

Data-Driven Talent Sourcing

Maximizing Profitability in a Tight Market by Optimizing Your Candidate Lifetime Value (CLV)

Presented by: David Folwell

“**CLV** helps you think about how to optimize your acquisition spending for **maximum value rather than minimum cost.**”



You can **increase**
your Gross Profit by 15%
without increasing placements

The background image shows a wooden desk with a potted plant, a pair of glasses, a red mug of coffee, and a notebook. A hand is drawing a diagram on the notebook. The diagram includes a stack of money with a dollar sign, a lightbulb, and the words 'Do Good Job', 'Growth', 'Give!', 'How!', 'To Do?', 'Best', 'Hard', and 'WORK HARD!'.



StaffingReferrals

Agencies are all
fishing from the
same pond...





73%
of candidates
are passive job
seekers

Source: 1.
https://www.hr.com/en/magazines/talent_acquisition/march_2018_talent_acquisition/list-of-shocking-hr-statistics_jevlexa4.html



WSI Grew 9% with 8% Fewer Placements

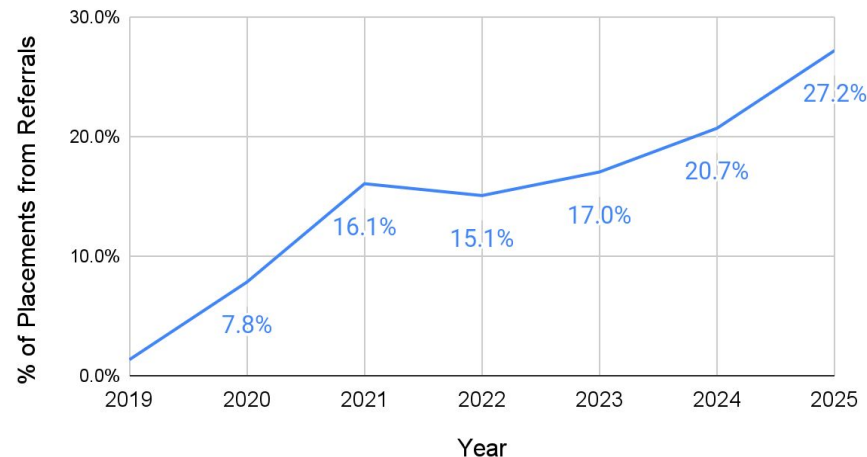
Shifting Placements from Job Boards to Referrals Drove Profitability



WSI outperformed market despite fewer placement opportunities by focusing on their most profitable talent source: referrals.

- ↗ Increased referrals by 59% over two years
- 🕒 Referrals worked 4x more hours on avg.
- 👤 Referrals 2.7x more likely to be placed

Percent of Placements from Referrals

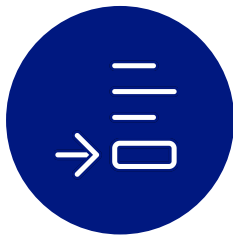


The Staffing Industry



Job Board Dependent

77% of placements start with same job boards



Market Saturation

Race to bottom through commoditized channels



Increased Competition

In-house and new staffing platforms

Commoditization through lack of differentiation

How to Win: Maximize Your CLV

Measure, Optimize, and Scale Your Candidate Lifetime Value



What is Candidate Lifetime Value?

CLV represents the total profit your agency generates from a candidate across all assignments they complete.

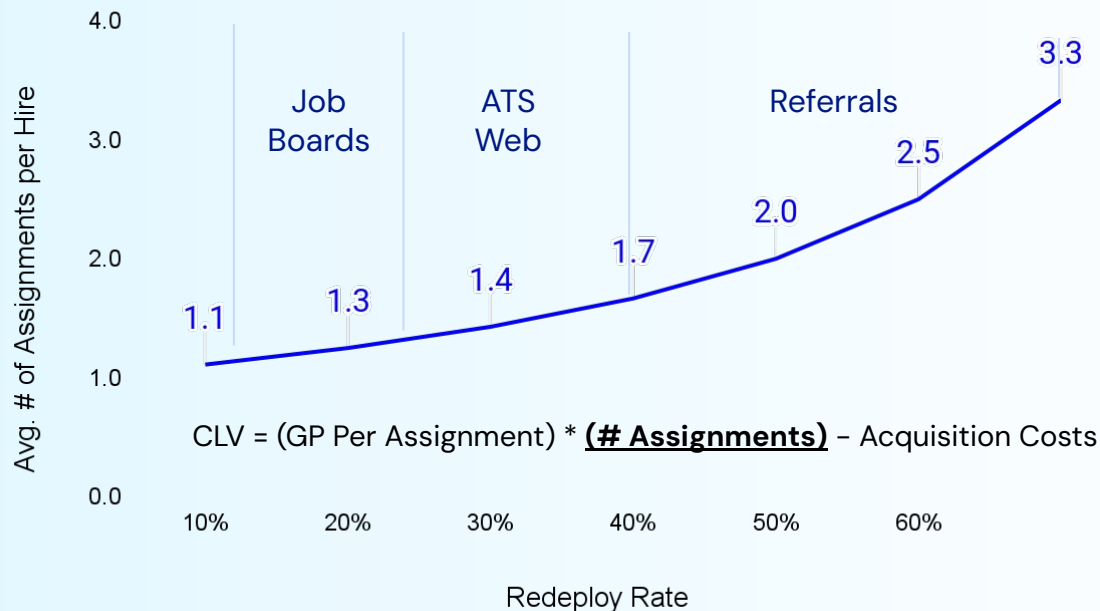
CLV Formula:

$(\text{GP Per Assignment}) * (\# \text{ Assignments}) - \text{Candidate Acquisition Costs} = \text{CLV}$

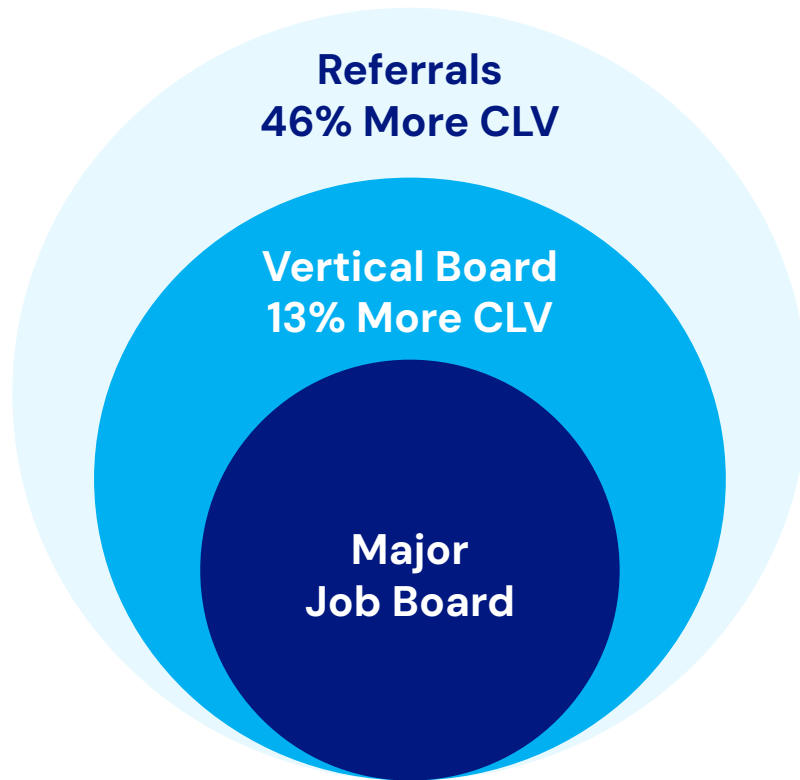
Starbucks calculated
their **CLV** at... **\$14,099**

Redeploy Rates Deliver Exponential Assignment Growth

Redeploy Rate vs. Avg. Number of Assignments



Referrals Dramatically Increase Your **CLV Compared to Job Boards**





Referrals Drive Profitability Compared to Job Boards

90%

Lower
Acquisition
Costs

1.4x

More
Assignments

213%

Improvement
in CLV

The Impact for Your Agency

Shift Your Mix, Increase Profit and Productivity

Case Study

Two agencies
10k placements

- Different mix
- Referral CLV: \$11k
- Job Board CLV: \$7k

Results

	Traditional Agency	Modern Agency
Job Boards/Referrals	80/20	50/50
Avg. CLV	\$7.8k	\$9k
Gross Profit	\$78M	\$90M



15.4% increase (\$12m) in gross profit with same placements

3 Steps to Optimizing Your CLV

1



Measure

CLV by source

2



Optimize

sourcing strategy

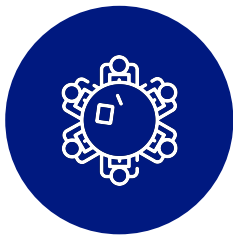
3



Scale

your top source

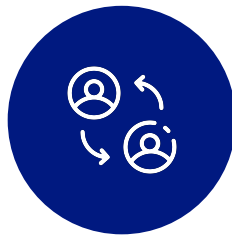
1. Measure Key Talent Sources



Job Boards



ATS/Database



Referrals



Website



Your talent pipeline is your unique value proposition.

Optimizing your sourcing mix drives profitability

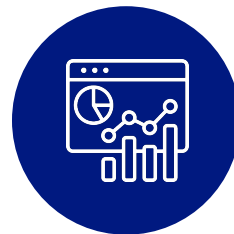
2. Optimize Your Sourcing Mix



Analyze
top CLV source



Align
your team

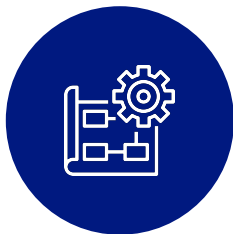


Monitor
results and adjust



Turn your placed talent into your best client lead source
Your talent knows who's hiring before you do

3. Scale Your Most Profitable Source



Automate
top CLV source



Incentivize
drive retention



Segment Data
key interactions



Leverage automation and incentives to maximize growth
Ensure incentives encourage, rather than penalize, referrals

"Efficiency is doing things right;
effectiveness is doing the right things."

– Peter Drucker



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Let's connect

