



The Future of the
Outplacement Industry
Roundtable Discussion
2012 Report



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Insala, together with The Association of Career Firms (ACF), was pleased to host a round table webinar, the first within a planned series of three online events focusing on developments in the outplacement industry. Insala, the leading technology provider for outplacement and career management firms worldwide, teamed with ACF, the association representing firms in the outplacement and career management industry internationally.

The 90-minute discussion was presented by Insala's Phillip C. Roark, CEO and Christine De Cock, Director of Career Solutions, joined by a panel of industry experts:



Bill Crigger

President, ACF
North America

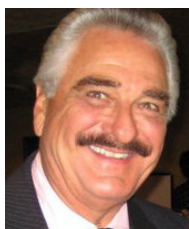
Managing Partner, OI Partners President, Compass Career Management Solutions Charlotte, North Carolina Former HR Vice President with 17 years in the career transition industry combining personalized counseling with the right touch of technology.



China Gorman

CEO, CMG Group & Member, Advisory Board, Risesmart
Las Vegas, Nevada

As an industry leader for 30 years, she served on the global board of ACF for many years. As an organization leader, she has made diversity and service quality core performance KPIs. With unemployment soaring globally, actually finding people jobs has to be the outcome on which we focus. Nothing else matters.



Rudolph Dew

EVP, TTG Consultants
California and Arizona

30 years of experience in the outplacement industry. Rudy was the state president for the California Community College Placement Association, a former president at ACF North America and currently on the Board of Directors. Rudy is passionate about getting people re-employed and was awarded for his contribution by the Secretary of Labor.



Herbert Mühlenhoff

Founder, Owner, Managing Director,
Mühlenhoff Group
Germany, Austria and Switzerland

25 years of experience in the outplacement industry. He has been involved in the creation of development of the Arbora Group and was Chairman for this organization for several years. Herbert is also closely involved with ACF since 15 years as Global and European Chairman and Treasurer. Outplacement today assures individuals build a sustainable future career.



Steve Ford

Chair, Board of Directors, OI Partners CEO, Fitzgerald,
Stevens & Ford
Greater Boston

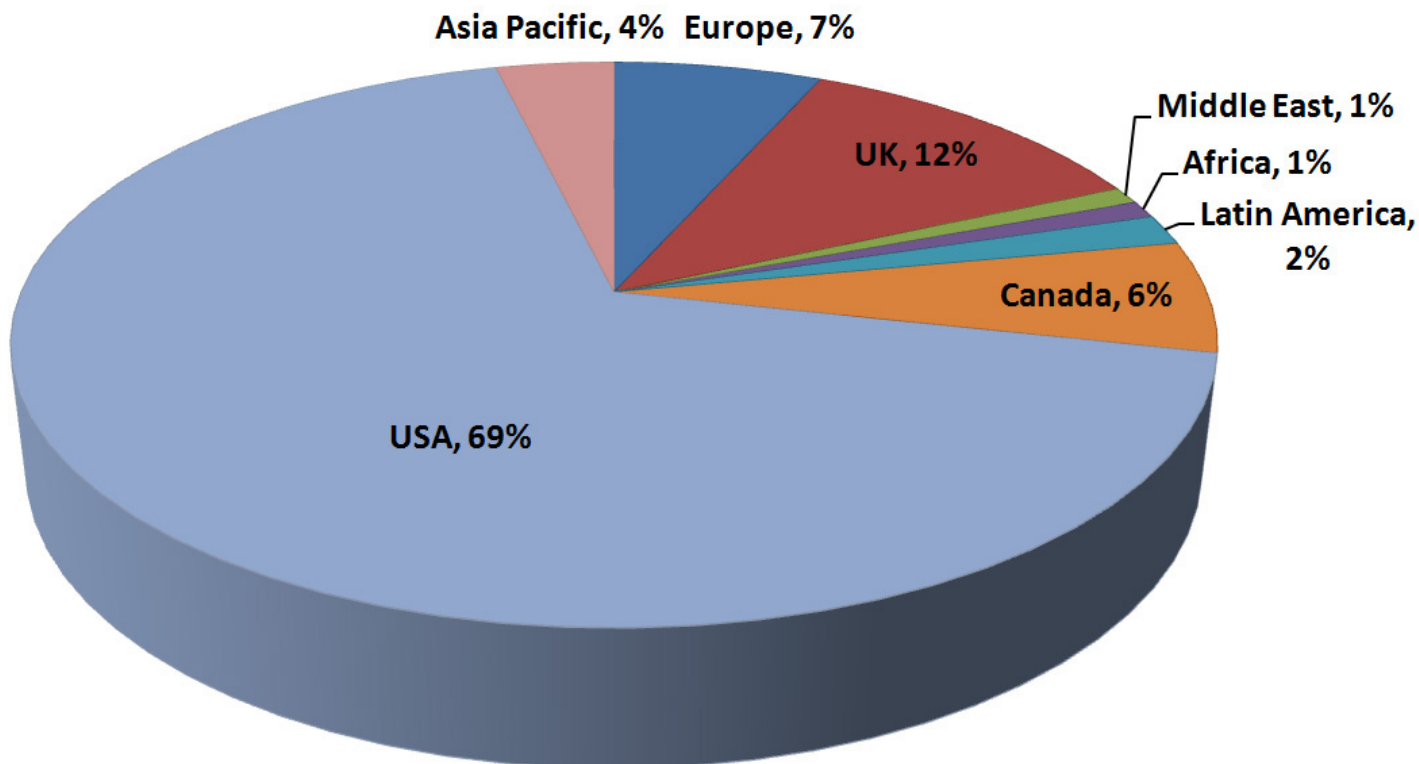
Steve has been an active partner in the creation and growth of OI Partners Inc, as well as various industry groups. He has worked with corporate executives in organizations in transition to enhance corporate and individual success. Steve is particularly focused on providing remote/virtual services that still support the emotional needs.



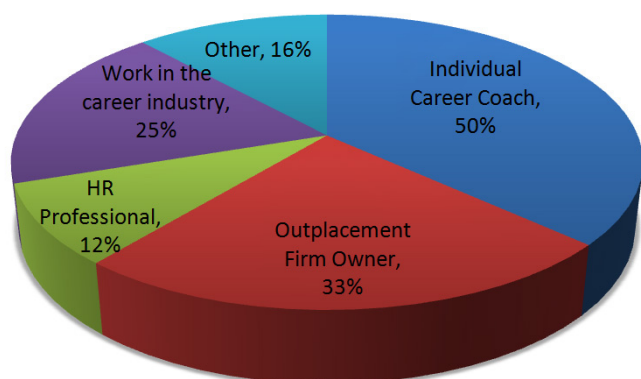
Rob Saam

SVP, Career Transition Practice Leader,
as Lee Hecht Harrison
Greater Milwaukee

As Career Transition Practice Leader, Rob is responsible for the development and continual clarification of external market opportunities and LHH strategy as well as product and service development. He serves as a source of internal expertise, go to market strategy, and thought leadership for the Career Transition line of business globally.



Over 200 participants attended the webinar from the following global locations and in the following company job roles:



The webinar discussion involved 5 topical areas including:

1. Redefining Outplacement
2. Economic Impact
3. Delivery Models
4. Value and Competition
5. Gaining different perspectives on each issue from the panel

Redefining Outplacement

Is what outplacement firms deliver still considered outplacement?

The first area in the webinar aimed to look at the changing definition of outplacement, the services being delivered and therefore whether what firms deliver is still considered outplacement. Bill Crigger opened the discussion by stating, "One size will not fit all," and strongly believes the term outplacement no longer fits. The industry is now more focused on individualized career strategies for candidates and the management and development of these strategies. Herbert Mühlenhoff voiced the opinion that what his firm delivers is still outplacement, however it has changed dramatically to meet new demands of the marketplace.

From Mühlenhoff's perspective the work of outplacement has changed. Previously, outplacement firms worked diligently to find information for clients, whereas now it is more about filtering through 'the jungle' of information available to find what is most valuable. More focus is now on the unemployed and providing minimum learning gaps between positions. Steve Ford said that today, outplacement is defined mostly by the type of programs companies purchase and from the candidate's perspective he sees a broadening demand. The expectation is not only to help find the next role, but also success within that role. Resulting, in Ford's opinion, in a merge of coaching and career transition services. Rob Saam emphasized there is far more focus on helping people make more of a direct connection with their next job; he believes the term still fits. The industry remains concerned with individual success and career development, although the industry has evolved. "We've come a full circle," said China Gorman in regards to the moral play for organizations which we now call 'employer branding.' "Companies are as interested in employees leaving as they are in the employees entering company," said Gorman.

It was noted that thirty years ago how companies treated people on the way out impacted the kind of people and what they had to pay to fill roles, and that certainly has not been more true than today. "We have come back to our roots in this business of really paying attention to how we treat employees throughout the entire employee life cycle, not just during employment," said Gorman. Rudy Dew concluded the first topic by saying the industry overall has become more career focused both internally and externally. This is more fully supported by the fact that the organization providing this webinar changed its name from the Association for Outplacement Firms to the Association of Career Firms.

Economic Impact

What is the impact of the global economic crisis on outplacement services and what role do outplacement firms play in the global unemployment crisis?

The current economic climate continues to challenge governments and businesses worldwide. It is not currently back in growth mode and organizations and individuals are forced to adapt. A day rarely goes by without unemployment figures and issues being reported in the media. What is the impact on outplacement and what is outplacement's ability to affect change?

Mühlenhoff kicked off the economic impact conversation stating that there is limited economic growth in Europe. The outplacement industry shortens the time between jobs but is not creating jobs. Outplacement does not make the market. Dew continued that it takes longer to find jobs, and the program offered by companies does not necessarily meet the level of the outplaced individuals. Dew emphasized that the value of outplacement services needs explanation, especially to the newer HR generation. Saam explained that the pressure to reduce services as a result of the economic crisis is now less, and due to more creative approaches to the delivery method, it also allows for a richer service. It takes people longer to find jobs; hence the importance of ongoing networking. At the same time, more technology tools are now available to job seekers connecting them more directly to jobs, and in most cases people do end up with a new job. Gorman sees that the outplacement industry is really rising to the challenges of the economy. This is not just due to the economic crisis but based on generational shifts, the impact of technology on how we communicate with one another, and how employers hire and communicate with their employees.

There is a high rate of unemployment in the United States, 14 million unemployed and as many as 20 million if you include the people 'no longer being counted.' Yet there seems to be a mismatch with the 52% of employers who say they are unable to find

employees with the right talents and skills. There are systemic changes shifting the employee/employer relationship and the nature of what defines a career. The outplacement industry has a role to support, guide, and impact how the industry will better perform in the future.

Encouraging and supporting people to look beyond the industry they are currently working in to find their next position is one of the new adjustments that many of the panelists stated as the main shift in the traditional employee lifecycle. Individuals no longer spend 30 years in one company and graduates often only plan to stay in a position for two to three years before moving on or changing industry paths. This change alone alters the dynamics of the outplacement industry. Ford emphasized, "the change in tools used, development of more creative methods, and searching for niches in the market constitute the new requirements needed in order to shorten the time of unemployment. These changes seem to be lengthening and the longer this time period becomes, the harder it is to re-enter the industry at a good level." Crigger supported this point saying, "some firms perform pro bono services for the long-term unemployed as this population has more challenges in obtaining a new job."

Delivery Models

With the changing demographics of job seekers, how does outplacement support their specific needs?

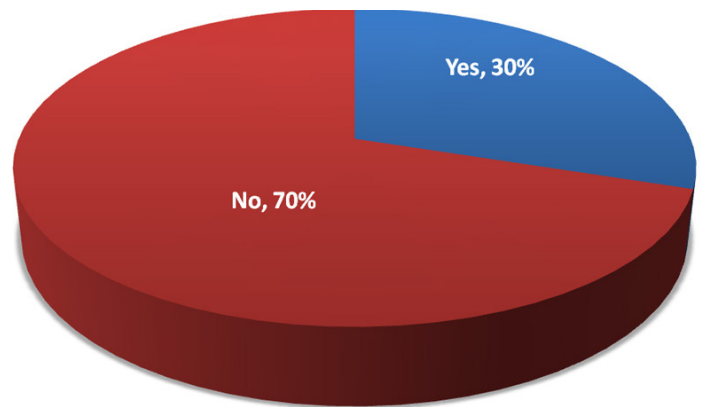
Retirement ages are increasing, and with uncertainty within the workforce this means unemployment is occurring at any and every point within a career life-cycle. There is now a realization to provide services for young employees as well as individuals who have worked in the same position for over 20 years. How do outplacement firms adjust their services to meet the needs of varying generations?

“Everyone wants the same thing. The people being laid off want to find a new job and technology helps fine tune the job leads that fit the specific needs of the job seeker. That’s the bottom line,” said Gorman. Saam agreed although expanded by saying there has to be more learning methods developed and a wide variety to provide for the generational differences. Ford sees a very bifurcated market now and has found that older individuals want more one-on-one support and more ways to get out and meet people and network. He is surprised at the uptake of sites such as LinkedIn by the older unemployed generation whereas younger people think all they need is virtual delivery programs. The younger generation is more accustomed to learning in this manner. However, with time, candidates soon realize speaking and learning from an actual person is far more effective.

“A diversification of services and career strategies are being expanded and used,” Crigger offered. Mühlenhoff and Dew take more of an employer perspective. “For the last 15 years we have been looking at what the candidates want. We should be looking at what the employers need and consult on what the options are and also charge for that,” said Mühlenhoff. Dew believes that companies need to understand more of what outplacement is and utilizing its services rather than just having it because it’s within a company policy. There is so much information available, support is needed in order to provide

focus. Dew believes that service providers need to ensure the company understands why they offer outplacement and the value they are getting.

The audience provided the following input to this subject:

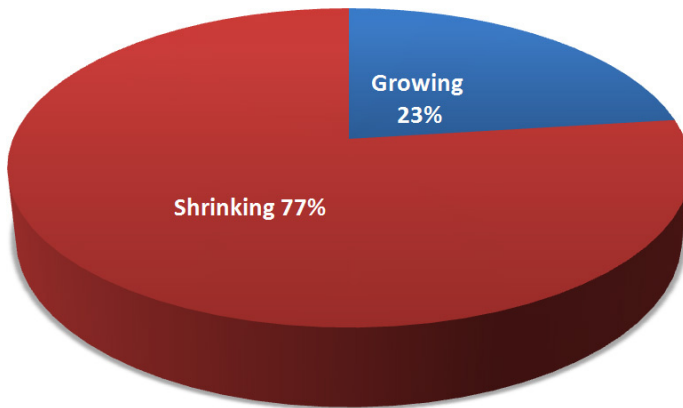


If your service is only about connecting people with a job, is the service you provide still considered outplacement?

Value

Are companies still buying? What do they get for what they spend? Do you still consider a reduced value service as a real value to the job seeker?

The audience offered their opinion with the final question of the webinar:



In your experience, is the demand for outplacement growing or shrinking?

With constant reductions in spending and companies operating with lean staffing measures, one has to question whether companies are still buying into the outplacement industry. What are they getting for their money and is it still as valuable?

The consensus amongst the panelists was that companies are still buying but buying something different than what was originally known as outplacement services. The need to offer more services to companies and show how they can save money by using outplacement must be made clear and emphasized. However Gorman thinks that sometimes services are being given away when they have not even been requested. To stop this from happening she feels there needs to be a shift in values from a learning process to a job connection intervention. If the focus clearly aims toward getting people employment once leaving their previous job, Gorman believes there would be a much greater demand for outplacement services. Crigger agreed stating, "Do you start a business because you want to do something or do you start a business because you see a need? We saw a need in

the earlier years and we filled that need, but maybe we have not shifted our services or, more than that, our philosophy, to what the client needs us to do now."

Companies are still concerned about their reputation on a client need basis. Saam emphasized, "The bottom line is that although times are changing, when people are made unemployed by a company, it is heard publically and companies do not want people to think they dealt with it in an immoral manner." It is not a value shift but more of an evolution. Dew re-emphasized that the key lies in messaging and marketing on what the ROI is really about. Ford disagrees with Gorman in that there is still a strong concern within companies with increasingly lean staff who will buy high value services to impact retention. If you are shifting industry and function, a low level program will not help the job seeker reach their objective.

Mühlenhoff sees that decision makers are becoming younger and less entrepreneurial and the outplacement industry has a mission to help the companies prepare for redundancies. He continues that the price has gone down partly because the outplacement industry has not highlighted the benefits for the company well enough.

Competition

Is the outplacement industry impacted by game changing technologies, services and newcomers or not? Is there a need for further consolidation?

Most of the panel agreed that there is no real need for consolidation in the future, but many think it will happen and almost see it as inevitable, along with the entry of newcomers and competition to the market. Gorman believes the industry is ripe for game changing technology to keep up with market demands as well as offering enough room for newcomers due to companies hiring differently.

Technology is driving the real-time connection between the job lead and the social networks. Saam sees social media and networking playing a key role in how job search is done and the need for outplacement to change in order to keep up. Value-added services within good companies require stronger marketing in order to compete with new firms which claim to be free due to the tax payer funding them, explained Dew. In addition, re-enforcing the fact that although technology is needed, the development of technology also means there is a greater need for good outplacement firms to create this focus. "There is so much out there. People get lost and end up playing on the Internet for 4 years without ever getting a job."

Ford confirms that there is rapidly changing technology, but does not see that the dynamics have changed much in the 35-year-old outplacement industry. The industry needs to look at a much broader range of services as a way to connect with customers and the job seekers in order to determine the future of the industry.

Mühlenhoff mentioned the expense of paying to be in the top of a Google search, emphasizing the severe pressure currently in the market. Mühlenhoff foresees growth. Crigger experienced firsthand the competition from community colleges that received government grants to re-educate individuals to close the gap in between two jobs.

Q & A

What are the evolving requirements that organizations have for outplacement and coaching firms?

Feedback and communication of what the firm is doing seems to be the main desire for organizations. Companies need to know what value is being added, what techniques are being used, how the firms are supporting their former employees, following up with the employees and ensuring employee success in the future.

How do firms prepare the older generation for new technologies and social media?

Many of the panelists did not seem to think the generational differences have too much effect upon people's ability to adapt and learn about such networking sites as LinkedIn. Saam's firm offers e-learning courses and regular programs to ensure people have the foundation to learn about these online services and develop skills to utilize them. However, the older generation and their technical ability are not viewed as a serious issue.

Are you seeing situations where people are out of work for so long that they are unable to find work again?

The general feedback to this issue from the webinar's professional panel emphasized that outplacement firms are used by companies with highly skilled individuals and are therefore trying to avoid unemployment for these candidates. The panelist saw very few employees who struggle for too long in finding their next position. However, the people who are out of work for eighteen months to two years are struggling. "What we don't use we lose," says Mühlenhoff. "If people are not using valuable employable skills then, over time, they are going to forget them and it is going to become progressively more difficult particularly for those with a lower set of skill to find gainful employment."

Is there a danger of losing the human touch within outplacement?

"Yes, there is a danger, but it is up to us to avoid this from happening," shared Saam. "If you have an experienced person you can cut through so much of the 'noise' that is out there and bring focus." Dew agreed with this statement and highlighted that without the human touch of an outplacement firm the process is much more time consuming. Panelists continued to emphasize the real importance of personalized, one-on-one communication especially with the rise of technological advancements.

Although international communication is easier than ever, can new forms of communication be classified as 'human touch'? Is human touch defined as face-to-face? Ford concluded with his belief that human touch is essential in supporting people. He defines this by one-on-one contact, whether face-to-face or over the Internet, and that personal communication between two individuals will continue to be a part of the outplacement journey.

[Click here](#) to view the recorded version of this webinar.

EmploymentTalk™

Online Career Transition Tools

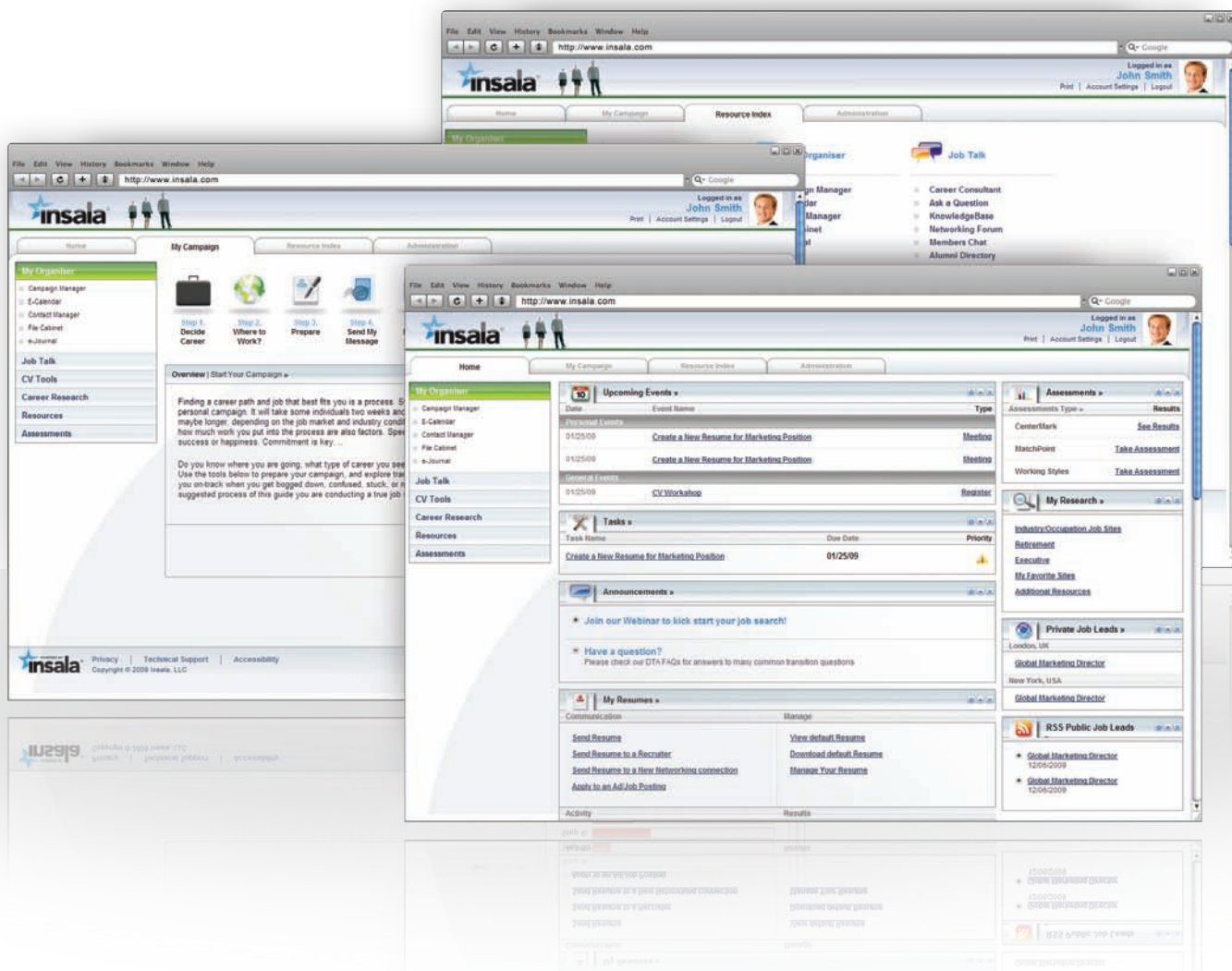
With the majority of job seekers today expecting online career transition tools to be included in their outplacement package, how is your firm ultimately positioned to provide these services?

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Since 2000, EmploymentTalk™ has successfully helped organizations around the globe to provide career transition services. This easily configurable solution provides your clients with career transition tools they need and supports your program delivery and administration.

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- Targeted Job Leads from thousands of sources
- Effective communication tools to connect with career coaches
- Job Search campaign management
- Career research including company/industry research and job leads
- Networking tools and job search advice
- Advice and examples of managing your emotions during career transition



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