

TRENDING IN 2018:

Highlights from the 2018 North American Recruitment Trends Report: The Industry's Outlook for 2018





North American staffing firms weigh in: What's trending in 2018?

Bullhorn is pleased to share highlights from its *2018 North American Staffing and Recruiting Trends Report: The Industry's Outlook for 2018*.

Based upon a global survey of more than 1,400 staffing professionals at firms of all sizes operating in all sectors, the report takes an in-depth look into North American staffing firms and analyzes the industry's outlook for 2018—from financial forecasts and top priorities to persistent challenges and emerging technologies.

From first-hand opinions, insights, and concerns of more than 900 North American staffing professionals, the report explores the candidate experience and preferred communication channels, as well as a sneak peek at what's on the horizon for the industry, including competition from digital staffing platforms and the impact of increased automation.

Read along for highlights of the findings and download a copy of the full report at www.bullhorn.com/TrendsSurvey2018.

A (MOSTLY) POSITIVE OUTLOOK

HIRING OUTLOOK



70% say hiring needs will increase

62% say billable hours will increase

59% say temp placements will increase

REVENUE OUTLOOK



75% expect a revenue increase

20% expect revenue to rise 25+%

40% expect margins to rise

INVESTMENT OUTLOOK



52% plan to spend more on tech

49% expect operating budgets to increase

28% expect to expand their number of offices

Staffing professionals agree: 2018 should be another solid year.

A majority of staffing firms expect increases in hiring needs (70 percent), billable hours (62 percent), and temporary placements (59 percent) in 2018. Unfortunately, even as the quantity of business rises, the quality doesn't necessarily keep pace. A majority of firms (about 55 percent) predict that both bill rates and margins will stay flat or decrease in 2018. And half (49 percent) rank pricing pressure/margin compression as one of their top three challenges.

Seventy-five percent of respondents anticipate an increase in 2018 revenue vs. 2017, including 20 percent who predict an increase of more than 25 percent. Although the revenue forecast comes in slightly less rosy than last year, 40 percent of firms also predict their margins will rise in tandem in 2018.

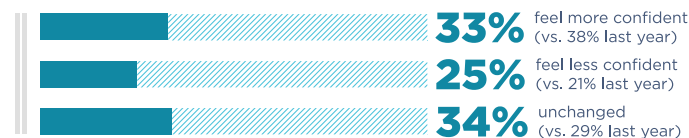
Firms are boosting their technology investments this year considerably: 52 percent of firms anticipate an increase, compared to 40 percent last year. Half of firms (49 percent) also say their operating budget will go up in 2018. But there's less appetite for market expansion. Only 28 percent expect to increase their number of offices.

CHALLENGES & CONCERNS

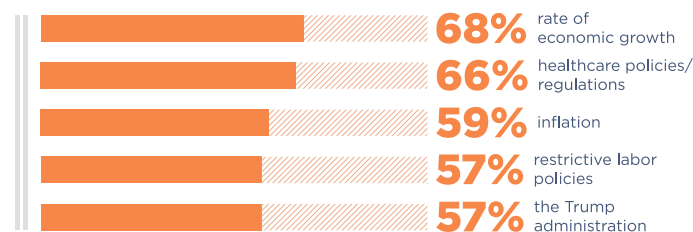
TOP CHALLENGES



CONFIDENCE ABOUT THE FUTURE DIPS



TOP MACROECONOMIC & POLITICAL CONCERNS



While the outlook's generally positive, the year ahead won't be without challenges.

Forty-one percent of respondents say the talent shortage is their single biggest challenge, and 64 percent list it in their top three. Pricing pressure/margin compression (49 percent) and leveraging automation (36 percent) are also top concerns.

Sixty-eight percent are very or somewhat concerned about the rate of economic growth, and large proportions worry about healthcare policies (66 percent), inflation (59 percent), and restrictive labor policies (57 percent).

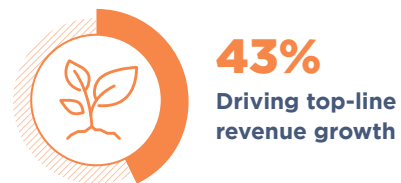
So despite positive financial and hiring outlooks, overall confidence levels for industry performance have slipped. One-third of respondents (33 percent) feel more confident about the future heading into 2018, compared to 38 percent this time last year.

Even when the candidate pool is small, it's more about brand and how you're engaging candidates. Those two things are most critical, not how many candidates there are.

Jeff Weidner, VP of Product Innovation, Monster

WHAT MATTERS MOST?

Top Priorities:



Beyond The Big Three:

Improving management of client relationships



Expanding into new markets



Automating and accelerating recruiting and placement processes



Engaging candidates/improving the candidate experience



Employment brand development and marketing



Priorities Remain Consistent: The Big Three Prevail

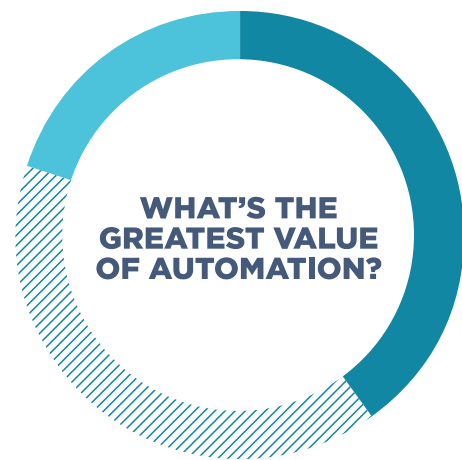
When it comes to top priorities, the **big three—revenue, profitability, and candidate acquisition—dominate the rankings once again this year.** The larger the firm, the more likely profitability takes precedence over growing revenue, but everyone feels the pinch when it comes to candidate sourcing.

Exploring priorities beyond the big three paints a clearer picture of operational strategies for 2018.

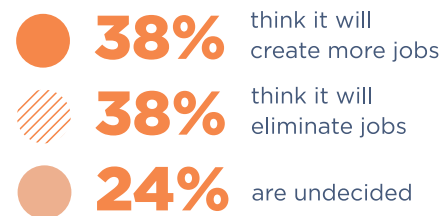
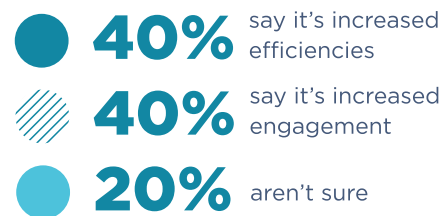
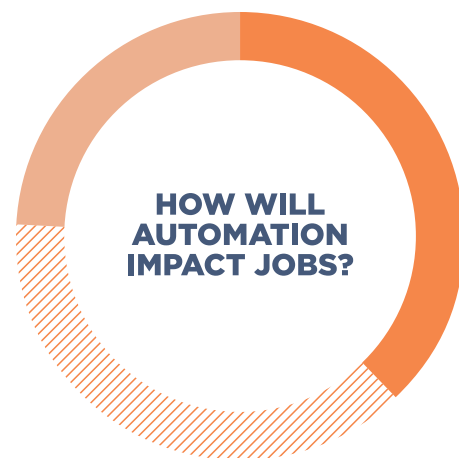
“There’s been a renewed emphasis on talent experience based on the challenges surrounding candidate engagement, retention, and the ability to find quality people. So our innovation has been focused on technologies that transform our candidate processes balancing technology and personal relationships.”

Alan Stukalsky, Chief Digital Officer, Randstad

THE PURSUIT OF AUTOMATION



VS.



Automation: A Priority and a Challenge

Automating and accelerating recruiting and placement processes rose higher this year both on the list of priorities and business challenges. Twenty-three percent rank automation as a top priority and 36 percent rank it as a top challenge, signaling plenty of room for improved adoption and utilization.

In fact, many firms admit to a complete lack of automation to manage common client and candidate-facing tasks. More than a third (35 percent) of firms don't automate during the prospecting, client engagement, or account management stages. And about 40 percent don't automate candidate selection, screening, or nurturing at all.

“The staffing industry is at the earliest phases of adopting automation technology, but the learning curve is quick. Onboarding is a logical place to start, as many of the tasks are standardized. We expect to see a dramatic increase in the quality and quantity of tools available in the marketplace for every stage in the next few years.”

Matt Fischer, President and Chief Technology Officer, Bullhorn

DIGITAL STAFFING PLATFORM IMPACT

Industry Viewpoint



21%
say digital staffing platforms
could help their business

16%
think they could hurt
their business

63%
say they're unsure

Digital Staffing Platforms: Friend or Foe?

Disruptive business models may pose a threat to the staffing industry... or maybe not. We asked about the impact of freelance/gig platforms—such as Upwork, Shiftgig, Catalant, and others—on staffing firms. Namely, could they help firms as potential partners by offering a low-cost source of talent that can be leveraged? Or are they more likely to hurt your business by picking off potential assignments through direct competition?

The jury's still out, but the signs lean towards a more helpful than harmful impact.

Although 63 percent of respondents aren't sure, 21 percent say digital platforms could help their business, compared to 16 percent who think they could hurt it. Even among people who ranked such platforms as a top three business challenge, more still thought they could help than hurt (25 percent vs. 23 percent).

ALL ABOUT CANDIDATES

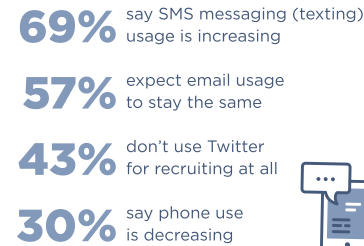
WHO OWNS THE CANDIDATE EXPERIENCE?



BEST CANDIDATE SOURCES (#1 RANKINGS)



TOP COMMUNICATIONS CHANNELS



The power of a positive candidate experience can't be overstated.

There are split perspectives about who's primarily responsible for the candidate experience: 48 percent say individual recruiters own the candidate experience and 45 percent say it's a shared responsibility across the business. Regardless of who takes the lead, engaging candidates matters when it comes to a firm's ongoing success.

Referrals from successful placements are the single best talent source this year, and referrals from existing candidates in your ATS/CRM followed closely in second place. **Nearly 30 percent say referrals are**

the best source of high quality talent, and 62 percent place them in their top three. So, clearly, delivering a great candidate experience can pay off not just for filling a position today, but also for sourcing other candidates in the future via positive referrals.

SMS messaging (texting) is the fastest growing communication channel in 2018: 69 percent of firms expect their usage to increase. LinkedIn messaging isn't far behind at 59 percent. Communicating with candidates on their turf is a must for a great experience.

FINDINGS AT-A-GLANCE

Here's a sample of the key findings and predictions for how staffing agencies feel about the year ahead.

*For more on the trends North American staffing professionals say are impacting firms in 2018, download a copy of the full report, **2018 North American Staffing and Recruiting Trends Report: The Industry's Outlook for 2018**, at www.bullhorn.com/TrendsSurvey2018.*

2018 BUSINESS OUTLOOK

HIRING OUTLOOK

- 70%** Expect hiring needs to increase
- 62%** Expect billable hours to increase
- 59%** Expect temp placements to increase

REVENUE OUTLOOK

- 29%** Expect revenue to increase by up to 10%
- 26%** Expect revenue to increase by 11-25%
- 20%** Expect revenue to increase by 25%+

INVESTMENT OUTLOOK

- 52%** Predict an increase in tech investments
- 49%** Predict an increase in operating budget
- 28%** Predict an increase in branch locations

2018 PRIORITIES & CHALLENGES

TOP PRIORITIES

- 45%** Increasing profitability
- 43%** Driving revenue growth
- 42%** Candidate acquisition

TOP CHALLENGES

- 64%** Talent shortages
- 49%** Pricing pressure/margin compression
- 36%** Leveraging automation

CONFIDENCE ABOUT THE FUTURE

- 33%** More confident about future
- 25%** Less confident about future
- 42%** Unchanged or unsure

MACROECONOMIC CONCERNS

- 68%** Economic growth
- 66%** Healthcare policies and regulations
- 59%** Inflation

ON THE HORIZON

DIGITAL STAFFING PLATFORMS

- 21% Could help business
- 16% Could hurt business
- 63% Not sure

VALUE OF AUTOMATION

- 40% Increased efficiencies
- 40% Increased engagement
- 20% Not sure/Other

AUTOMATION IMPACT ON STAFFING

- 38% Create more jobs
- 38% Reduce jobs
- 24% Not sure

THE CANDIDATE EXPERIENCE

CANDIDATE EXPERIENCE OWNERSHIP

- 53% Individual recruiters
- 41% Shared responsibility
- 5% Operations
- 1% Marketing



BEST CANDIDATE SOURCES (#1 RANKINGS)

- 29% Referrals from successful placements
- 18% Existing candidates from your ATS and/or CRM
- 18% Social media (LinkedIn, Twitter, Facebook, Instagram)

COMMUNICATION CHANNELS

- 69% Say SMS messaging (texting) usage is increasing
- 57% Expect email usage to stay the same
- 43% Don't use Twitter for recruiting at all
- 30% Say phone use is decreasing

METRICS & ANALYTICS

TOP RECRUITING METRICS

- 64% Fill rate
- 54% Hit rate
- 36% Customer satisfaction



SUBMITTAL-TO-HIRE RATIO

- 43% of temporary and executive search firms submit 3-4 candidates per hire
- 46% of permanent placement firms submit 3-4 candidates per hire
- 10-13% of all firm types submit 7 or more candidates per hire

TIME-TO-FILL

- 26% of temporary firms take 6-10 days to fill a job
- 29% of permanent placement firms take 11-20 days
- 11% of temporary firms take 21 days or more
- 38% of permanent placement firms take 21 days or more
- 57% of executive search firms take 21 days or more

REDEPLOYMENT RATES

- 13% of firms redeploy fewer than 10% of candidates
- 13% of firms redeploy more than 50% of candidates
- 36% of respondents don't know their redeployment rate





Bullhorn is the global leader in CRM and operations software for the recruitment industry. More than 7,000 staffing companies rely on Bullhorn's cloud-based platform to drive sales, build relationships, and power their recruitment processes from end to end. Headquartered in Boston, with offices around the world, Bullhorn is founder-led and employs more than 650 people globally.

To learn more, visit www.bullhorn.com or follow [@Bullhorn](https://twitter.com/Bullhorn) on Twitter.