



Creating a Competitive Advantage

Have even a brief conversation with Peter Dameris of On Assignment Inc., and you'll quickly learn that he's a straight shooter—and that's not just because he hails from Texas. See what this influential staffing executive has to say about growth, strategy, and the future of the industry.

By Stephanie Kern

Peter Dameris says what he means and means what he says, which is why conversing with him is as entertaining as it is informative. His charisma, honesty, and expressiveness fuel a singular leadership style that has led one of the nation's largest staffing companies even further along the success path.

Since 2004, Dameris has been chief executive officer and president of Calabasas, CA-based On Assignment, which has branch offices throughout the U.S., Canada, the United Kingdom, and Europe. On Assignment, among the largest providers of professional staffing services in the U.S., has been among the top-ranked "100 Fastest-Growing Companies" recognized by *Fortune* magazine for the past two years—and it has been the only staffing company on the list.

Most recently, in June the company completed the acquisition of Creative Circle, one of the nation's largest providers of creative staffing services, for \$570 million. The acquisition broadens On Assignment's already wide reach in the professional staffing sector and positions the company for continued growth and greater market share. "With Creative Circle joining On Assignment, we move closer to achieving our \$3



billion target in annual revenues by 2018,” Dameris said in a release. In the first quarter of this year, company revenues were \$430 million, up 5.7% year-over-year, so it’s clear that the company will continue to execute strategies that maximize results and sharpen its competitive edge in all of its divisions.

Dameris recently spoke with *Staffing Success* to answer questions about how On Assignment does business, the future of the staffing and recruiting industry, and how his company manages to keep both its internal corporate employees and temporary and contract employees highly engaged and productive.

SS: The divisions of On Assignment place highly skilled employees. How does that relate to the skills gap many firms are dealing with now?

Dameris: It is definitely more challenging to find highly skilled employees, but that’s our business model: we’re professional recruiters. I always tell people we have no proprietary technologies or products, so we better be good at recruitment and identification of the best talent or we’re not going to provide a service to our customers or grow faster than

our competition. Our sole focus is the placement of white-collar, degreed professionals with highly specialized skills. We tend to do a better job at placement because a lot of our salespeople and recruiters have subject matter experience. That helps us when we’re talking to candidates, because they feel more respected and engaged.

On the customer side, because our salespeople can go in and intelligently talk about the skills that are necessary for the position, we can help draft a better job description, and our clients are more satisfied in regard to the level of sophistication, experience, and subject matter knowledge of the candidates that we present.

If you look at our company description, we like to brag about how we work with people who we know. We enable them to work the way they want to work and where they want to work. On many occasions, the first time we speak with a potential and billable technical candidate, we don’t even have an assignment in mind. We’re trying to build a rapport and an awareness and create a relationship. And that’s how we get people to work with us more often than somebody else.

SS: It sounds like the way your company operates may be a more challenging way to do business. Is that an accurate assessment?

Dameris: That’s right. It’s hard to find scarce resources, but that’s our competitive advantage; we’re great recruiters, and we do a lot of passive recruiting. There’s a huge percentage of people that we work with that don’t want to be discoverable because then they’re going to get hounded by someone who thinks Java is a cup of coffee. So we do an enormous amount of research and outreach to people to try to become their talent partners and coaches, and show them how we can help them to work the way they want to work, which is in a contract position that others don’t find as easily.

But, again, our core competency is recruitment. And the firm that recruits the best is the one that grows the best.

SS: That’s another kind of sore spot in the industry—companies not being able to get and keep good recruiters. How do you address the good recruiter scarcity and retention problem in the industry?

Quick Look at On Assignment Inc.

Here are a few facts about On Assignment, which is among the nation’s largest providers of professional staffing services.

- On Assignment is headquartered in Calabasas, CA. It was founded in 1985 and went public in 1992, trading on the NASDAQ under the ticker symbol ASGN. In 2012, the company marked its 20th anniversary as a publicly traded company, and that year the stock offering was transferred from the NASDAQ to the New York Stock Exchange.
- The company has three service divisions—technology staffing, life sciences staffing, and creative staffing—and six brands within those divisions.
- There are three On Assignment brands in the technology staffing division—Apex Systems, CyberCoders, and Oxford Global Resources. The company’s life sciences division is comprised of Lab Support and Valesta, and Creative Circle represents the creative staffing division.
- Peter Dameris was appointed chief executive officer and president of the company in September 2004; he has served on the board of directors since December of that year. Dameris had been executive vice president and chief operating officer of On Assignment since November 2003.

Dameris: First of all, high bill rates with appropriate gross margins generate bigger commissions. So you're going to make more money selling a regulatory affairs engineer or a digital designer than you are a food handler or a warehouseman. The second thing is we try to allow our recruiters to organize their day in a way that gives them the greatest opportunity of being successful, without a bunch of distractions from things that really don't add value to their workday.

Staffing is becoming an attractive space. It's a fun space for young people and it's not as regulated as, say, pharmaceutical sales. We used to lose a number of our people to medical device or pharmaceutical sales jobs—it's the opposite now. Those people found that if they're aggressive and articulate, they can make more money in the human capital industry than they could in the medical device or pharmaceutical industry.

So we've got the benefit of providing a good culture, a good place to make money if you're highly competitive and incentivized, and a great industry backdrop [because] the industry is gaining greater credibility and adoption.

SS: From the perspective of a company leader in this industry, how do you think the staffing business has changed in the past decade and how might that influence the next 10 years?

Dameris: I think there has been good news for the whole industry. Customers value the service from most staffing companies more than they did in the past. How staffing companies perform the service is different because of the type of skills that are being delivered. It used to be that the staffing industry would provide unskilled labor or flex labor only around major holidays. We've moved so far away from that now.

There's also been an awakening where people realize that some projects should be done with a certain deployment model and are consciously choosing staff augmentation. We've seen that there are still plenty of gains in productivity if you enhance the utilization of human capital. What I mean by that is, there's probably not as many additional gains for enhanced utilization of full-time, permanent labor as there are for professionalizing human capital and sharing resources.

So instead of Procter & Gamble having someone for 12 months, the company can use the talent for six and then he or she can work for Colgate for six and

both companies have gotten 100% utilization. That's enhanced productivity for the company, and there's no downtime for the talent in his or her career.

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SS: What do you predict will happen with online staffing trends in the future?

Dameris: If you really do a thoughtful analysis of the online staffing platforms and you look at the type of work they're doing, the size of the projects, and where the work is being performed, I just really do not believe that they are a big threat to the staffing industry. First of all, the federal government is a friend of the staffing industry; our whole U.S. tax code is really based on an employer–employee relationship, with the government collecting federal employment taxes, Social Security, Medicare, and workers' compensation.

When people work as freelancers and they're misclassified, the government doesn't get money. So the single largest source of incremental revenue for the federal government is eliminating the misclassification of employees. You see it going on right now with Uber and Lyft, which are being sued in San Francisco federal court because they employ their drivers as independent contractors. But the unions, states, and federal government are claiming that they should really be classified as employees.

Then you layer on top of that personal, national, and cyber security; there are huge reputational, legal, and monetary risks with working with someone that you randomly picked off of the Internet. I can tell you that major sophisticated corporations aren't going to an online marketplace to get a \$60,000 project done by someone that may be sitting in their pajamas in another country.

Ninety eight percent of the work that most of the



staffing industry supports is on the customer's premises. So the customer knows who's doing what, they see the person, they see how they're tapping into the data, and the data is not leaving the facilities.

SS: What are your thoughts regarding the public's perception of the staffing industry overall? What would you say to the industry naysayers?

Dameris: I can tell you that 90% of the people who are working on a billable assignment for us today are working through us because they want to work in this fashion, not because they can't find a permanent job.

When you look at technical professionals, their biggest concern is becoming obsolete. And if they take a permanent job at a bank, they're going to go to the same cubicle and work on the same infrastructure or user support every day, and, suddenly, they're not 32 anymore—they're 39, and they don't have the right skills to continue to advance. So when people use the staffing industry just as a way to drop their labor cost by avoiding union labor, that's where the rub is—but that's not what's happening here.

SS: What would you like to see in the future of the staffing and recruiting industry?

Dameris: My wish is that there will be a change by the majority of the participants in the staffing industry—for the staffing industry not to be labeled as low-cost or enemies of the unions, and for us, as an industry, not to allow customers to view us as a cyclical tool.

Rather, I want us to be thought of as a tool for more strategic fractionalization of human capital, enhancing productivity by sharing a resource. When clients think of the staffing industry, I want them to think of the fact that they get Mr. or Mrs. Right through a staffing company versus getting Mr. or Mrs. Most Available from a consulting company who needs to clear a bench, or from an outsourcer who just brought a new wave of people into its off-shore development center. ■

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