Title:
Is It Time To Start A Perm Practice?

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Summary:
Compelling reasons and helpful tips for starting a permanent placement division.

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Article Body:
The national unemployment rate is dropping. Your temp staffing operation is starting to take off. You often hear that the direct hire business is on the move. What should you do? Consider starting a perm placement division. Here are some compelling reasons to do so and some helpful tips to start you on your way.

<b><i>Why now?</i></b>

<b>The time is right.</b>
With unemployment dropping and the demand for qualified workers outstripping supply, it's the best time to do this. Many of your existing clients will likely be interested in this service.

<b>You can make a lot of money in a short amount of time. </b>
The industry standard fee (depending on your industry) is any where from 15 to 30 percent of the first year's salary. This means a $50,000 placement could translate into $7,500 to $15,000 in new revenue, and that's a lot of billable hours.

<b>You have relationships in place that can be instantly leveraged. </b>
You already have relationships with a lot of hiring managers. Even if these people don't handle the direct hiring for their companies they're in a good position to connect you with the right person. And, if you've done a good job for them, the introduction may come with a recommendation. You're also already an expert at recruiting, matching, negotiating, etc., so use these skills for additional profits. You also have relationships with a lot of the people who will become direct hire candidates for another firm. By offering this service to your temp employees you can get one last big revenue hit instead of just wishing them well when they leave.

<b><i>Some helpful hints:</i></b>

<b>Do it with a team. </b>
It's probably best to tackle this with a team instead of with a guy. As tempting as it will be to minimize the start up expense, a three person team offers several advantages:<ul><li>They can share relationships. What we don't want to see is the new line of business getting off to a good start, and the person bolt to start his or her own firm. As much as any business, this is a relationship sale. We want that relationship to be the property of the firm, not the employee. </li><li>It shows you're serious. One person all alone may not adequately convey your intentions to be in it for the long haul (even if you're not sure yourself).</li><li>They can feed off of each other. Without someone to compete with many sales people become complacent. Having a friendly competition in the perm placement division will benefit everyone. The weekly meetings will become much livelier if they're all vying to be the top dog. </li><li>One of them can emerge as the manager. It's a good idea to hire at least one person with experience. The job of manager of a growing division is the carrot.</li></ul>
<b>What's in a name? </b>
This is a tougher issue. Should this perm division operate under the same brand as your established temp business? Or should it brand itself as a new entity. The answer is: "I don't know". By using the existing name, you have a chance to capitalize on all the good work you've done with your temp business. This will lead to more instantaneous brand recognition. On the other hand, if the perm thing doesn't work out, it could have a negative impact on you brand. You should consider this carefully before starting.

<b>Have the right system in place. </b>
While you probably have a system in place to manage your temp placement effort already, it may not be suited to the nuances of the perm placement process. It will not be good enough to fill out a job order and check a box or add a code to indicate that it's a perm order. The actual data you have to collect is different. The search and placement processes will be different. You'll even find that the things you want to search on are different. Also, since you're hoping to leverage your temp placement data into perm placements, the best system is one that offers a side-by-side temp and perm placement capability. The system must offer more in the document management area as well.