

How To Start Your Own Million Dollar Temporary Help Service

This is a service business with excellent growth potential, indications of strong stability, a nationwide market with a growing demand and a risk factor that's rated average or less than most new business ideas. Temporary Help Services are well suited to absentee ownership situations; require no experience or technical knowledge on the part of the entrepreneur; and have only minimal equipment needs. Net profits before taxes for some established temporary help services have been reported as high as \$500,000 per year.

There's a difference between regular, private employment agencies and a temporary help service. The employment agency is a "brokerage" office that matches unemployed persons with available jobs. The temporary help services hires people onto its own payroll, sends them out on contract jobs, and pays them accordingly.

Temporary help services make money "off the top." They send out temporary workers on one or two day only jobs paying \$15 an hour to the worker, and collecting \$20 an hour for the time the worker spends on the assignment. More and more, businesses are willing to pay the premium costs for a trained person for just a few days at a time, than to accept the burden of a 40-hours per week payroll obligation and the task of finding enough work to keep such a person busy enough to justify a fulltime salary and the attendant support costs. Businesses everywhere are finding it easier to pay more for "temporaries" that hire 40-hour per week "permanents." That's the secret of success with this kind of business, and the point to keep in mind when selling your services.

The successful temporary help services recruits as many skilled and qualified workers as possible. These workers differ from the regular job-seekers in that they're looking for "temporary" work only. For any number of reasons, they're only willing to work on jobs lasting from one to five days, or perhaps two or three weeks, on any one job assignment.

These persons are ideal for the employers needing help but not wanting to hire and train fulltime employees. Your task will be to find and attract top people and to maintain complete files on them. What kind of jobs they specialize in, their attitudes about work, and when or how often they're willing to work would be essential information to have in your file.

Each person should be tested in your office, sent out on a few assignments to build a favorable reputation as a good worker, and then offered a permanent listing on your roster of available specialists.

Work hard to build your roster of available workers. Within ninety days of start-up, you want to be able to send someone out to fill any employer's needs, regardless of the job requirements. Job assignments will range from loading dock to light clerical work to word processing and even master-of-ceremonies work.

Depending on the size on your market, you could conceivably specialize in temporary help for data-processing, the medical or

legal professions, or perhaps the retail trade; and you'd still make a lot of money. Generally, though, we are going to show you here how to start a "full-service" temporary help agency.

You'll need a good mix of employers in your area for best chances of real success. Your area can be one of high unemployment or one with relatively few unemployed. Whichever the case, the thinking of the business community and the work force available should be non-traditional; there should be an undercurrent of thought toward the idea of calling in specialists to handle a job quicker, and more efficiently, than the fulltime worker.

The people wanting to affiliate with you as workers will be housewives, college students, retired people and a large number of people who like to work, but don't want to be tied down to a regular job. When you explain the concept of your service, you'll be pleasantly surprised at the number of traditionalists you'll convert to temporary workers.

First, you should visit your local Chamber of Commerce office. Explain the philosophy of your service, meet the chamber officers and ask for their help. You'll find that they have a listing of all major businesses in the area, plus the names of the "right" people to talk to in selling your service. If you request, you might be invited to Chamber meetings and introduced to the business leaders in your community. The only kind of information it is likely they will be able to help you with is a listing of doctors, lawyers and small, home-based, one person enterprises. However, don't neglect contacting these people; they have a need for varied specialized help just as the larger, more widely known firms in your community.

You can locate your offices just about anywhere. You'll find, however, that your greatest success will come if you locate in a modern office building housing professionals such as lawyers, accountants, investment counselors, insurance company offices, etc. Project a professional image. Locate in a downtown or business section of your town when you are able to do so.

Basically, you'll need 6000 to 700 square feet of office space. You should have a reception area, two offices and a room to store supplies. The more prestigious your business address and office, the better caliber clientele you'll attract. People looking for temporary work, and employers considering using your services, will doubt your abilities if they aren't favorably impressed with your image.

It is possible to start this business in your home, but make sure you have the space for a reception area, and at least a semi-private interview area. Most of the selling efforts will be conducted by mail, phone and personal visits to the employers place of business, so you won't have any problem there. However, you may run into zoning problems if your city zoning people discover a large number of cars parked at your house every day. It certainly always helps to be on good terms with your neighbors, and further, working by appointment will keep traffic under control.

So, practically speaking, starting your business from home will require a much smaller initial investment. In this particular business, rent and advertising will be your largest expense, so

beginning the business from your home is definitely worth considering if your start-up funds are limited.

In actual operation, have the applicants interested in your services contact you by phone. You would then set up appointments either in their homes or your own, thereby eliminating congestion of cars in front of your home, as mentioned above. If you began on a part-time basis, you could have a family member or friend answer your phone and set up appointments for you. If you do begin part-time, and working out of your home, you might look into the advantages of a professional telephone answering service.

Another idea for saving on costs might be to rent unused space from a business already established. These businesses might be sales and distribution offices, suburban insurance agencies, quick print or copy shops, and repair service shops. Look around; many businesses have had to take what was available at the time, and would be more than happy to lease or share their vacant space. Keep in mind though, that you'll do much better with an office of your own, and you should move into one just as soon as you can afford one. Proper facilities that convey a professional image should be number one on your list of priorities.

Your business image is projected by your address and the appearance of the building in which you locate. Your reception area will set the mood of professionalism and efficiency. The reception area will should be inviting--walls painted in light pastel colors, wall prints, floor lamps and wall-to-wall carpeting. It should also feel comfortable while being functional. Comfortable modern chairs and sofa; perhaps a floor planter or two, reception desk and ask trays all help to achieve this effect.

The main office need have only a desk and a comfortable chair, facing the door, a chair beside or in front of the desk, and a file cabinet. A print or two on the walls, and perhaps a bookcase are the only "extras" you might use to dress up your office.

Your second office equipment will be for testing your applicants. You can inexpensively build a table along the length of two walls, partition it into cubicles and have an electric typewriter, an adding machine and maybe a headset connected to a dictaphone/recorder, and another set up for testing short hand capabilities. Later on, you'll probably want to have a word processor and a computer.

Ideally, you should also have a sales office and a storage room. The sales office will be where you greet and talk with employers who drop in to look over to find out about your business. Mainly, this office will be where your people will work from when calling prospective clients and selling your services by phone. The storage room needs only shelves to hold various forms, mailing pieces, envelopes and business records.

One way to hold your start-up costs to a minimum is by leasing your office furnishings and equipment. Whatever you do, remember that you're projecting an image, so don't settle for less than the best. This is absolutely imperative in regard to any equipment used for testing your applicants,. You might be able to work out an arrangement with the business department of a local

college, or business school, to send you applicants to them for testing on their machines. Such an arrangement, even at a cost of \$5 to \$10 per test, could save you several thousand dollars in start-up costs.

The first person you hire should be either an experienced manager or someone you can quickly train to assume those duties. It's best to hold out for a person with at least one year experience as a bona fide personnel manager. This person should be outgoing, detail-minded, people-oriented and able to work well under pressure without losing his sense of humor. You don't want someone likely to blow this cool when confronted with a difficult situation.

Your manager will be responsible for organizing the interview and testing systems, for setting up your sales solicitation program, and for supervising the temporary workers, as well as your office staff. It's a highly responsible and demanding position, so don't be reluctant to spend the money necessary to get the best. You will need to research to determine what salary such a top manager receives in your area.

The next member of your staff should be an enthusiastic, hustling sales person. This employee should be experienced and adept at selling by phone as well as in person. Unless you can afford to pay a good direct mail advertising copywriter to create you mailing pieces for you, it would be wise to look for direct mail advertising or copywriting experience in the background of the sales person you expect to hire.

Your sales person should spend the mornings calling prospective employers on the phone, and the afternoons making in person sales calls. With this kind of work routine in mind, look for sales people with high ambition and energy levels. Try to pick the kind who'll come in early and stay late to work on his direct mail efforts, clearing the decks so that he uses his time during regular business hours to close sales by phone and in person. You need and want a "closer"---not an order taker. Be as selective as you have to be in choosing this sales person.

In addition to the going rate which a sales person of this type should be paid, you should also consider paying a 5 percent bonus for each new account brought in. When you find the right person, it will be worth it, so make it worthwhile to join your staff. Not all sales people will necessarily develop into good sales managers, so try to find one who fits ALL your requirements. The sales manager would recruit, organize, develop, motivate and supervise your sales staff. With those responsibilities, you'd want to offer a salary plus override on the sales production of his staff of sales people.

You'll need an efficient and foolproof bookkeeping system to keep track of your payroll, client billing, income taxes, work schedules, hours worked and all the money that comes in. For this chore, I suggest that you contract with a company that handles this type of work for a number of independent small businesses. Explain to them everything you think you need; ask them to set up a system, and then instruct your receptionist on how to keep it up to date on a weekly or monthly basis.

You'll save money in the long run if you will consult with an

accounting firm and have them set up a system that not only works, but can be interpreted and computerized from the beginning. Later on, you may want or need to hire a fulltime bookkeeper just to keep up with the daily entries. If so, check out salaries paid in your area for that kind of work.

The last member of your staff will be your receptionist. This person should be a lady better than average looks, a lot of empathy for people in general, and an easy smile. She should dress stylishly, but not provocatively. When she isn't answering the phone or greeting customers, she can be administering tests, doing miscellaneous typing, making folders for the records of your workers, and general office filing. And if you have an accounting system set up, she could also assist with the daily bookkeeping.

The kind of temporary workers you'll want to attract will fit into several general categories, and can be recruited in a number of different ways. Good places to look first will be in the business, secretarial and technical schools in your area, and perhaps also the colleges. To sustain your efforts, have a brochure and your company made up, and make sure the placement directories or counselors always have an ample supply on hand. Many schools stage "career days," when employers are invited to set up booths on campus and talk to the students, pass out literature, and invite the students to visit their companies. Make sure that you know about these, and that your firm is represented.

Another group will be housewives who perhaps held regular jobs before marriage or the birth of a baby, and now want to get back into the job market. You can bring these people in by posting bulletin board notices, arranging announcements at meetings, or guest speaking engagements. And of course you can try for guest appearances on local radio or television talk shows.

Another group to recruit will be the "bored with life" people. These will be in the 45 to 55 age group, not satisfied with the future where they are, and looking for a better opportunity.

It is imperative that you begin recruiting and signing workers as soon as possible; at least a month before you open for business is not too early. According to industry surveys, the most common reason for the failure of temporary help services is not enough workers lined up to fill the client demand. When you get a request for help, you should be able to send out a qualified person.

Each market area differs in the number of different types of workers a temporary service should have available, but in every case, it's best to have more than you figure to be a basic need. You must establish a maximum number of people within any one occupational field that you'll sign up, or else you won't be able to keep everyone busy. Unless you keep the workers you have registered working pretty much as often as they want to work, you'll begin to lose them.

It's not hard to determine when a person is losing interest in temporary job assignments through your firm. Whenever you call to give an assignment and you can't reach the person you're calling, try several follow-up calls. It should become obvious to you that

he's no longer interested if you still can't reach him with your follow-up calls. It's a good practice to ask for notification of vacation or other plans that will affect their availability for work.

If you call and a job assignment is refused with a lame excuse, come right to the point and ask if he wants to change his availability status, or if you should drop him from your list of available temporary workers altogether. Never coddle a temporary worker. If he's not available when you call to give an assignment, or he gives you a less than valid excuse for not accepting, flag his "call assignment" card and move onto your next available worker. You might call a couple days later to check his availability and interest in continuing to work, but don't waste too much time. You can always reinstate such a worker, but it is probably better to spend the time recruiting a replacement.

As mentioned earlier, one of your major expenses will be for advertising. Your manager and sales people should keep you advised on your current advertising impact and results, and from this you should have a good understanding of how to use your advertising budget most effectively. Your advertising should be 'double-barrelled,' aimed at both the employer and the worker.

Generally, your efforts to add new employers to your client list should focus on direct mail. Advertising efforts to recruit new temporary workers should be almost exclusively devoted to newspapers. Years ago, some radio stations sold sixty-second commercials to a few temporary help agencies. The agencies talked to prospective employers, playing up to the fact that they had skilled workers to handle overload and deadline situations. These commercials were broadcast in the mornings before 8 o'clock. Then they followed up during the afternoon hours with commercials inviting people seeking temporary help to come in and sign up. Everything worked well except that not enough prospective employers called often enough to justify the expense. This advertising method is being followed on a small scale in some areas even now, so watch for it.

For really professional results, you should get a freelance advertising copywriter to do your direct mail piece. This should be a 4-page brochure making these points.

1. All employers have a sudden work overloads; face deadline situations; or are suddenly left with a mountain of work for specially trained employees just when they are home sick, on vacation or off for an emergency.
2. Your company understands these workload problems, and has available skilled professional replacement workers who can quickly step in and get the job done.
3. Your company thoroughly test each of the specialists hired for these special staffing crisis situations, and can assure the employer that they are tops in their individual areas of expertise.
4. Your company is well aware that many businesses would like to save the expense and headaches of hiring a full-time specialist of the same caliber of your people on a "temporary" or "on-call"

basis. YOUR people cannot be hired by the prospective employer because they already work for you; but if and when a temporary worker is needed, your company stands ready to fill the need, regardless of the job specialty required.

5. Even if he doesn't need one of your people today, the need could arise at any time, and suddenly. So he should just keep the brochure and your telephone number handy, and don't hesitate to call you personally for whatever help is needed.

Once you have the copy written, decide on the layout and type style you want to use; if and what color will be used; and take it to a quality printer. Your brochure should be printed on 60-pound coated paper, and folded to suit your needs by the printer.

Your complete mailing should consist, of a short cover letter inviting the recipient to avail himself of your services; a brochure explaining your services in greater detail; postage paid business reply card. The mailing envelope and the cover letter should addresses to each business owner or personnel manager by name.

Pay the cost of a bulk rate postage permit; have your permit indicia imprinted on your mailing envelopes; and organize your mailings to get between 200 and 500 letters into the mail three days a week, every single week. Don't skimp on your direct mail advertising efforts, because this will be the lifeblood of your success.

Your newspaper ads for qualified workers looking for temporary assignments should be display ads in the "Help Wanted" section. Most such ads are one column wide by 3 to 6 inches deep. Be sure you have an ad running in the Sunday paper, and at least one more on Wednesday or Thursday. Before you even start soliciting accounts, you could run an ad one column by 6 inches deep every day for a month.

These ads should invite the readers to come in and register with your company. Work with your freelance copywriter to say what you want to say. Overall, though, these ads should explain that you have plenty of jobs going begging; that the worker sets his own days to work, and can take jobs as often or as seldom as he likes. Stress the real advantage of "paychecks on your terms"---an impossibility with a nine-to-five job. (We have had reports of employed persons coming in to interview, going back and quitting regular jobs, and becoming great "temporaries.")

Don't forget to send out news releases to all the media in your area when you open for business. Leave yourself open for broadcast talk show interviews, and when you promote someone, pass special milestones or become involved in unusual stories in connection with your business, at least telephone the media and give them this information.

The most important requisite for success, however, is consistent advertising. In a city of 100,000 population, you should budget \$10,000 for your first year advertising. Plus, get involved in as many promotions and as much public relations contact and publicity coverage as possible. Once you're beyond the "break-even" point in your business, you will allocate funds for

advertising based on your gross income.

In day-to-day operations, your manager will interview applicants; do testing; talk with clients; solve problems; take orders from employers; and make job assignments. Usually, his busiest time will be right after lunch when job orders start to come in. With this in mind, you might want to arrange for him to take an early lunch period.

While your manager is "running the show" your sales person will be making telephone calls in the mornings, and in person during the afternoons. It's a very good idea to send out your direct mail advertising one week, and then call on these same people, either by phone or in person, the next week. Remember that your sales calls should be relaxed visits, allowing the prospects to learn more about your business and the kinds of people you have available. During each sales call, the prospect should be left with the feeling that your company can save him money, solve a lot of production and scheduling problems, and take the exasperation out of his personnel requirements.

As a rule, you'll find that most jobs are called in during the afternoon hours. With this in mind, it would be wise to have a set procedure for your specialists to call you each afternoon to let you know where they can be reached thru 5:00 p.m. if they are available for a job assignment the next day. You might want to set a policy of "no call from you--No assignment for you."

Most temporary help agencies give their workers a supply of a 3-part time card when they're hired by the agency. When the request for a worker comes in, the most qualified in the required category is called. Job, name of company, location, approximate length of job, and salary are all explained. If they agree to take the offer, they fill in the time card for the day the work begins. When they report for work, they have the time card signed by the employer to verify starting time, and finishing time. One copy of the time card stays with the employer; the temporary worker keeps a copy; and the other copy is mailed to your office. Smooth and simple, but make sure you've got everything worked out before you begin.

Your bookkeeper notes the proper information on the ledger for that employee, files the time card, and sends a ledger duplicate to accounting for billing. Of course a reminder call should be made first, but as a rule, any account that hasn't paid within thirty days should receive a personal visit. As to the hard-core delinquent account, no more employees furnished, and a collection agency to clear up the account will be your policy. You may want to look into the advantages of selling your accounts receivable to a factoring company.

Run like the brokerage type employment agencies, your temporary help agency will not require licenses other than those required by any other business in your area. You should, however, bond each of your employees in order to protect yourself from any possible liability or other legal entanglements. And of course, you'll need to carry a standard business insurance policy.

That's it, the HOW, WHAT, WHY and WHERE---of getting started with your own profitable temporary help services! Remember it takes solid and consistent advertising, earnest recruiting, and

selling. So don't stop or let up until you have everyone in your area registered, and every possible employer as a client, aware of your business. It's a big job with lots of challenging work involved, and you'll need good people to help. It is worthwhile to search out these people with care, to be sure you have good, reliable employees---the rewards will be worth it! Organize your business for success, and get with it. The WHEN is NOW!!!