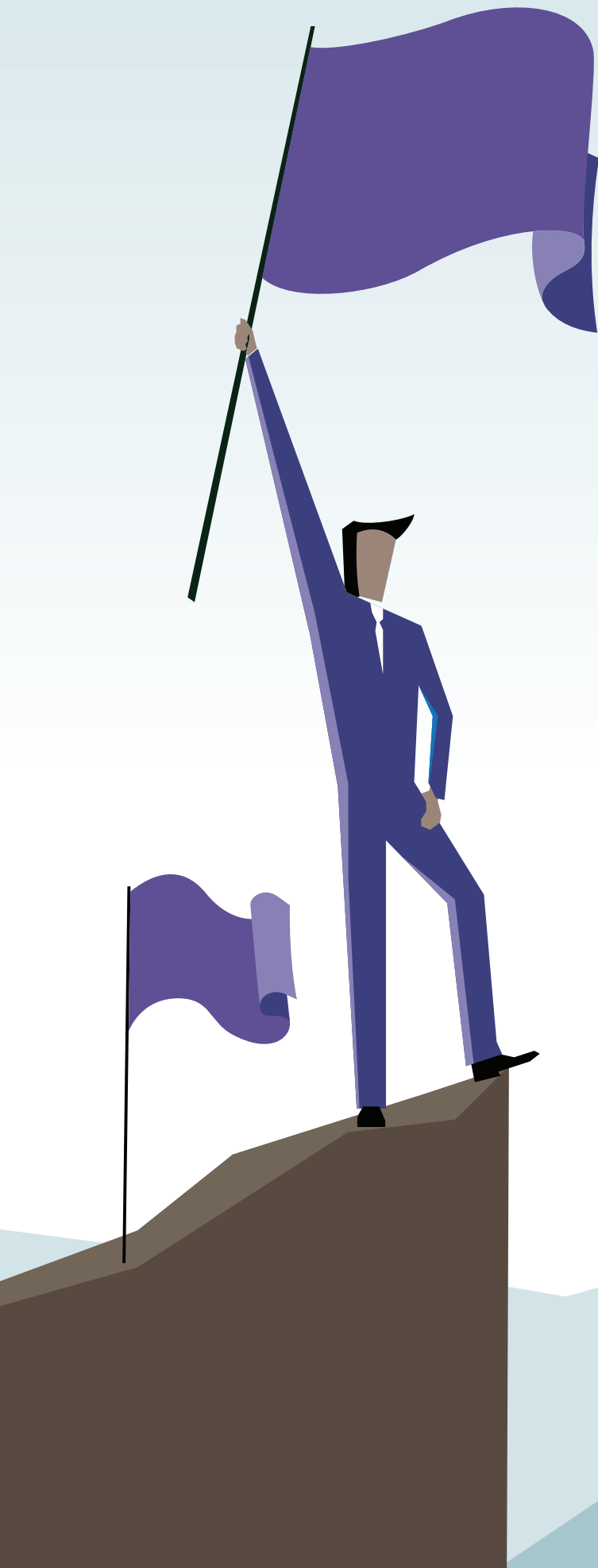


# Achieving Operational Agility, Supporting Growth

Staffing and recruiting professionals know well: Running business operations smoothly and efficiently can be rife with challenges that are time-consuming and complicated—but it is also important to long-term success.

*By Glenn Cook*





**As the founding partner** of several growing staffing and search companies, Joe Kelly knows what he needs from his team: a razor-sharp focus on hiring and placing exceptional people for the clients they serve.

But to do this, Kelly says, he needs as much flexibility as possible on the “guts” of his operation, which provides talent to more than 700 clients in a dozen markets across the U.S. By outsourcing the responsibility for back-office operations, payroll, and billing to a third-party provider, he’s managed to do just that.

“It’s a tough industry,” Kelly says. “When I stepped out on my own, I knew that I wanted to create a compensation model that would reduce turnover and really incentivize my partners and team. I wanted all of my investible dollars to go into generating revenue and to outsource anything not related to my core competencies.” >>>

Staffing and recruiting companies can learn more about partnering with Sterling National Bank at [snb.com/payroll](https://snb.com/payroll).

Kelly found a critical partner in Sterling National Bank, signing a contract with the payroll finance division to provide his companies with back-office recordkeeping, payroll, and tax assistance. The division provides Kelly with support that ensures payroll is accurate, on time, and in compliance with local, state, and federal regulations.

“It’s an efficient and flexible model,” says Kelly, who has remained with Sterling for 16 years as he has built executive search, consulting, and temporary staffing companies, including New York-based Partnership Employment. “My partners and I are able to focus 100% of our energy on revenue generation and adding clients and candidates, while trusting in Sterling to handle the rest.”

### Keeping the Business Moving

Efficiency and flexibility are hallmarks of Sterling’s payroll finance division, which has 75 staff members on its dedicated service team. Thanks to Sterling’s acquisition of Astoria Financial Corp., a large regional bank with more than 80 branches, the division has moved its headquarters from Woodbury, NY, to Jericho, about 45 miles outside Manhattan.

Margaret Sweet-Anglim, the division’s vice president of operations, says Sterling offers a variety of services to its customers, ranging from a full-service model—such as the one Kelly uses—to traditional financing to provide working capital to support growth and acquisitions.



“We work very closely with our clients, many of whom have been with us for more than 25 years,” she says. “We develop a strong relationship with the owners and their teams. What Joe Kelly has been able to do is leverage the benefits of a large regional bank that offers a wide range of products, including cash management, and acquisition and equipment financing, combined with the personal touch and attention of a smaller organization.”

Sweet-Anglim’s team handles payroll checks and invoicing for Sterling’s staffing clients. Depending on a client’s needs, the team can produce payroll at the Jericho office and then deliver it to client printers via an electronic customer portal, FedEx it to the vendor on the premises, direct deposit, or e-card processing.

Payroll is produced daily, starting as early as 4 a.m. Eastern time and running until 9 p.m. Pacific time for West coast clients. Pay cards and direct deposit are sent every night, and systems can deliver customer invoices the next day. All invoices and other paperwork can be customized to meet the client’s needs.

The key to making this all work is Oasis, Sterling’s front- and back-office system that provides “one-stop shopping for everything you need to know to grow your business,” Sweet-Anglim says. Oasis helps Sterling’s clients manage their business by providing them with more than 250 reports that provide information on sales, gross profits, accounts receivable, and daily cash receipts, among other things. A help desk is available for clients weekdays from 6 a.m. to 8 p.m. Eastern time, with a rotating schedule on weekends to solve any problems.

“It also works as a front- to back-end applicant tracking system,” Sweet-Anglim says. “Clients upload their applicant’s information and skills into the system—all of which are branded with the client’s logo and information.”

Another advantage to Oasis is that it allows Sterling to track and update changes to municipal and state regulations, such as paid time off laws, as well as federal laws like the Affordable Care Act.

“Paid time off laws can be complicated,” says Rich Karras, senior vice president of the client financial services group. “There’s no one unified rule across the country. Fortunately, when a state or city enacts a paid time off law and we need to show time off on a pay stub, our programmers can make the changes as needed on a timely basis. It’s our ability to react quickly that is important to both the employee and the employer.”

That points to another core value: “Customer service is a priority,” Karras says. “Any issues that come up need to be addressed quickly.”

## Supporting Compliance and Growth

Karras's group, which includes the payroll tax processes, ensures that staffing companies and their clients comply with local, state, and federal laws for employee and employer withholding. Currently, Sterling provides payroll and payroll tax information, along with workers' compensation information, in 46 states.

Sterling's team assists clients in making customer credit decisions, provides collection support, and handles the cash application work—which provides additional comfort to business owners and reduces workload on staff. On the accounts receivable end, payments are sent to a centralized lockbox maintained by Sterling, which can accept checks, EFT, ACH, and credit card payments. Weekly reports show total sales, gross profits, payroll, and employer-related taxes and fees.

Kelly says Sterling's services "free up enormous time and certainly much more intellectual and emotional energy. This has allowed us to go from a fixed-cost model—in which we had to have our own back-office staff that we train, manage, and pay to do this work—to a variable-cost model. It allows us to grow as much as we need and handle any downturns in our business or in the economy without substantial risk."

## Working Within the Industry

Sterling has a history of hiring professionals with previous staffing industry experience. Sweet-Anglim started her career as a recruiter for a staffing company before moving into sales and branch management. She moved into payroll finance more than 30 years ago, and like Karras, has been with Sterling since the bank acquired the division. On average, division employees have worked for Sterling for more than 10 years. Stability and low turnover are priorities.

"You have a unique empathy when clients call with a problem because you've been in their shoes," Sweet-Anglim says. "You know that you need to resolve an issue right then and there—not do so in two hours—because your customers need a timely and accurate solution. What makes it cool is that we provide the funding to the companies that provide jobs."

Sweet-Anglim says the division increasingly is working more on requests for proposals for clients, leveraging its size as a large regional bank to help them bid on national projects. In cases where one of Sterling's clients wins a national contract outside their geographic footprint, Sterling helps find another client to serve as a partner.

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—Joe Kelly, Partnership Employment

"Because of our experience and because of the clients we serve, we do a lot of networking," she says. "For example, some of our longest-term clients are thinking about retiring and turning the business over, whereas Joe is growing his business through acquisition, so we find a way to bring them together and make introductions to both parties. It really is about the relationships." John La Lota, the division's president, adds: "The M&A markets in the staffing industry have been very active over the past few years, and that is expected to continue. With a large portfolio of staffing companies and an expertise in the industry, we have been able to assist our clients with the process, including acquisition financing and introductions to professionals in the field."

Kelly, who regularly meets with Sterling to discuss business plans, says he is currently looking at "several strategic initiatives that would double our size. Our partnership with Sterling would allow us to grow without having to add any back-office, corporate, tax, accounts receivable, or other staff," he says. "We would not lose a step and, in fact, would likely reduce our costs significantly. In times of expansion, this is really unique because it allows every member of our team to be focused on and contributing to revenue generation without the distraction of a back office. That type of efficiency is a real blessing." ■

Glenn Cook is a professional writer who has covered a wide range of business and education topics. He also is a prolific photojournalist, having created award-winning article and photography packages for national publications. Learn more about his work at [glenncook.virb.com](http://glenncook.virb.com)

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