Maurice Fuller

Hi everyone. I'm Maurice Fuller, and thanks for joining us. Today I'm with Rohan Jacob, Founder and CEO of TimeSaved. We'll be covering many topics, including the future of work and the role of staffing and recruiting. Rohan, welcome and thanks for joining me today.

Rohan Jacob

Thank you for having me Maurice. I'm excited to be here: my first podcast of the year 2022.

MF

Yes, 2022! I can't believe it's already 2022. Rohan, tell us a bit about your background and why you started TimeSaved.

RJ

Sure. I started off as a backend engineer many, many, many years ago. I worked at a couple of startups. I worked at an insurance company as a software engineer. Then one of the startups I was at crashed and burned, and I ended up going into retail. I worked for a subsidiary—we're in Canada—of Best Buy, which your audience is probably more familiar with. I managed their flagship location here in Canada, so I was on the client side in terms of staffing. It was a $40,000,000 business, and then one day we just couldn't compete effectively with Amazon coming into the space. Although Best Buy today has arguably one of the best responses to Amazon, at the time it just became too expensive to run two brands side-by-side. So we essentially had to let go of 1500 people all in one day.

That was sort of the moment in time where I looked at: here's the world of work that's changing. Keep in mind that this is way before the pandemic. Everything that I'm talking about just got accelerated and exacerbated as a result of the pandemic, but we started seeing it a few years before that. The world of work shifting was starting to happen even before that. When you look at retail changing, manufacturing changing, trucking changing, all of these sort of on-premise work situations were changing very rapidly with people wanting more flexibility and more freedom. We started off with that in mind. How do we get people into the right jobs faster? How do we enable that flexibility? How do we enable that freedom? Today I think that is even more important to people post-pandemic. Post-pandemic is more of a hope, an aspirational hope, at this point because it seems like every day you turn on the news and there's another variant and another virus that's coming around. So yeah, that's how and why I started TimeSaved.

MF

Alright. So where are you today with TimeSaved?

RJ

Today… Well, when we met, Maurice, that was back in 2018. At the time, we were two years into our journey and we were very much a feature add on to an ATS. A lot of staffing agencies at the time operated—and even today most agencies still operate—on an ATS as the core of what they run on on their tech stack. Everything is an add-on to their ATS. At the beginning, that's exactly what we were. We were just a mobile app that you would add on to your ATS. Today what we see is that we're not quite a feature replacement for an ATS. If you were to do a feature-to feature comparison to an Avionte or a TempWorks, are we a replacement? No. But do the majority of staffing agencies actually use and utilize all of the features and functions that an Avionte or a TempWorks has? No. So some folks will call us a staffing platform. Others call us a deployment platform or a SPaaS: a staffing platform as a service. But essentially what we are looking at today is how a new staffing agency operates.

We're pretty picky about our customers. We don't necessarily want to bring on someone who wants to take our tech and squeeze it into their old process. We'd rather have folks who are asking questions about their existing processes. How can they make those processes better? How can they improve on the candidate experience? How can they improve on the client experience? We're not constrained by old tech, old ideologies,or old processes. And to be clear, old doesn't necessarily mean bad at all. It's just that post-covid the world of work has shifted, and the symptoms of that shift are the great resignation, labor shortages, and pay fluctuations. There's tons of different symptoms of that change happening. But as people that are part of that shift, we're kind of at the intersection. When I say "we," we are technology built for staffing agencies and whether it's us or our staffing agency customers, collectively we are at the intersection of that change. So we're doing our candidates and our clients a disservice if we're not deeply examining all of those processes that have helped us get to where we are today and reimagining what those need to be.

MF

Rohan, how is TimeSaved helping your customers gain competitive advantages and work more efficiently with the markets that they serve?

RJ

Sure. I'll use a tangential, parallel example. Have you heard of Shopify, Maurice?

MF

Absolutely.

RJ

Okay, so if we look at Shopify versus Amazon, that's one of the common comparisons that people have. They look at Shopify, they look at Amazon. They're both sort of tech companies, but they're very different in their approach. In our space, Indeed is arguably our Amazon. They're doing an amazing job. They're helping people get into jobs faster and they work with their clients. They've become a staffing agency. They have an

offering that some staffing agencies will continue to leverage, especially the ones that aren't necessarily thinking about the long term, and that's their choice. But ultimately Amazon is often seen as a threat to the small and mid-sized agencies. You know, in our space Indeed is potentially seen as a threat even to some of the larger players. So we take the approach of being the Shopify. **We want to** help **our customers [to] build** their businesses up in ways that **enable** them to leverage the same operational efficiencies. When Shopify started, you wouldn't necessarily go to them to be a website builder or a checkout. You wouldn't have the **best in-class** checkout experience. You wouldn't have the best in-class website. We are taking that same approach. How does a staffing agency that wants to build **vertically integrated labor marketplaces** do that effectively? What are all the tools that they need to do that, and how do we change that thinking?

We've typically got two types of customers. As much as we don't want those folks that want to layer on our tech, our early customers were that, right? They essentially took a chance and they were the ones that were basically layering our tech onto their existing tech stack. Bullhorn as an ATS is great for that because they've been the most open and have an open ecosystem for that. Then we've got other customers that are building their businesses around our platform. They're truly embracing the idea of wanting to build a vertical labor marketplace, wanting to build a community of people, whether that's recruiters or clients or candidates that really want to specialize. That's how we want to get people to think about what we're doing.

When you ask what that has as an impact, you see gross margin impact in the double digits—20 or 30%. You see revenue increases of 20 to 30%. You've got these businesses that are growing both in top line revenue but also increasing their operational efficiencies. That's super powerful because if we can empower these staffing agencies to do more and grow, then as they're layering on all of these automations and all of these high touch points… It's not about necessarily getting rid of recruiters. Yes, the world changes. Yes, the number of people that you need in the organization changes. You and I were just chatting about how those roles need to even potentially go global. But what we're doing is taking the tech away from the staffing agency so that they don't necessarily need to think about it. They can come to us with their problems and say, you know, here are the problems that we're facing. We try to do the thinking with them collaboratively to say here are some potential solutions, and then we test, we build, we test, we iterate, and we move on. Oftentimes when customers look at our platform and come back a year later or two years later, they're very surprised at how quickly things change. It's that iterative process. We don't mind failing. That's why we like those customers that come with us that are okay to take a few risks because they understand that once you overcome those risks, the rewards are potentially magnified that much more.

MF

Yes, a lot of thoughts there to unpack. I love what you guys have done with your technology. I've been working with staffing technology for a couple decades now, and

very rarely have I seen a technology platform that is truly a step function in terms of moving us forward in productivity and in speeding up the staffing process. But that's in fact what you have done with the TimeSaved platform, really modernizing the staffing process in a really positive way. I want to talk to you about how that's affecting the world of work, which has changed a lot since the pandemic started close to two years ago. We've seen a massive shift toward remote work and now the great resignation. What are your views on the future of work and the role of staffing and recruiting?

RJ

First, thanks for that compliment, Maurice. I know you've seen our platform evolve over the last four years now very deeply, and so you have a better line of sight into it, especially as someone that comes from a tech background. You probably have a better appreciation for it than most folks, so it means a lot coming from you. I appreciate that. In terms of the world of work changing, I wrote about it in detail at the beginning of 2020 essentially saying that I believe every type of work is becoming more and more flexible. In the tech world, being a software developer, you had that ability to be remote to be flexible decades ago. Amazon Turk, Upwork, Freelancer, oDesk; the list of those types of platforms that were enabling that type of freedom and flexibility in the tech world have been around a decade longer than when Uber and Taskrabbit started. All of those onsite platforms started ten to fifteen years later than the tech world. But people want it, right? It's not just tech workers that want flexibility.

Post-Covid, people have started reexamining their relationship with work and their priorities. More people want to work to live rather than live to work. Staffing agencies have a huge huge opportunity here because typical labor laws aren't really set up for that flexible work. You have to pay people severance if you let them go. Today, most staffing firms still don't take on gig type work, and if you ask them why, it's not necessarily because their clients don't want it. Of course if they ask their clients, the client is going to say they always want the same person back. But we all know that the power is now in the candidate's hands. If the candidate doesn't want to go back, because maybe they don't like the job or maybe their dog got sick, would the client rather have nobody or would they rather have someone? More often than not, they'd rather have someone. We know that clients obviously prefer to have continuity, but given the choice between continuity and having someone there to do the work, they would rather have someone there to do the work. Staffing agencies today are not always set up for picking up that gig type work. It doesn't make sense for the margins.

I'm assuming most of the folks that are in your audience are light industrial, but I'll use a healthcare example because we just came out of SIA's healthcare summit in Boston. I'm not sure if you're familiar with Gale. Have you heard of the Gale App?

MF

No, I'm not familiar.

RJ

Okay. Gale is a healthcare staffing agency. They primarily do per diem. Tony, their CEO, summed it up really well when he was on a panel at the conference. He's a straight shooter and that's what I like about someone like Tony, who is unfortunately not a customer. They've spent a ton of time and money building their own tech, and kudos to them for actually being one of the few that actually got it right. But the way he said it was that for them—and I think even more than in light industrial—credentialing someone was very expensive, and it didn't make sense for them to get a person up and running and credentialed for a single shift. It was too expensive. But now that he has the tech that does all of that for him, he's totally open to letting someone pick up a shift here, pick up a shift there. It doesn't matter anymore. He's using the tech to enable that flexibility that both his candidates and his clients want. As a result, that's an agency that has scaled tremendously over the past two years.

Where do we see this shift towards remote work going, the great resignation, the future of work? Again, I think staffing has a huge opportunity. The other part of it that I think a lot of staffing agencies are only starting to scratch the surface on is where remote work can go in not just enabling their internal recruiters to be remote, because more and more that should be a thing. You and I were talking about twenty four seven recruiting, right? If a staffing agency is closed at six o'clock or seven o'clock or whenever it is and a candidate wants to pick up a shift for tomorrow, tech has now made it so that you can track that journey fully transparently as to where the candidate is in our platform. I'm sure there are others out there that do similar things. As that candidate wants that, we should be able to enable it. Oftentimes you can do that not by necessarily using a bot but perhaps by using outsourced folks in different parts of the world. Not always, but there might be a time and place where that actually delivers a better experience than than a bot or having just a nine to five or a six to seven, whatever the normal hours of a staffing agency are. I think staffing agencies also need to start looking at that and embracing that more too.

MF

Yes, it's exciting. To your point, I think staffing is going to become more of a twenty four seven type of activity. Staffing firms will run 365, twenty four seven, staffing part-time shifts. It's very exciting the possibilities that this opens up. At the end of the day, it's about being able to better service our clients with our services. That brings me to my next topic, which is digital marketing. It's evolved a lot in the staffing industry and has become super important. I wanted to get your views on digital marketing and why it's become so important to the success of staffing firms.

RJ

Yeah, I don't think it's only staffing firms that it has become important to. It's important to any business, but specifically with staffing, people look for work online now more than ever. So you have to be there, and if you are there, it's best if you're there on their phone specifically because we know that in a post-Covid world, more and more people are on

their phone than ever before. The in-person opportunities getting in front of candidates and clients are different now in a world where you can't always be in the same room as your candidates and your clients. More importantly than whether or not you can, the expectation has changed where the candidate doesn't always want to be in the same room even if they can be, and the client doesn't necessarily expect it either.

There's a lot more openness and more minds have changed about whether or not you necessarily need to sit across from the table, look the person in the eye, and see whether or not they can do the job. You talk to FBI interrogation specialists and they will tell you that as much as they have been trained with detecting lies, they can't do it. We're really good at lying. So all of those factors essentially mean that okay, if I need to be online as a staffing agency, how do I then beat all the others that are in my wheelhouse to get in front of the candidates and get in front of my clients? Because you can have the best app in the world that is delivering the best experience, but if nobody knows about it, what good is it doing?

There are different things that you can do to enable that, especially if you have agents. Most candidates today work with more than one agency and so you have to try and create an experience that they remember first off. Then once they've got that, how do you then get them to amplify that by referring their friend, by telling others, and so on. We've got pieces built into our platform that help with those things. Most agencies will use text and email today to create campaigns, but there are push notifications. Maurice, you've played around with one of our apps. You've probably seen the difference between chatting with someone using an in-app chat as opposed to using text or email. There isn't that need to identify and say "hey, this is Maurice from staffing agency A. Save my phone number." It's automatically there, and it's branded. You get a push notification with the agency's logo and the recruiter's face. So you're building that relationship over time. We've got to think about how we leverage those pieces in a digital marketing strategy as well.

MF

Yes, it's a very personal experience to be able to use your phone and engage with a staffing firm through it. I really love that. In fact, the mobile app becomes a real extension of your staffing branch office. It's almost like you have a branch office right there on your phone, but the people working that branch office could be anywhere in the world essentially supporting that operation. It's really a big step forward for staffing firms to be able to do that.

In the early days of staffing, a lot of companies built their own ATS systems, and they quickly figured out that either they can do it or they can't. Now we have a similar situation where some staffing firms think they can build their own mobile apps and then they learn it's far more complex than they realized. I believe that really only the very largest firms, maybe the top 20 staffing firms, can afford to build and maintain their own staffing apps.

Everyone else is going to be acquiring technology from companies like TimeSaved. Tell me your views on build versus buy in mobile.

RJ

Well, I am biased. I'll start off my answer with that. But you're right when you say that the top 20 can build. They can afford to build it, sure, but it's not just the money, it's the time. Today if you talk to my director of engineering he is going to tell you that it's a million dollar minimum to get to an MVP, and that's just your starting point. That's not something that's necessarily going to be proven to solve all the right problems, and the problems are a moving target. What you set out to build is for today, not the problems that you're looking to solve in six months, in a year, etc. When you talk about building and maintaining a cloud-based ATS, that's typically one codebase. When you're looking at then adding on an iOS experience and an Android experience, what you're now looking at maintaining is amplified that much. How much more complex is it to build, how much more complex is it to maintain, and then to do it at scale?

The other part of the affordability is the time. So okay, you've got millions of dollars, no problem. You can throw that at building. But then what is the opportunity cost for that time that you've taken to now get something into the market? Even for the top 20, if they haven't started yet, if they haven't built significantly, they're risking a lot by giving up that time because their competitors are using that time to hone their solutions and draw away talent and clients to their platform. Again, having the app is one thing. Marketing it effectively and getting it actually out and utilized is a completely different thing. So if you're sitting there and trying to build in your ivory tower and you haven't actually gone out to market and seen if your clients and candidates want it and need it and seen how you can make that experience better, you're losing all of those cycles.

MF

Yes, that's a really good point. It takes a long time to develop a successful mobile app, and when you're not developing, you're losing a tremendous amount of time. I think that the vast majority of staffing firms should be looking at companies like TimeSaved for their mobile staffing platforms. I wanted to go to another topic regarding digital transformation. As the world is becoming highly digitized, staffing firms are going digital and our customers and clients are also becoming increasingly digital. How does digitization in your view change the core competencies of staffing firms and staffing needs of our customers, and also within business in general?

RJ

I think something that needs to get discussed or is getting discussed a lot, or if it isn't needs to be more, is change management. How am I going to introduce this digital transformation to my team in a way that's meaningful but also not threatening? Not in a way that makes the recruiters feel like they're going to lose their jobs. I think something that firms need to be thinking about is the power that this kind of technology has to create new and potentially very exciting roles within recruiting, and then communicate

that new exciting future to their existing team so that when they're going through this change, it's not threatening. Then you need to do the same thing with your candidates and you need to do the same thing with your clients. But it needs to start internally first because if your internal team is scared, if your internal team is threatened, they're not going to be fully behind this change. And if they're not fully behind it, it's going to be that much harder for your clients and candidates to actually get on board.

It's great if you're using automation to offload manual tasks. You need to tell the recruiters what that means to them now. You've got hours back in your day that can be put back into touching candidates and that can be put back into touching clients. You know, maybe you need to change your compensation plans. We've seen clients do that; they need to change their comp plans because they want to reward different behaviors that their recruiters are now going after. We know we can save recruiters several hours a day. We've had customers that have come back and said, "I've got recruiters that are now telling me they're able to hit their productivity targets in four hours when it used to take them eight." There can be massive economies of scale here, but again just doing it in a meaningful and thoughtful way I think is very important.

MF

Yes, I think every bit of it is positive for recruiters. It enables recruiters to focus on the parts of the recruiting process that they love and do best and it strips away a lot of routine work that most of us don't enjoy doing. It also enables us to be more productive, and by being more productive, we're bringing more value to our employers. In many cases, it also enables us to make more money as recruiters. If we can show those benefits, I think recruiters will buy into that.

RJ

Yeah. Are you familiar with Aya?

MF

I am.

RJ

So with Alan, the CEO, it's very obvious that he is extremely involved in the technology decisions of Aya as a company. I think that's very different from a lot of other staffing and recruiting firms that essentially take this and offload it on to the tech person on the team: "Go make this decision. I know I need a mobile app. Get me a mobile app." It becomes a sort of checkbox. Whereas someone like Alan has looked at it and seen, okay, here are all the ways that this is going to really change and transform my business. He's embraced it, and you can see it now. They've gone from a 1.25 billion dollar company at the beginning of the pandemic to a 5 billion dollar company.

Growing five x for a small agency is one thing. Growing from a billion dollars to five billion dollars is a completely different thing. He's not shy about sharing that it is

technology that's enabled it. If you look at Aya Connect, absolutely, it's a mobile experience that goes out to their clients, goes out to their candidates, and they've leveraged it in a way that is absolutely meaningful for them. We've seen the same thing with the leaders in organizations that are truly behind technology from the very top. It's not that they're in there day to day—that's not the message. But they have a sense of pride: this is the way forward, and we see that vision and we are getting ahead of our competitors. They know that this is the trend. When they see that it's important to them, the rest of their team recognizes that importance and gets behind it too. It's not just a flash in the pan idea of the week. This is the way that business is going, and we need to embrace it.

MF

Yes, I agree. The digital transformation really needs to be led from the top, and I'm seeing more and more staffing CEOs that are becoming increasingly savvy with technology and completely embrace it and set the vision for the company. I think those are the firms that are going to be most successful in the future. That brings me to my next topic, which is what the future of staffing firms are going to look like. We're going to see massive change this decade. Satya Nadella, CEO of Microsoft, has said that in this decade, we'll see as much digital transformation as the previous four decades combined. When you go back four decades, that was really the beginning of the PC and the beginning of word processors and spreadsheets. We've seen a lot of change in the last forty years, and now we're going to see the same amount of change in the next decade within the firms that we serve but also within staffing. What are things going to look like five years from now? You've got a pretty good view of that.

RJ

I strongly believe that the industry is going to grow, but it is going to look significantly different. We touched on why I think it's going to grow earlier, because labor law being the way it is, we know that governments take a long time to adapt and change. The laws aren't necessarily going to change as quickly as the expectations of candidates and clients, and that's going to create opportunities for staffing agencies. I think there's going to be a lot of acquisition. We're already starting to see that happening in this space. We can also start to draw some parallels to other industries, like if you look at retail, for example, and the physical footprint. You used to have a lot of very large big box stores, and a lot of those big box stores have kind of moved away and changed their physical footprints. Rather than having a few large big box stores, more and more of them are getting into these smaller physical footprints and that are more dispersed so that people can get to those locations more conveniently. I think we can assume that some of that is going to also crossover into staffing and recruiting. You don't necessarily need these massive offices where candidates are coming in and doing all of their onboarding on these old computers, because they can do all of that on their phone at their own time. Now you can essentially meet people in coffee shops or in other small areas.

We talked about globalization; does a staffing agency need to embrace some of those roles that can be done remotely? A bot will help with certain things, sure. But there might be better experiences where you can get some cost benefits from going overseas. Does tech make it easier to follow demand in the market? When you look at the beginning of Covid and even now, we see a lot of staffing agencies that want to get into healthcare staffing because of the explosion of growth in that industry. Tech can enable that if you've got the right stack in there. So how do we take all of that? Ultimately, it's getting rid of the busy work that gets in the way of relationship building, which is crucial to entering that new market. I think staffing agencies also need to look internally at how they enable that freedom and that flexibility so that they can retain and attract recruiters that want to work with them. It's not just about the candidates and the clients. You can't forget about the folks that are actually working for you.

MF

Yes, absolutely. One thing that TimeSaved is really focused on is continuous improvement and innovation. You have an agile development process at the core of your business. What can staffing firms learn from companies like TimeSaved about innovation and continuous improvement?

RJ

I'd say failure. Failure is probably the best thing to learn from tech companies like us. We've failed many, many times. We've tried things and they don't work. That's not necessarily the most inviting thing for a business, but it is crucial to innovation in technology. Your first ideas are not always going to be the best ideas. Sometimes they are, and you're lucky, but more often than not, they're not. Thankfully with the way that tech companies are built, we are built for that continuous iteration. We're not built to find a one and done solution, and that's good enough and we're going to stick to it. Good tech companies are always looking at the analytics, always looking at how we can find that next evolution and that next problem to solve, always looking for where we can deliver the best results for our clients. And for us, the client is that staffing agency. For the staffing agency, what they can learn from that is how they can better themselves for their clients and their candidates. Whatever you're doing today, if it's working, great. How do you make it better? I think that's something that a lot of tech companies strive for: how they can constantly make that offering better and better. Tech just moves at a different pace and so it's easier to see it there. You don't have that evolution or that change without embracing failure.

MF

Yes, that's really interesting that you call that out the failure piece. I think if you're at the cutting edge, you will be taking more risks. There's more uncertainty in terms of where you're going because you're working with a future that's a little bit unknown. But that's par with the course. You take some risks, and some of them pay off massively. I think being prepared to take more risks is going to be an essential part of innovation, which is becoming more and more important for the future of staffing. Especially as we mentioned

before, the massive amount of digital transformation that we'll be going through as an industry will play a big role in that. This has been very interesting. Very, very insightful, and a great conversation. I really appreciate your time. Everyone on this podcast, thanks for listening, and we look forward to seeing you on the next Staffing Technology podcast.

RJ

Sounds good. Thanks, Maurice! Thanks for having me and I look forward to chatting again soon.

MF

Awesome! Thank you so much.