



Recession Proof your Staffing Firm

Staffing Owners and Execs - Welcome and thanks for joining us!

Today's Topics

1. **Client Diversification** for risk mitigation and growth
2. **Develop and Cross Train your Team** – it's a win-win
3. **Growing the Business** and Improving Cash Flow
4. **Know your Options for Cash** in an uncertain economy
5. Navigating the **Current Banking Environment**
6. Understanding the Benefits of **Receivables Financing**





Dan Eichstaedt

Business Development Officer

Dan has over 17 years of sales and finance experience. His customer-focused sales and consulting approach helps business owners understand their options for cash through invoice financing.

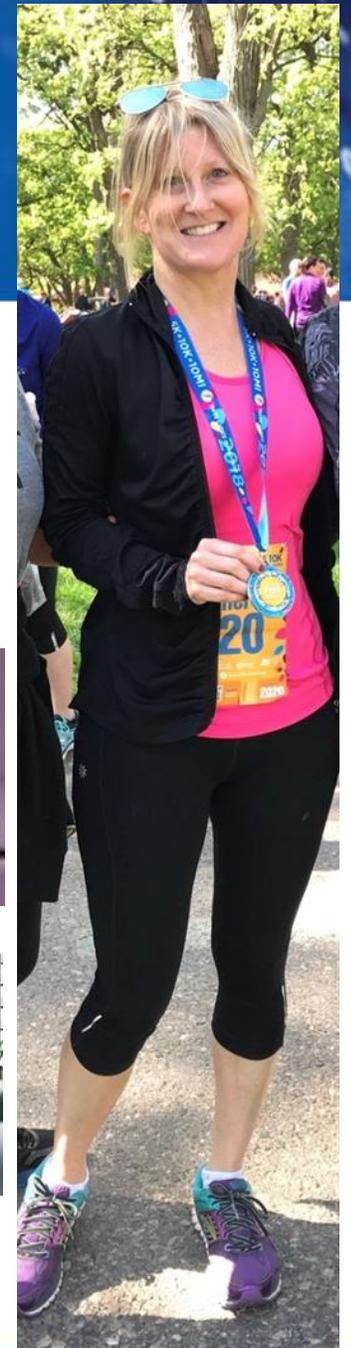




Sheri Tischer

VP Business Development - Staffing

Sheri brings to her role at TCI Business Capital over 15 years of front-line staffing experience. She is responsible for driving partnerships and solutions to better serve TCI's staffing portfolio. Sheri serves on the Board of Directors for Minnesota's Staffing Chapter, is on ASA's membership committee and has been an ASA Mentor.



Client Diversification for Risk Mitigation and Growth



Total Billing Clients

Type of client/industry

Why Diversify? What's the Risk?

- Loss of 1 high concentration client can be detrimental to your business
- Low Rates and High Service Expectations
- Protect yourself from Industry Downturns
- Poised for Exit
- Credit and Receivables Risks



Client Diversification for risk mitigation and growth

5 Tips on How to Diversify:

- Analyze your existing client portfolio.
- Create a diversification plan.
- Consider adding new solutions such as creating a Direct Hire program with a dedicated team.
- Set aside time each week for new business development.
- Consult with a staffing industry expert for diversification strategies to promote growth.



Train and Develop your Team

- Product Knowledge.....
 - Direct Job Skills Training
- Cross Training
- Beyond Product Knowledge
 - Professional Development

- Upskilling/Reskilling contractors

Benefits to Team Development and Cross Training

- Great Return on Investment
- Increases efficiency
- Better teamwork and collaboration
- It's what they are asking for! Increases motivation
- Workforce Sustainability – Employee well-being and overall retention
- Makes your company more agile





Develop and Cross Train your Team

Top Training Topics for 2023

- Conflict Resolution
- Teamwork
- Time Management
- Stress Management
- Emotional Intelligence and StrengthsFinder
- Negotiation Training
- Leadership Training

Training Methods / Resources

- Internal Training or Outsourced
- Video vs. written - Classroom vs. 1:1
- Relias, Lessonly, Linked In Learning , Skillshare
- AARP, via MindEdgedon't laugh
- Office Book Club

6 Tips for Improving Cash Flow and Growing the Business

According to research done by U.S. Bank and cited on the SCORE/Counselors to America's Small Business, cash flow is the reason 82% of small businesses fail.

1. Contract Payment Terms
2. Work your Aging
3. Adjust your Pricing Model
4. Focus on Filling the "right" orders
5. Expand your Business
6. Pursue Financing



Cash Flow Solutions for Your Staffing Agency

Self fund

- **PROS:** Least costly of course (\$0)
- **CONS:** High stress (it's hard to spend your own money!)

Bank line of credit or loan

- **PROS:** Funds on-demand– safety blanket, fees only if drawn upon
- **CONS:** Setup time, time in business, ratios & oversight

Merchant cash advance (MCA) and other similar sources

- **PROS:** Quick, not difficult to obtain, a last resort
- **CONS:** Very high fees, short-term option only/non-sustainable

Payroll funding / Receivables financing

- **PROS:** Fast, flexible terms, can pick your clients
- **CONS:** Volume minimums



Navigating the Current Banking Environment

Our current Environment

Interest Rate now at 8%

Challenging to get a loan or line of credit

Silicon Valley Bank and others

Key Takeaways for Handling the Current Environment

1. Don't panic and pull your money out
2. Remember the FDIC limit of \$250K
3. Get to know how your Bank is managed
 - *Treasuries and Liquidity
4. Banks are paying higher interest for deposits right now.
5. If you're in growth mode and need cash, your bank may not be able to help; know all of your options.



How does receivables financing work?

Temporary Employee Works Assignment

Staffing Agency creates an invoice for their client (cc: invoice and timesheets to TCI)

TCI provides cash advance to staffing agency – typically 90% of the invoice value via wire or ACH same day

Client Company processes the invoice in their normal course of business – payment is sent to TCI

TCI receives the payment and remits the remaining 10% balance (less our fee) to the agency

Questions?



THANK YOU for attending!

Payroll Funding FAQ's



Do I need to sign a contract?

Answer: Yes. It is essential to review the terms before signing on with a payroll funding company. As a customer, flexible terms are ideal. Most companies only offer a one-year (or more) agreement. At TCI Business Capital we offer month to month contracts, so you are never locked into a long-term agreement.

Do I lose control over my billing and posting?

Answer: No. You are in control of your invoicing. You may invoice your customer or have the option to have the payroll funding company send the invoice on your behalf.



Do I need to fund all of my invoices, or can I pick and choose?

Answer: You may choose which invoices you want to finance and when. However, once you decide to fund one of your accounts, most accounts receivable financing companies will generally require you to fund all of the invoices for that customer in order to reduce payment confusion.

Can I qualify for funding if my personal or business credit is less than ideal?

Answer: Funding companies are typically more interested in your customer's creditworthiness rather than your credit background. Funding decisions are based on your client company's ability to pay.



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