



Along with this newsletter, the first of September brings a new season - in our Southern Hemisphere locations we're welcoming beautiful spring and in our Northern Hemisphere areas of course it's goodbye to a warm summer and hello to autumn. I enjoy the opportunity that the changing of seasons brings to reflect on what has been and what is coming up.

I do hope our newsletter contributes to your month and welcome any feedback you may have about Ross at marketing@rosshumandirections.com.

Julia Ross

→ economic update

by Chris McFadden, CFO

The most significant move recently in the Australian economy was a further 0.25 point rise in official interest rates in the first week of August. This is the second increase this year and the seventh since early 2002, taking rates to their highest levels in more than five years. Continued inflationary concerns, including the wages pressures that can develop in a tightening labour market, may well see further upward pressure on interest rates. On balance, opinions as to the likelihood of a further rates increase in 2006 are biased toward another rise, however there is some uncertainty with growth levels, interest rates and inflation more tightly linked than ever at present.

Business confidence and conditions whilst still firm, have now clearly moderated, with both measures now trending down, and anticipated to drop further as the reality of the latest interest rate increase hits home. One clear issue for the Australian economy is the marked differences in business conditions across industries and states, creating what has been referred to as a "two-speed economy". Cyclically sensitive sectors continue to weaken, with retail, wholesale and manufacturing all negatively impacted, whilst mining and construction remain strong, as surprisingly, does the transport sector. Reflecting this state based division is a continued weakening in New South Wales and Victoria, whilst Western Australia and to a lesser extent, Queensland remain strong.

Consensus forecasts predict growth rates at 3% of GDP for both 2006 and 2007, back from the year to March 2006 performance of 5%. The view on core inflation is a peak at around 3.25% in late 2006, but anticipated to move back within target by mid 2007 as recent RBA policy tightening initiatives bite.

→ legal briefs

by Greg Coolahan, Commercial & Legal Director and Michele Jones, IR Manager

Question:

What should a client do if they would like to improve the performance of an agency employee or contractor?

Answer:

Part of the service you automatically receive from Ross Human Directions is the active management of our employees who are on assignment with you. It needs to be remembered that the person concerned is an employee of Ross Human Directions, rather than the client. Ross Human Directions remains responsible for payment of the employee's wages, benefits, workers' compensation and tax. We do relinquish day-to-day control to the client but for the client's protection it is important that we are involved in any counselling, discipline or discussions regarding performance in the job or the ending of the assignment.

The vast majority of assignments work out to the satisfaction of both parties and we pride ourselves on our success in this area. However, there are times when for various reasons, you may need to discuss performance or end an engagement before its due date. In that case, you should contact your Ross representative advising of your concerns regarding performance or operational issues. We will then implement our performance management procedures to counsel or end the assignment in a manner, which meets the required legal standards and minimises the likelihood of any legal claims.

For further information on this issue, please contact michele.jones@rosshumandirections.com

The information discussed here is a general explanation of the law, and is not intended to serve as legal advice. Readers requiring specific legal advice regarding a particular situation should consult an appropriately qualified lawyer.

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If you require any further information on the articles in this issue, please email the Marketing Department, marketing@rosshumandirections.com

→ training tips

by Mary Strain,
National Training Manager

Preparing a Presentation Part I: The Introduction

Preparing a presentation means thinking ahead. You have spent a lot of time planning, researching and organising your presentation. Now is the time to test your knowledge by writing out your script. This is essential for establishing your focus, your topic sequencing and your timing.

The introduction should be written out completely.

You can outline the body, but the introduction should be written out word-for-word for your protection. If you have trouble with those butterflies, and your mind goes blank, you will have the words in front of you, and they will keep you on the road to your objective. By the time you finish your introduction, the butterflies should be gone.

The introduction should take 5 - 15% of the speaking time allowed.

It must be long enough to hit the high spots, but not be a major point of the speech itself. You have your main points - the introduction should get the audience ready to receive them.

The introduction should be written out clearly.

The introduction should be written on the level of the group in the audience least familiar with technical aspects of your topic.

The introduction serves as a contract with your audience. A good philosophy to adopt is:

- Tell them what you are going to tell them.
- Tell them.
- Tell them what you told them.

Source: "Delivering Effective Training Sessions" McArdel, Geri

In Part One of Recruitment Market Update, we introduced you to the various Recruitment Service Delivery Models now popular in the market place. Part Two presents a greater focus on the Vendor on Premises options for your recruitment solution.

Models such as Managing Vendor, Managing Agent, Master Vendor and HR Outsource are all different Vendor-on-Premises models that are appropriate to large organisations with high workforce numbers and extensive recruitment needs.

There are certain criteria to consider regarding the transition to a Vendor on Premises supply regime:

- the number of employees at each supply site and number of sites;
- has there been a solid relationship and history of supply built up between vendor and client?
- is the client willing/able to make its sites fully accessible to an outside supplier?
- the experience of the Vendor in managing the transition, and
- the ability of the Vendor to work co-operatively and effectively with other suppliers in the client's best interests.

Many benefits can derive to both the client and the vendor from operating within a Vendor on Premises environment:

- instant access to the service provider, allowing rapid response to new requirements or changing situations;
- increased understanding on the part of the service provider as to the client's requirements, leading to a constant environment of continuous improvement;
- streamlining of service provision and administration, with contact through one key point, and
- cost and productivity benefits.

Services that can be provided by your Vendor on Premises can include:

- planning of human resources deployment required;
- permanent recruitment management;
- administration of direct candidate applications;
- internal employee career development and planning;
- provision of technology solutions in terms of timesheeting and reporting;
- oversight of discipline and counselling of temporary and contract staff on site;
- direct and rapid liaison with client managers;
- performance management of all temporary and contract staff;
- close follow up and support of all permanent placements;
- induction, on-boarding and on-going training;
- temporary and contract staff coaching and appraisals;
- regular job shadowing and competency profiling;
- oversight of recruitment process;
- provision of administration solutions, and
- electronic invoicing of aggregated monthly activity.

In supply situations where we operate a Vendor on Premises solution, we apply a range of measures to obtain feedback from our clients regarding the service they receive. We take great pride in creating an interactive, flexible and professional relationship with our clients, which we believe results in a responsive and successful partnership.

Hong Kong is a region of considerable significance to many of our clients in both Asia and the European Union. Contrary to some expectations, its economic performance since handover to China in 1997 has been sound, and many British organisations with an historical position in the city continue a significant presence there. Since being handed back to the Chinese, Hong Kong has been known as the People's Republic of China Hong Kong Special Administrative Region. Considerable nervousness about the impact of the handover on Hong Kong's economy and commerce in the early stages of post-Chinese rule have proved largely unwarranted, as the country has in the last few years, produced twelve consecutive quarters of economic growth, and the IMF forecasts its growth to reach 6% in 2006 and 4.5% in 2007. This is expected to occur within a low-inflation environment of around 2.1-2.3%.

According to the IMF, Hong Kong's progress reflects "a supportive global environment, sound domestic macroeconomic policies, continued structural reforms and growing links with mainland China." Whilst its continued successful growth is considered to be increasingly dependent on continued freeing up of financial protocols in China, Hong Kong's outlook is viewed positively, particularly in the light of its returning a 2006 budget surplus following the Asian meltdown, years ahead of projections.

Like many countries, Hong Kong is facing challenges on the employment front with an excess of low-skilled workers, pressure on skilled workforce numbers, and an ageing population. Impacts of the latter are expected to start being felt as early as 2015, although it is suggested that the migration of younger skilled workers from China to Hong Kong may assist in ameliorating the situation.

by Stuart Chandler,
Principal Consultant, Firstwater

Customers: Keep Them for Life

We all know the old adage that it's a lot cheaper to keep a customer than it is to get a new one. But why do we lose customers, and what can we do to keep them with us "for life"?

A leading global marketing study shows the following reasons why businesses lose customers:

- 1% die
- 3% move away
- 5% follow a friend or a relative's advice and switch to their recommended supplier
- 9% switch due to a better price or better product
- 14% switch due to product or service dissatisfaction.

Whilst the first two may be out of your control, you should be able to do something about the other 28%. However, all of the reasons above still only account for a total of 32%. Why then do the other 68% of customers leave a business? Simply put, they leave because of the indifference of the business – they feel unappreciated, unimportant and taken for granted. So what can we do about it?

- 1. It's a Marketing Function** – View customer retention as a marketing function rather than operational expense. How much to spend on each customer?
- 2. Develop a Program** – Put in place a customer retention and appreciation program including frequent contact and communication. Things like newsletters (like this one), greeting cards – Birthdays, Christmas etc. Do not make the mistake of sending lots of "sales pitches" and thinking they are your customer contacts.
- 3. Go After Lost Customers** – Go after those customers you've lost or are losing. By tracking customer activity, you will be able to tell when a customer is not using your services so much (or at all). When this happens, contact them.

Always remember yourself; why do you shop in certain stores? Why do you eat at the same restaurants? Put yourself in your customer's shoes. Would you buy from your company?