



Selecting a Crisis Staffing Firm for a Labor Dispute

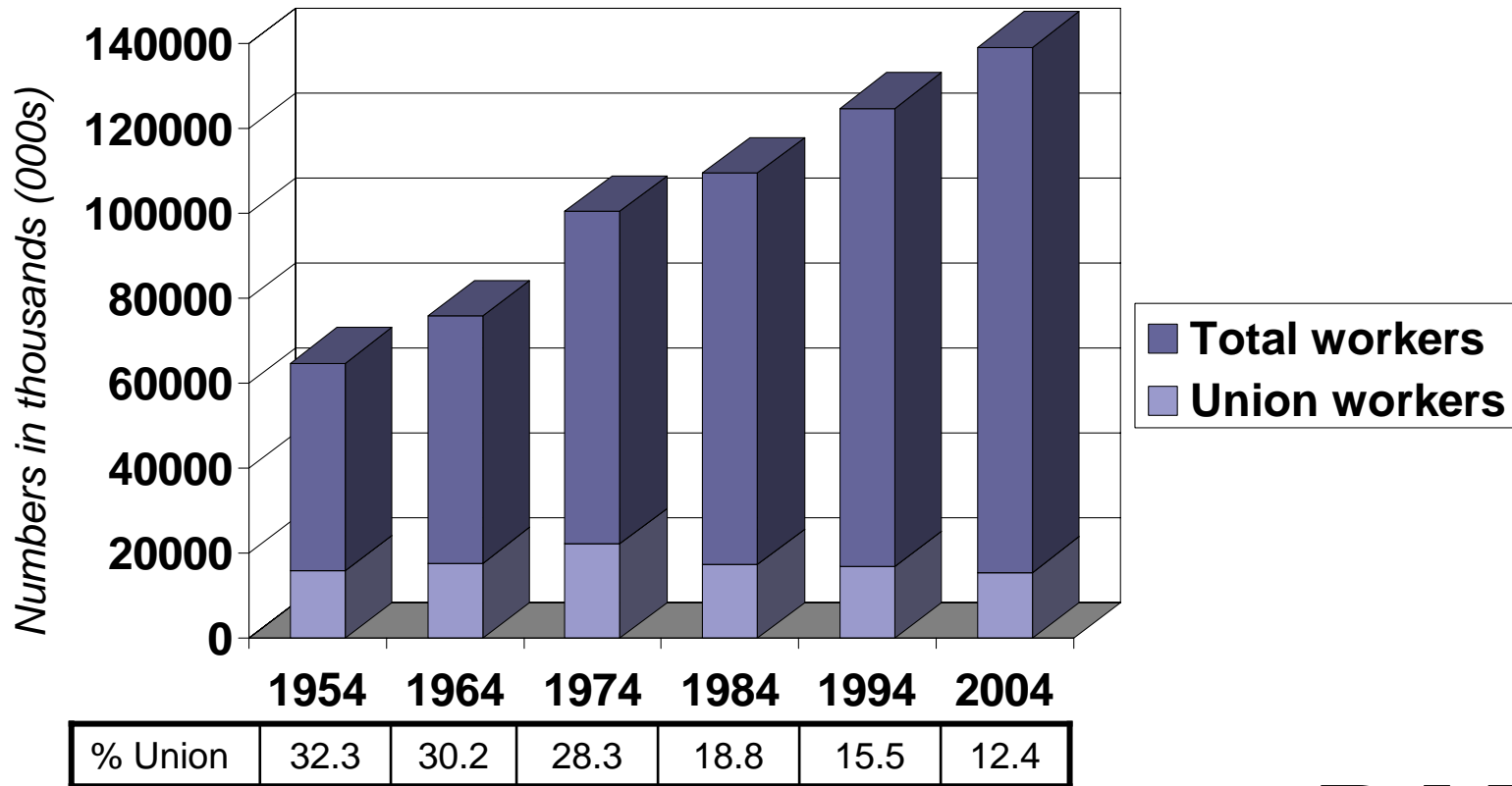
December 20, 2005

P·M·G
Personnel Management
Group

Agenda

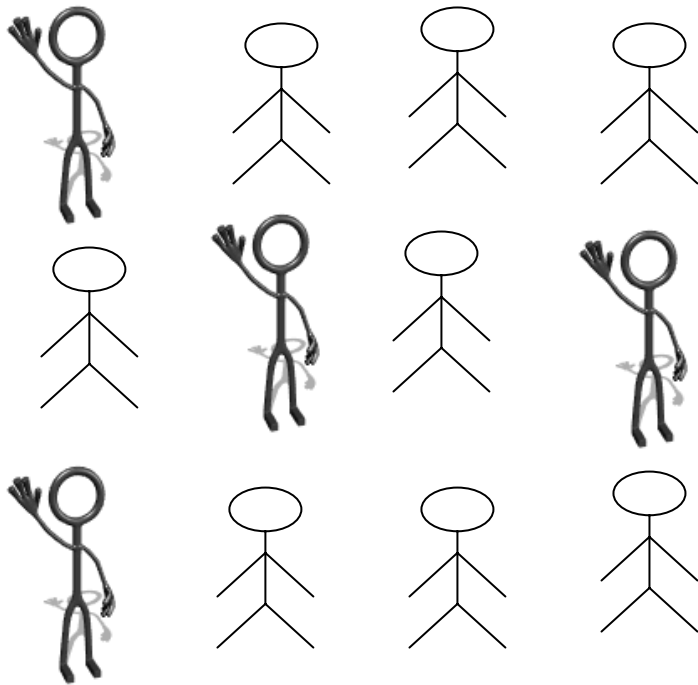
- Overview of organized labor
- Overview of work stoppages
- Predictions for 2006
- Selecting the right staffing partner
 - What's the issue?
 - Considerations
- Q&A's

Organized labor has declined

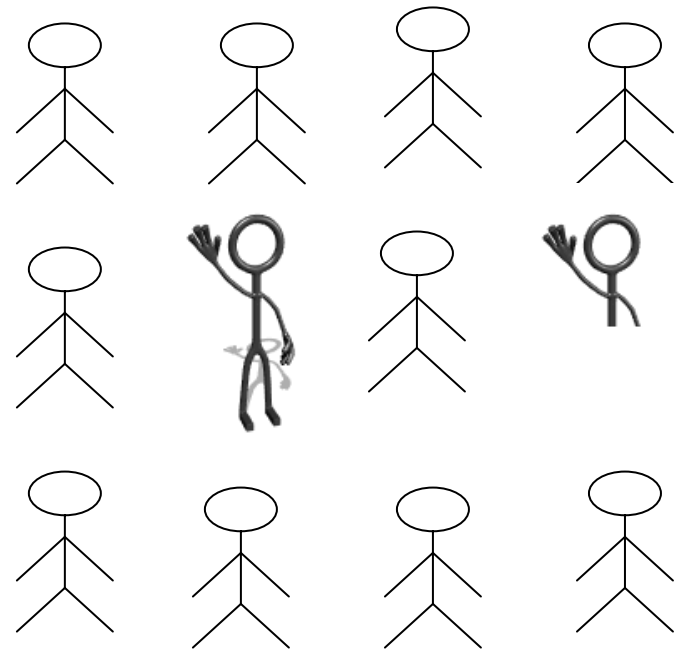


Unions have less influence

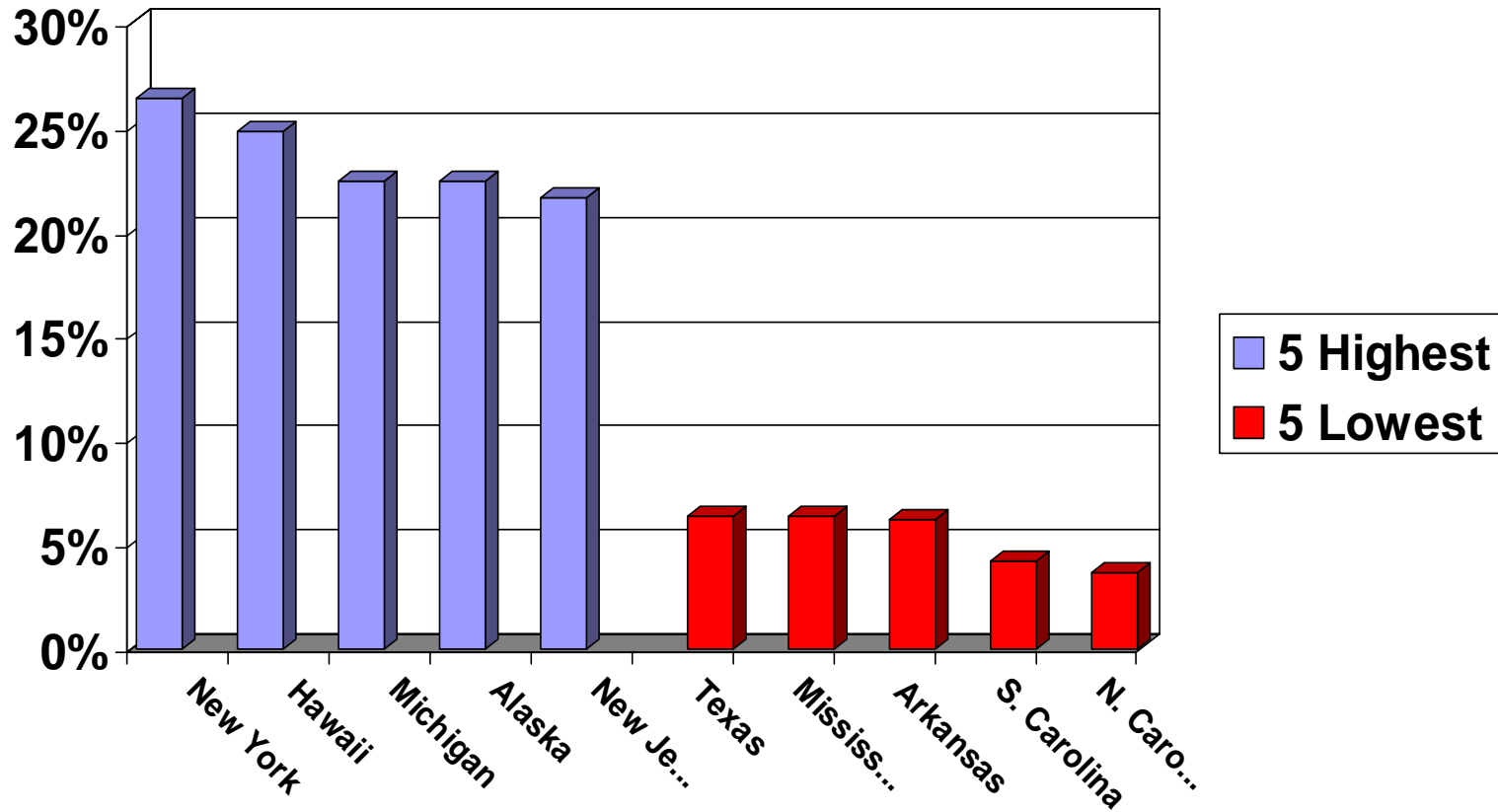
In the 50's



Today



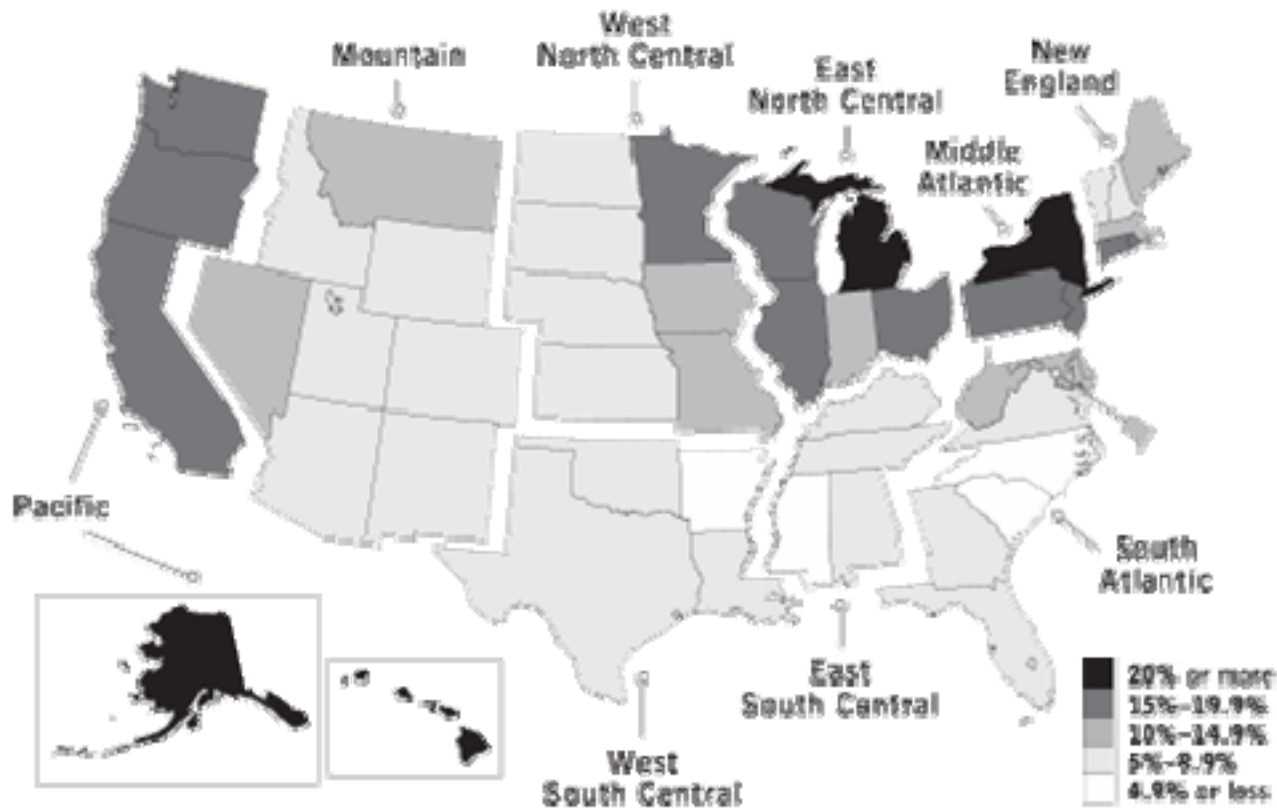
Union levels vary across the U.S.



And are more common in North

Union Membership Rates by State, 2004 Annual Averages

(U.S. Rate = 12.5%)



Source: Current Population Survey, Bureau of Labor Statistics. Web: www.bls.gov/news.release/pdf/union2.pdf

Unions are responding...

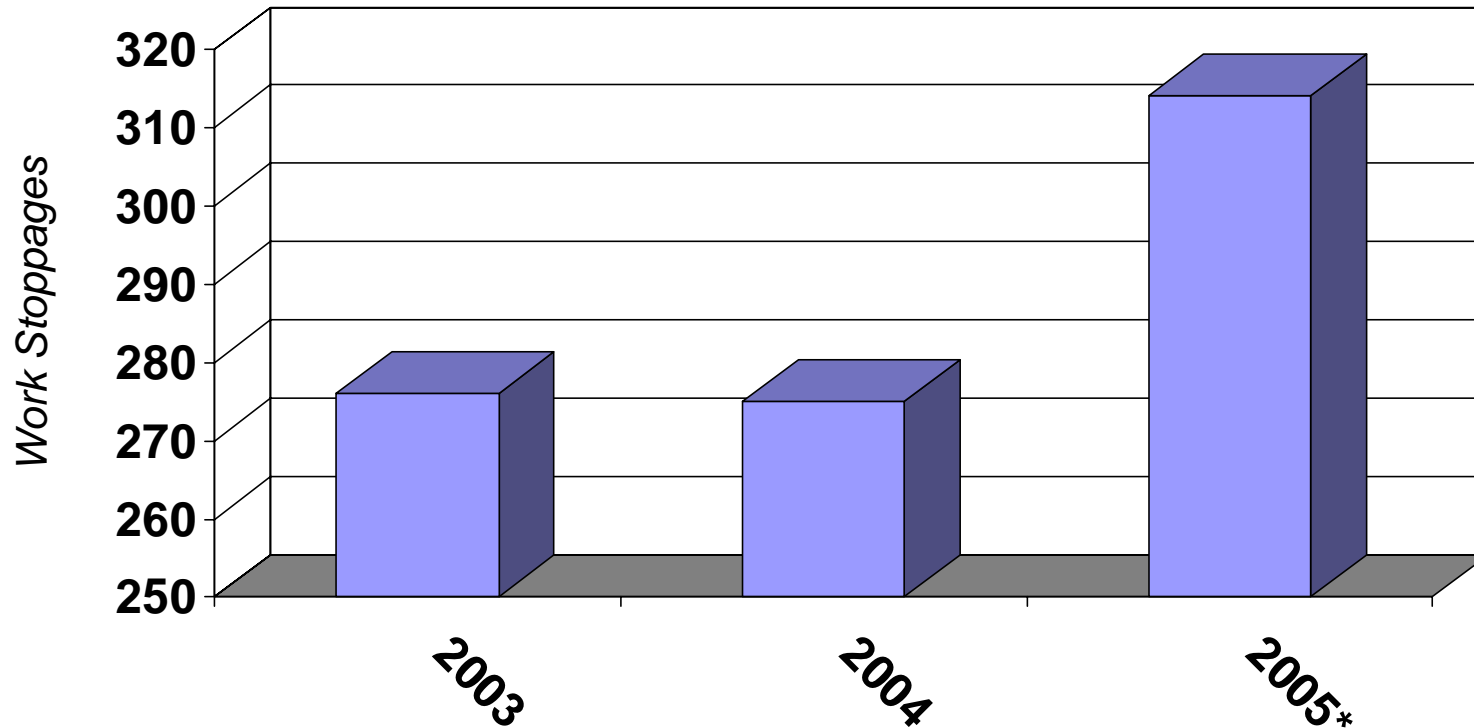
- Change to Win Federation
 - Made up of 7 unions including the influential SEIU, Unite Here and IBT
 - Mission is to aggressively drive membership

- As manufacturing jobs continue to dwindle, unions are increasingly targeting other industries and geographies
 - Targeting of Wal-Mart
 - CWA – Cingular
 - SEIU – janitors in Houston

...becoming more “crafty” ...

- Adopting strategies that adapt to modern economic realities
 - Organizing whole industries so that individual employers don't face unfair competition
 - Demonstrating desire to unionize with “card checks” rather than NLRB elections
 - Using legal process and class action lawsuits against companies
 - Targeting jobs that cannot be easily outsourced overseas
 - Sophisticated PR – Building broad coalition of support including local churches, politicians, and immigrant groups
 - Running aggressive public information campaigns against Wal-Mart

...and more aggressive



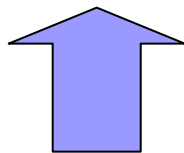
**Based upon Q1 through Q3 of '05*

Activity has increased significantly

	2004	2005
Teamsters	38	47
SEIU	18	19
Steelworkers	11	17
Machinists	11	14
Op Engineers	11	13
Auto Workers	8	11

What does this mean for 2006 and beyond

- Tightening labor market and improving economy
- Continued pressure on health care and pension costs
- Increased union membership
- Continued growth in international competition
- Increased willingness for both management and unions to take “a hard line”

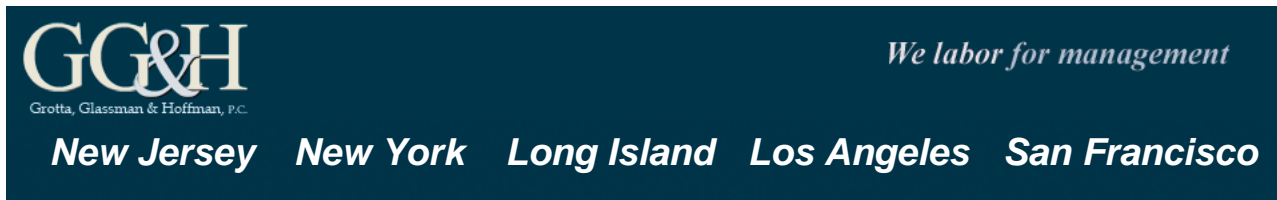


Work Stoppages

“There have been efforts in a number of industries by employers to take a hard line unnecessarily. Unions are fed up with it...unions are in a fighting mode”
– *Bruce Raynor, President of Unite Here*

Selecting the Right Vendor

- Moderated by Russell J. McEwan, Esq., Principal, Grotta, Glassman & Hoffman, P.C.



What's the Issue?

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 - Nothing succeeds (at the bargaining table) like success (in the plant).

Company Background

- How long has the company been doing this work?
 - Principals and project managers, too!
- Does the company specialize in a particular industry and, if so, does that serve your client well?
- Recent engagements?
 - How long?
 - How many placements?
- Most recent engagement?
- References?
- Other engagements in your industry, geographical region, etc.
- Biggest challenge you faced with client?
- Legal actions
 - Unfair labor practice charges by or against unions
 - Lawsuits by or against clients
 - State or federal agency actions

Engagement Specific Recruitment and Staffing

- Multiple location capability (if applicable)
 - Enough experienced Project Managers?
- Other competing engagements
- Recruitment process
 - What will the staffing firm need to know from the client?
 - Job descriptions with essential functions
 - Safety and training materials
 - Special equipment/operator needs
 - Where and how does the company recruit?
 - How available are replacements in your client's industry?
 - Does the staffing firm envision any particular problems or increased costs as a result of a tight labor market?
 - How will the staffing firm communicate recruitment status/results to your client?
 - What, if anything, does the staffing firm do to prevent "salts" from being hired?

Engagement Specific Recruitment and Staffing

■ Training Process

- Will the workforce come trained?
- Does the staffing firm have any recommendation as to how to train the replacement workforce?
- What form of safety training is provided by the staffing firm?

■ Staffing Process

- How does the staffing firm handle the assembly and assignment of its workforce on a daily basis?
- How is timekeeping handled?
- What is the ratio of project managers to workers?
- How does the firm handle performance and disciplinary issues? At what cost to my client?

Productivity

- Worksite productivity
 - Can the staffing firm give you an idea of average productivity numbers?
 - Does the firm ask your client about their performance standards?
 - Does the firm use any metrics/performance standards?
 - Are the standards appropriate for your industry?
 - Does the firm provide a productivity timeline?

- Turnover and attendance
 - How does the firm address the high turnover rates typical of temporary workforces?
 - How does the firm address attendance issues?
 - What guarantees are provided that the workers will be the right fit for the job?

Costs

- A myriad of costs
- Some wholly unavoidable. For these, it's a matter of managing your client's expectations
- Some costs could be “sleepers”
- Most costs are negotiable to some degree

Costs

- Particular costs to be aware of:
 - Recruiting/sourcing fees
 - Hourly rates
 - Overtime
 - Support/administrative charges
 - Lodging
 - Meals/per diem
 - Travel
 - Billing Terms

Q&A

***Regardless of your industry
or the nature of your labor crisis,***



***Personnel Management Group
can provide a solution.***

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