

STAFFING'S
Five Cs for Success

How to Use Data Presentation in
Changing Economic Times

The labor market is constantly changing.

Staffing companies are in a highly volatile industry. Influential factors affecting the US economy and its labor supply are numerous and dynamic. We have seen job openings soar into record levels and experienced labor shortages like never before. A worldwide pandemic encouraged early exits from the labor force by the millions with participation rates unable to recover. Industries that overheat eventually cool down and others ramp up in their wake. With demographic trends, economic conditions, and events continuously evolving, it is necessary for staffing companies to always be aware of the narrative.

The market's pain can be staffing's gain.

During treacherous times for employers, staffing companies are able to thrive—taking advantage of broad recruiting networks, desperate customers, and market uncertainty. Wise companies who invest in providing their salespeople with reliable and consultative market knowledge can capture significant increases in bill rates and margins. In the end, their growth may only be limited by an acute shortage of workers.

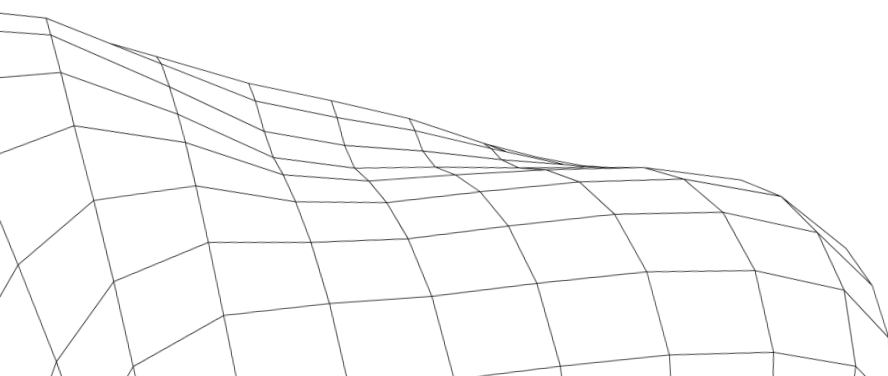
Labor situations are transient—be equipped to tell the current story.

For the past couple of years, the balance has been tipped heavily in the favor of workers. Competition for talent is no longer isolated, meaning potential employees have plentiful employment opportunities outside of specific industries. Therefore, companies must look to the skill set and away from the occupation workers did in the past, especially in lower skilled and easily transferable jobs. Clients of staffing companies are facing more challenging economic landscapes than in past decades and may fail to understand new competitive and pricing pressures, especially if their competitors are in different sectors altogether.

The supply of staffing's product—**workers**—is precariously thin.

In the context of today's job market, staffing companies must price every placement at the highest point possible or potentially miss out on leveraging the limited resources that remain. Previous strategies to drive revenue, like stealing market share or rich prospecting, are decreasingly sustainable. Now, revenue growth is largely driven by margin increases.

If a client references weakness in their segment as a reason not to pay competitively, the staffing company should be prepared to present the whole picture. It is common for employers to see the world through the narrow lens of their industry, so staffing companies need to show clients the world candidates are facing.



Proper insight will allow staffing companies to price appropriately.

To control complex pricing conversations and current job requisition demands, staffing companies can apply the five Cs of data presentation.

But first, the data must be unbiased.

For people to understand and trust the data points you present to them, they must come from a neutral source. The surest way to lose credibility is by using data from a company with a vested interest in an outcome. Once you've established a foundation of unbiased data, you can convince customers of your position by presenting data that are:

Clear

Concise

Contextual

Comparative

Compassionate

In order to apply this framework to a real-world situation, let's first define what each C means:

Clear: The data points inherently make sense, they're accurate and easy to explain.

Concise: All data points used are directly relevant to the key questions.

Contextual: The data points can be looked at in a historical context to see if they are better, worse, or the same.

Comparative: The data are comparable to other markets, sectors, and time periods.

Compassionate: The data are presented supportively with the intention to help stakeholders succeed.

Let's walk through how the five Cs can help you secure a higher bill rate in an industry that could weaken: **logistics**.

As demand soared during the pandemic, the result was an incredible need for supply chain occupations. Now, consumers are shifting their expenditures back to services, so the supply chain's demand for labor will cool. The keyword is "cool," not "go cold."

Occupation	Freight Movers, Material Handlers	Industrial Truck (incl. Forklift Operators)	Logistics Analysts	Distribution Management	Heavy Truck Drivers
Feb '20	38,062	6,718	5,538	8,340	58,450
Apr '22	70,359	11,843	7,956	13,415	71,654
Mar '23	60,962	11,293	7,073	12,053	70,223
% Change Aug '22-Feb '20	83%	58%	50%	47%	24%
% Change Mar '23-Apr '22	-13%	-5%	-11%	-10%	-2%
% Change Mar '23-Feb '20	60%	68%	28%	45%	20%

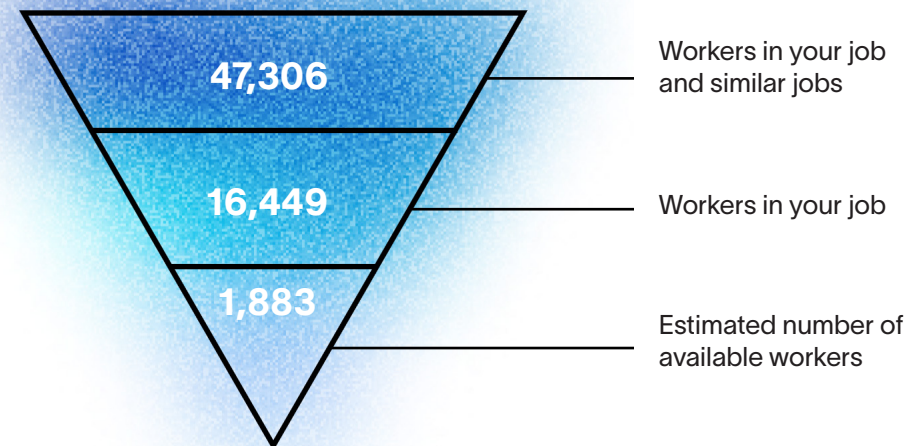
* LIGHTCAST JOB POSTINGS

Looking closer, we'll consider just one of these logistics jobs: **Material Handlers**.

Since this job must be done on location, we will select Milwaukee as our market. To limit the focus of our data to only what's succinct and relevant, the three metrics we will consider are supply, demand, and compensation. In other words, the only data points we need are how many workers are available, how many companies need these workers, and how much they should be paid. Adding any other factors will more likely confuse a decision than clarify it.

Supply

Using Lightcast and Bureau of Labor Statistics (BLS) data, we see that when we consider workers in similar occupations to material handlers, our total universe of potential workers is nearly 48,000. When we only account for material handlers, this reduces to about 16,500. Our number falls to roughly 1,900 workers when we estimate those available, either unemployed and actively seeking a job, or those who are likely to take a new job.



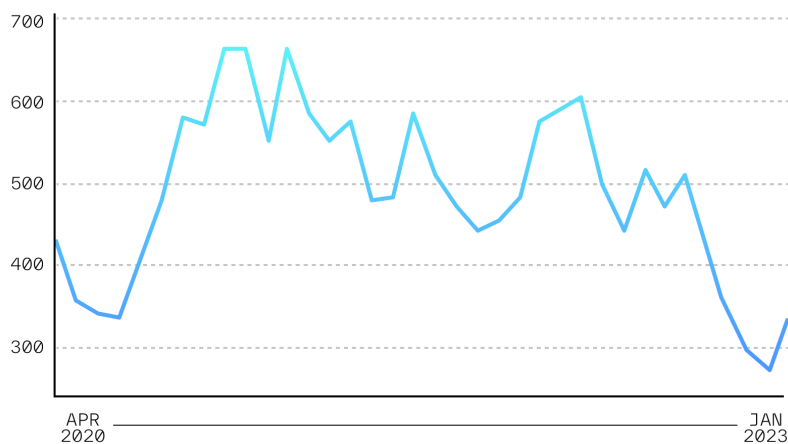
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Demand

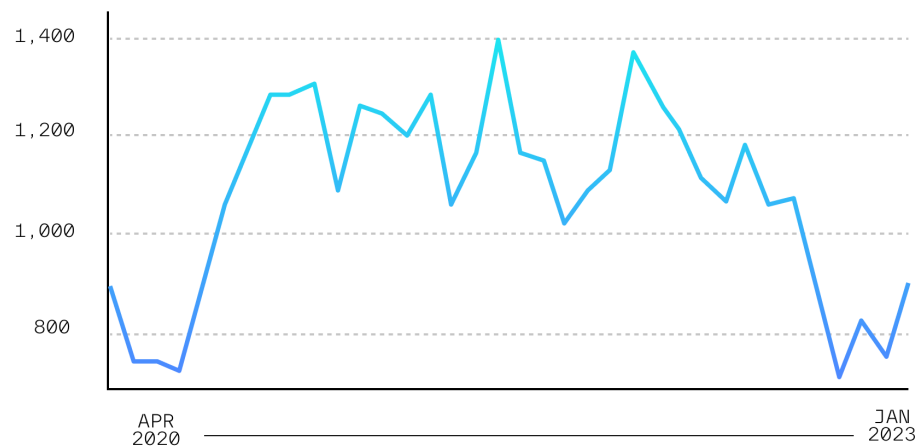
The current demand for material handlers is made up of about 622 unique job postings representing 332 different companies. We can see demand collapsed towards the end of 2022 into the first quarter of 2023.

We can also include all of the postings for jobs similar to material handlers, which increases our demand to almost 1,700 postings.

Unique Postings Trends Per Month



Unique Postings Trends Per Month (including similar jobs)



622 Latest Day Postings

332 Latest Day Competitors

1,688 Latest Day Postings

609 Latest Day Competitors

483 LESS THAN LAST YEAR

87 LESS THAN LAST YEAR

944 LESS THAN LAST YEAR

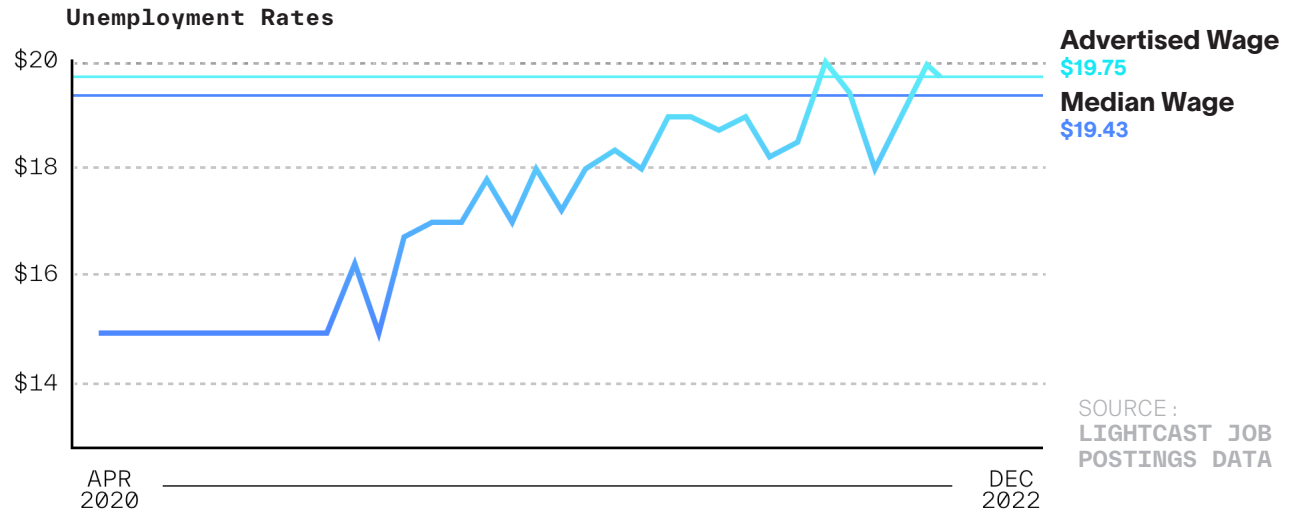
150 LESS THAN LAST YEAR

Compensation (Pricing)

Our last critical element is compensation, which will in turn affect our pricing—what we are negotiating. The current advertised wage is just under \$20 an hour. Not only did this wage rise consistently throughout 2022, but it did not decrease at all despite the sharp drop in demand.

Put together, we achieve the “Forest Through the Trees” data point—gaining key insight from the whole picture.

By looking deeper into patterns for each unique situation, we understand and can explain what it means for companies trying to hire. In our example, we see that compared to the rest of the US, Milwaukee has a poor supply of workers for their given demand. We can also see that the advertised salary for these workers never yielded from their increases, even when demand fell. This clearly indicates that companies are not able to find good workers for wages below what they were getting them for the mid-2022. When equipped with the right data, a staffing company can clarify the most important and actionable information for their client.



Material Handlers



SOURCE: LIGHTCAST JOB POSTINGS DATA

So, considering supply, demand, and compensation in an overall assessment—did we accomplish our Cs?

Clear

The data points (estimated available workers, active postings, and advertised wage) are succinct.

Concise

Workers available, strength of demand, and compensation are the only data points that matter and they are up-to-date. There is no need to bring other data to the table at this stage of negotiation except internal data about burdens or other costs of placement.

Contextual

Both demand and price, our two most volatile estimates, are shown with several years of history. Singular data points without context of a trend are irrelevant. This can be seen in our example, where any current fluctuations up or down still do not discount historical trend lines.

Comparative

Our final element shows if these data points signify something unique about this market in particular. We can see that this job is hard to fill nationally, and our market is no exception. This is going to be a tough position to fill.

By using this framework to gain insight from the right information, staffing companies will understand the whole picture of what their clients are facing. Each staffing decision is unique, and in order to make the right one at the right price, you need clear, concise, contextual, and comparative data to support the process.

The Critical Last “C”

While the first four Cs are all about the data, to be truly effective when it comes to analysis and presentation, there must be a fifth C: **compassion**.

Data presented without the intent of helping the person receiving the data succeed will fall short, no matter how solid the case of the data held. The goal is never to beat a client down, but rather paint a realistic picture of the market so they have the best chance possible of finding the right people to bring on board. Compassion is the C that ties them all together, without it, your case will fall apart.

Data is best presented with a spirit of collaboration.

Navigate the changing economic times with the five Cs.

In a complex and changing environment, using data wisely to understand where pressure and competition are coming from is necessary for employers to recruit and retain the talent they need. Staffing companies with the right insight can become the experts for their clients.

It’s a challenging time for the labor market and situations will continuously evolve. The five Cs of understanding and presenting data—making it clear, concise, contextual, comparative, and compassionate—can illuminate the best path through these complexities and give staffing companies the competitive advantage they demand.



Lightcast Data empowers staffing professionals to:

Win new business

Mazimixe bill rates

Decrease time to fill

Target talent

Negotiate confidently



SCAN TO
CONNECT WITH AN EXPERT

About Lightcast

Lightcast (formerly Emsi Burning Glass) is a world leader in labor data and analytics. Lightcast data is used by universities, community colleges, businesses, and governments to track and quantify labor trends using real-time job postings, advertised wages, comprehensive government data, and profile analytics. Figuring out what jobs are in demand, how much they pay, and where the labor pools are with the skill sets needed for these jobs are the primary use cases for Lightcast data.

lightcast.io



The global leader in labor market analytics