



## **Recovery: Are We There Yet?**

Recruiting Trends Survey Results and Recommendations

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## The Recovery: Are We There Yet?

Ask nearly anyone in the recruiting business how the recession has affected the industry and you're sure to hear a string of stories about recruiters being laid off and shops being closed. But as the economy has begun slowly recovering, what's the story for recruiting? New Bullhorn research shows that the tide has not only turned for most recruiters, but even those recruiters who are still hurting mostly expect business to improve by the middle of next year.

In a survey of recruiter attitudes by Bullhorn, *60 percent of respondents said that business has already improved or would improve before the end of this year.* A further 22 percent believe business will pick up by the end of the first quarter of 2010. And not only has business improved, the trend is expected to continue: *54 percent of respondents who said business has already improved expect 2009 profits to equal or exceed 2008 numbers.*

But Bullhorn wondered if the most optimistic recruiters had simply been lucky enough to be in successful niches during this recession, and therefore saw their revenues hold steady or increase. To learn the answer, Bullhorn segmented the survey data among recruiting segments. The answer: *optimists are found across the entire recruiting spectrum, including firms that have not seen increased profit and revenue in 2009.*

Bullhorn also wondered if recruiters who said their business had already started improving had different opinions than their less optimistic peers about which techniques and tools for lead generation had been most effective. Here the survey did find some striking differences between the groups.

The answer is that recruiters who felt business had already started improving were far more likely than their less optimistic colleagues to hire in certain categories and put greater value on some specific tools for generating leads.



### When do you believe business will improve?

It already has	32%
Q4 2009	28%
Q1 2010	22%
Q2 2010	12%
Q3 2010	2%
Q4 2010	0%
2011 or later	4%



### Among respondents who say business has already improved, how do you expect your profit to change by the end of 2009 compared to 2008?

Decrease 25% or more	12%
Decrease between 10% and 25%	14%
Decrease between 0% and 10%	21%
Stay the same	7%
Increase between 0% and 10%	19%
Increase between 10% and 25%	7%
Increase 25% or more	21%

## 2009 Recruiting By the Numbers

Bullhorn wondered if the optimists who believe that the recovery is already here were simply recruiters who had been fortunate enough to work in niches that were still hiring through the recession. What we found was that while these optimists were faring better than the average survey respondent, recruiters already seeing signs of a recovery come from across the spectrum.

It isn't surprising that 2009 has been a difficult year for both revenue and profit. When asked how much revenue had changed in the first half of 2009 compared to the first half of 2008, 78 percent reported decreases, and, of those, 45 percent reported decreases of 25 percent or more. By contrast, only 14 percent reported increases.

Profit reports fared little better: 73 percent of respondents reported year-over-year decreases, and, of those, 41 percent reported decreases of 25 percent or more. Only 14 percent reported increases in profit.

When Bullhorn segmented the data to find out how our survey optimists were faring, we could see that while they hadn't suffered as much as the average survey respondent, these optimists haven't all had an easy go of it over the past 12 months: 56 percent reported decreases in both revenue and profit.

However, these optimists seem to base their positive outlook on improving business conditions and not just wishful thinking. Although only 19 percent reported an increase in revenue and 22 percent an increase in profit in the first half of 2009 compared to 2008, the numbers jumped dramatically when asked about their expectations for the second half of the year. Almost half of optimists expect increases in revenue and profit in the second half of the year and, of those, 21 percent are expecting 25 percent or more increases.



### How much has your revenue changed in the first half of 2009 compared to your revenue in the first half of 2008?

	Overall	Recovery is here
<b>Decrease 25% or more</b>	45%	30%
<b>Decrease between 10% and 25%</b>	18%	14%
<b>Decrease between 0% and 10%</b>	15%	12%
<b>Stay the same</b>	5%	12%
<b>Increase between 0% and 10%</b>	7%	14%
<b>Increase between 10% and 25%</b>	4%	7%
<b>Increase 25% or more</b>	3%	7%
<b>Don't know</b>	5%	5%



### How do you expect your profit to change by the end of 2009 compared to 2008?

	Overall	Recovery is here
<b>Decrease 25% or more</b>	35%	12%
<b>Decrease between 10% and 25%</b>	17%	14%
<b>Decrease between 0% and 10%</b>	15%	21%
<b>Stay the same</b>	10%	7%
<b>Increase between 0% and 10%</b>	12%	19%
<b>Increase between 10% and 25%</b>	6%	7%
<b>Increase 25% or more</b>	6%	21%

## The Optimists: Where They Are, What Works for Them

Nearly one in three survey respondents said business has already begun improving, and that number rose to a whopping 67 percent among firms that expect revenue and profit increases in 2009.



### When do you think that your business will start improving?

	Overall	Bulls	Bears
<b>It already has</b>	32%	67%	19%
<b>Q4 2009</b>	28%	11%	24%
<b>Q1 2010</b>	22%	0%	27%
<b>Q2 2010</b>	12%	22%	20%

What has worked for the firms that are most bullish? Bullhorn wanted to know what these recruiters had focused on.

The question matters because even among companies that have seen revenues and profits drop more than 10 percent in 2009, *24 percent expect better times before the end of the year, and another 27 percent expect improvement by the first quarter of 2010.* Is there something different about the way the optimists are working that gives them cause for optimism? It turns out there are some significant differences.

### Roles recruited: Contract workers over temp workers and executives

The Bulls in the survey – those who said business has improved and will keep growing – are much more likely than their less optimistic colleagues (the Bears) to place contract workers and far less likely to place temporary workers and executives.

- Contract employees accounted for nearly 8 in 10 placements by Bulls in the survey, compared with barely 6 in 10 for their less optimistic colleagues.
- Bulls were four times less likely than Bears to place temporary workers.
- For every four executives a survey Bear placed, a survey Bull placed only three.

### Size of company: 6 or more recruiters

Although the survey found bullish and optimistic recruiters across the entire spectrum of company sizes, they are disproportionately found in firms with six or more recruiters. Although fewer than half of the survey's respondents (43 percent) were in firms with six or more recruiters, 66 percent of those recruiters said they had already seen revenue and profits increase.

## Use of traditional techniques/tools: Webinars, display banner ads get the nod

Across the board, referrals and cold calling were far and away still considered to be the most effective traditional techniques for generating new leads. But the survey found distinctly different opinions toward other traditional tools for generating leads:

- **Webinars:** Survey respondents who have been successful or have already seen business turn around were almost twice as likely to say webinars were somewhat or extremely effective in generating new leads.
- **Display ads (banner ads):** By a 6-to-4 margin, the survey's Bulls said display ads were somewhat or extremely effective in generating new leads.

The two groups were nearly the same in their attitudes toward using university career sites, classified or print ads, and Search Engine Marketing (SEM)/pay-per-click.

## Use of new techniques/tools: LinkedIn, other professional networks favored

When it came to assessing the success of new techniques and tools to generate leads — methods such as social networks, Twitter, SEO and job aggregators — there was a marked difference between recruiters who felt that business had already started improving and their less optimistic peers. The survey's Bulls were overwhelmingly more likely to believe that some of these tools were effective, and markedly less inclined to go with others.

- **LinkedIn and other professional networks:** More than 8 in 10 survey Bulls felt LinkedIn was effective in generating leads, compared with less than 6 in 10 survey Bears. The margin for other professional networks was slightly less, although the more optimistic recruiters still favored them more: 64 percent for survey Bulls compared with 55 percent for their less optimistic colleagues.
- **Twitter and Facebook:** Unlike their attitude toward LinkedIn, survey Bulls were about half as likely to think Twitter was effective in generating leads and slightly less likely to say Facebook was effective.
- **Job aggregators:** Survey Bulls were similarly half as likely as survey Bears to think job aggregators were effective in generating leads.
- **Sourcing tools:** Survey Bulls favored sourcing tools, such as Zoominfo and Jigsaw, somewhat more than their less optimistic peers.
- **Developing career sites (SEO):** While one in three survey Bears felt this was an effective new technique for generating leads, fewer than one in four survey Bulls shared that opinion.

## Recruiters' Concerns for 2010: Bullhorn's Recommended Actions

After a difficult year, recruiters are eager for – and most seem to be expecting – better times ahead. In our recent survey, recruiters also told us the challenges that are on the top of their minds as they look ahead to 2010:

1. **“How can I get my foot in a company's door early enough in the process?”**
2. **“Am I correctly positioned to take advantage of the increased business?”**
3. **“Will I have enough staff in place to handle the volume of new business?”**
4. **“Will talent be willing to take risks to move to new opportunities and will employers be willing to compensate them at true market value in the improved economy?”**

As a company that works closely with 14,000 members of the staffing and recruiting industry, Bullhorn wanted to provide some tips and best practices to successfully meet these challenges as you prepare for the year ahead.

### **1. Getting your foot in the door early in the process.**

For recruiters, organization is the key to preparation. If you have followed recommendations from Bullhorn's two papers on identifying real job orders, you understand the importance of working with structure. If you have kept thorough call notes and scheduled follow-ups with hiring managers on your calendar, you will be better prepared than most. If you have a way to integrate your documentation, your calendar and your email, you will be even further ahead. Keeping in touch with clients is always key, but the right contact at the right time can be the difference between getting the job order or not.

### **2. Being ready for more business.**

Having the proper technology infrastructure allows your firm to move quickly when the job orders start coming in more frequently. With an integrated ATS and CRM, recruiters not only receive immediate alerts once a new job order is in the system, they also have complete visibility into hot prospects and pending orders through Bullhorn's customer relationship management (CRM) and job management systems. Also, integrated sourcing tools can give recruiters the ability to source the best candidates in the shortest amount of time.

### **3. Having enough staff to handle increasing business volume.**

You always want to align your staff appropriately with the needs of your business. How can you grow if you don't have the right number of people to support your objectives? That's why it's crucial to make sure you have the correct reporting in place – so you can monitor the vital signs of your business and analyze trends. That information will guide you in making decisions about how fast you should be adding staff and let you monitor how they are performing once those people are on board. Bullhorn360™ can help you set up those reports and provide complete visibility into every aspect of your business.

### **4. Finding talent ready to make a move and convincing employers to pay them at market rate.**

Make sure you are keeping track of every conversation you have with a potential client and are noting what might be the necessary requirement to ultimately get them to make that move. With clients, if you're keeping track of what's important to their business, and how critical it's going to be to them to add this new hire, the negotiations to get your client the best possible rate will go much more smoothly.

### Conclusion

For most of us in recruiting, the best we can say about 2009 is that it's almost over. Let's close the book on a forgettable year and look forward to what many of you anticipate being a good year. If you haven't already, now is the time to prepare for 2010. If you believe you'll need to hire new recruiters, start lining up your candidates. Prepare your infrastructure and establish processes that are easily scalable in case a trickle of job orders becomes a torrent. And most of all, hone your skills and be ready to get your foot in the door, find job orders and make placements.

### Methodology

Because of the large number of respondents who participated in this survey, we are 95 percent confident that the responses of the population to the survey questions would be +/- 5 percentage points from the figures stated herein. Each respondent answered the questionnaire via an online survey tool and was assured of his or her confidentiality. Their responses will be used only in this aggregate analysis.

#### About Bullhorn, Inc.

Bullhorn is the global leader in On Demand, front office staffing and recruiting software, providing the only completely integrated front office solution for staffing and recruiting firms. Bullhorn's customers achieve the highest placement rates in the industry. By enabling recruiting, sales and management to live and work together, Bullhorn synchronizes sales and recruiting to generate, source and fill job orders in real-time, at anytime and from anyplace. Delivered through software as a service, Bullhorn continually meets the evolving business needs of its customers. More than 1,400 firms and 14,000 users worldwide, including some of the largest global staffing firms, partner with Bullhorn to meet the employment demands of the global economy.

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