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## Mergers and Acquisitions: To Sell or Buy

### First in a series

By Louis L. Iorio, President  
of Corporate Investment  
International

Over the past 6 months in the staffing industry, there has been a resurgence in mergers and acquisitions activities after a several year lull. The pick up in mergers and acquisitions is very active among staffing firms servicing all niches, but in particular, information technology, healthcare and bio-medical, accounting and finance and light industrial have garnered the most interest. This recent activity coupled with better profits, revenues and forecasts is translating into better valuations.

One of the factors driving up valuations is that the business owner, i.e. potential seller, is largely in control. During the past few years, the majority of staffing businesses that sold were under



duress or outright distressed situations. Additionally, larger acquirers could no longer use their stock to purchase companies because their stock prices were down and nobody wanted the risk of stock anymore. This ultimately led to larger and regional acquirers filling up their piggy banks waiting for the market to be right to re-enter and begin acquiring again. And, based on the current activity levels, that time has come with the staffing market performing well in 2004

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## Executive Briefing

### Big Account, Big Questions, Big Answers

By *Domenica Scarpulla* Adecco  
Regional Vice President New  
Jersey Region and NJSA Public  
Relations Committee Chair

Okay, we worked hard to land the “big” Account, dedicated our attention and time to understanding the job specifications, spent buck-

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## From the President's Desk

### It Cannot Be Business as Usual!

Most of us look at the staffing business during the late 1990's with great longing... wishing it will happen again. But in many ways this period was also the worst time for the staffing industry's reputation. Because of the general shortage of quality candidates, staffing firms were providing poor quality candidates and clients were accepting them... because they had to.

Now clients don't remember the environment of a severe talent shortage in

the late 90's. Instead they remember the unacceptable quality of the candidates offered by staffing firms and allow those memories to “color” their opinion today of our industry and its services. Please read the enclosed article entitled “Contingent usage to climb despite distaste” provided to NJSA for distribution to New Jersey's staffing industry courtesy of Staffing Industry Analysts, Inc. When the client can't see (or doesn't want to see) real differences between their direct hire and temporary staffing vendors, the only form of comparison for the client is

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