: Becker LLC is a premiere mid-market firm recognized as a leader in the staffing industry. With offices in New York, New Jersey, Philadelphia and California, the firm provides forward thinking, mission-critical advice to staffing industry entrepreneurs and management on high stakes, complex legal matters as well as day-to-day matters and long-term plans. The firm are proud to be members of the following Staffing Associations: SIA, ASA, ASG, TempNet, CSP, MSA, NJSA, NYSA and serves as general counsel to the Mid Atlantic Staffing Association.