

BUSINESS GUIDE

Five Reasons All Staffing Organizations Should Be Using Cloud ERP



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Five Reasons All Staffing Organizations Should Be Using Cloud ERP

As they adapt to change and prepare their operations for the future, staffing and recruiting firms are shedding their aging, disparate technology systems in favor of unified cloud enterprise resource planning systems.

A vital part of the U.S. economy, the staffing, recruiting and workforce solutions sector provides career opportunities for [16 million individuals every year](#). During an average week, roughly three million temporary and contract employees work for U.S. staffing companies, with 73% of those hires being matched up with full-time career opportunities.

Working across all sectors, staffing companies focus mainly on filling industrial (36%), office and clerical (24%), professional and managerial (21%), and engineering, IT and scientific (11%) job openings. For their clients, staffing companies match qualified candidates with open positions, pre-screen those candidates, negotiate salaries and provide myriad other services in exchange for [25% to 100%](#) of the hired employee's wages.

In 2019, U.S. staffing and recruiting industry sales reached \$161 billion, with [85% of those sales](#) being generated by the temporary and contract

employment sector. 2020 proved more difficult; Staffing Industry Analysts (SIA) said U.S. [staffing industry revenues fell by 17%](#), versus in 2019. The association painted a more positive outlook for the industry for 2021, during which time it expects the staffing industry to grow by about 12% (up from 4% and 3% in 2018 and 2019, respectively).

As it continues to shake off the impacts of COVID-19, the staffing industry will remain focused on finding temporary workers to fill job positions for client companies, both on a short-term and long-term basis. For many of these placements, the candidate remains an employee of the staffing agency itself, with some of those employees hired permanently by client companies.

This business guide will examine key challenges that the staffing industry is facing, discuss future opportunities for this sector and explain how a unified cloud ERP supported by a NetSuite partner that's both a staffing company and customer helps companies work smarter in today's competitive business environment.

Tackling New Challenges

Like most other industries, the staffing sector faced new challenges as a result of the pandemic and the related economic uncertainty. Concurrently, a national labor shortage and the move to remote work forced staffing companies to rethink their business models and their technology systems. With many still relying on basic solutions like QuickBooks, legacy systems and/or multiple applications (i.e. one for customer relationship management [CRM], another for project management, etc.), the need to develop and unify those systems is more critical than ever.

“Staffing companies tend to have a lot of manual processes that they’d like to automate,” said William May, Managing Director at SystemsAccountants, Inc. “They have high invoice volumes, for example, that have to be manually amended as they’re transferred between their CRMs and financial systems. This is inefficient and labor intensive.”

Resource allocation is another technology pain point that many staffing companies grapple with. Without a unified Enterprise Resource Planning (ERP) platform to consolidate their costing, profits and reporting, these organizations are forced to work between multiple systems to determine a metric like monthly profitability.

Filling a Dual Role as Partner and Customer

A staffing company that’s both a NetSuite Alliance Partner and a NetSuite user, SystemsAccountants works often with staffing companies that want to shed their unwieldy technology systems and replace them with a unified cloud ERP. May said the fact that SystemsAccountants is both a customer

and an implementation partner puts it in the unique position of being able to show staffing companies exactly how NetSuite can solve their most pressing pain points.

“SystemsAccountants is the only North American partner that uses NetSuite and runs it for large global recruitment and staffing businesses. No one else can say that they’ve implemented NetSuite for a \$50 million revenue global recruitment staffing business and that they’re also using it to run their own consulting business.”

William May, Managing Director, SystemsAccountants

Having brought its expertise in the staffing sector over from Europe, where SystemsAccountants has been operating as a NetSuite Alliance Partner since 2018, the company has a team of consultants that help customers implement their new ERP systems. The company also has a dedicated NetSuite recruitment and staffing division.

“We provide an end-to-end solution for any customer that either is already on NetSuite and looking to maximize their investment,” said May, “or that wants to move from QuickBooks or a legacy system over to NetSuite.”

“Thanks to NetSuite, our team was able to work remotely during the pandemic with no interruptions at all. The ERP was an absolute lifesaver; there’s no way we could have coped without this cloud-based system.”

William May, Managing Director, SystemsAccountants

Five Reasons Staffing Companies Need Cloud ERP

With an average implementation time of four to five months, SystemsAccountants helps staffing companies address their top challenges, streamline operations and leverage new opportunities. Once in place, NetSuite helps staffing companies:

1. **Manage their complex accounts payable requirements.** Most staffing companies have complex, high-volume AP requirements that can’t be managed efficiently using manual processes. SystemsAccountants has been able to achieve touchless processing in AP since deploying an AI automation solution for its sister company, Kanbina, which integrates directly with NetSuite. Kanbina’s AI platform connects NetSuite to powerful machine learning models that extract data from invoices and moves that data in to NetSuite. Kanbina then matches POs, GL codes, vendors and line items, and executes multi-jurisdiction tax coding, amortization requirements, fraud checks and payment approvals. Working with anywhere from 300-400 independent consultants globally at any given time, SystemsAccountants itself uses Kanbina AI to manage its high volume of invoices. “When we originally deployed Kanbina, the Machine Learning Models needed about two to four weeks of human checks to sort any exceptions, which are managed through a simple point and click UI. Then once trained up, the Kanbina platform has enabled us to benefit from autonomous processing in AP, as the Machine Learning models just know what to do,”
2. **Instantly generate accurate, reliable reports from anywhere.** From a functionality standpoint, the recruitment and staffing industry relies heavily on reporting that it can’t manage effectively with QuickBooks and spreadsheets. “The saved search functionality in NetSuite is a big win for any company that’s moving from Microsoft GP, NAV, Xero or QuickBooks,” said May, “none of which can match NetSuite’s functionality and breadth and depth of reporting.” Using the SuiteSuccess implementation methodology, SystemsAccountants helps staffing companies gain access to reports on day one that most haven’t been able to easily access in the past. “If you’ve never had that level of visibility and you suddenly get it by implementing NetSuite,” said May, “it’s pretty impressive.” He should know, since SystemsAccountants itself lacked good reporting from its previous systems. It could generate a P&L, for example, but it sub-analyzed the data according to sales consultant or system environment. And because it wasn’t using the cloud, its remote employees had little or no access to company reports.
3. **Understand the true cost of the sale.** Once equipped with reliable, accurate reports, managers can easily review profitability-per-consultant and understand the true cost of every sale. They also know how their margins are being generated and how each of their sales

May explained. “We’re seeing cost savings of up to 70% and it’s enabled us to free up finance resource to do more value adding work.”

reps is performing with the ability to view all of that information on a single system. Staffing companies benefit from automated invoicing and a wide array of templates to choose from, all of which are offered natively in NetSuite. Companies can also use NetSuite Projects to manage multiple contractors and consultants working at a single client. “You can have different rates against the project or the vendor,” said May, “and then manage that aspect of our business through NetSuite.”

4. **Easily integrate with other applications.** “NetSuite integrates well with pretty much everything out there,” said Nicola Sutcliffe, Group Finance Director at SystemsAccountants, which uses ADP for payroll, Bullhorn for CRM and a separate applicant tracking system (ATS). “It’s rare for any staffing and recruitment company to want to replace its CRM or ATS tool,” said Sutcliffe, “but with NetSuite, it’s just a matter of ‘plugging’ those right into the ERP.” In cases where those

solutions lack open application programming interfaces (APIs), SystemsAccountants utilizes NetSuite’s import-export function to transfer data between the systems.

5. **Manage global operations.** As U.S. staffing companies look to a brighter future, some will inevitably explore new or continued international expansion. NetSuite OneWorld supports these efforts by offering a real-time, unified global business management platform for handling multinational and multi-subsidary operations, and at a fraction of the cost of traditional on-premises ERPs. Currently, SystemsAccountants is working with a staffing and recruiting company that has multiple locations in Europe and was previously using various versions of QuickBooks and Xero. “They’re moving to NetSuite in order to get a more consolidated view across all their entities,” said May, “and to determine everything from gross organizational profit right down to the individual consultant level.”



It's Time to Make the Move

There's no question that the recruitment and staffing industry took a big hit in 2020. The tight labor market didn't help the situation either, for without a pool of qualified individuals to place in clients' physical locations, staffing companies were forced to get creative about how they make money and run their businesses.

Today's technology can help these organizations not only regain their footing, but also work toward new growth goals. From managing complex AP requirements to enabling international expansion to generating business-critical reports at a very

granular level, NetSuite is helping the staffing and recruiting industry hop back onto the growth trajectory.

"To prepare for growth, staffing companies need an enterprise system that can manage all of their reporting, automate their financials and integrate with various applications like CRM, ATS, time/expense programs, etc.," said May. "Using cloud ERP, companies can grow effectively and profitably now, and stop trying to run their multifaceted enterprises on disjointed systems and disparate applications."





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