Staffing Industry
PROFESSIONAL NEWS

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EDITOR'S INTERVIEW: Glimmer of optimism on the horizon, Wall Street Services says

Founded in 1983 by Susan Laughter, Wall Street Services is a New York-based staffing company focused on financial services, legal, insurance and management consulting clientele. The firm places MBA consultants, accounting professionals, financial analysts, traders, reconciliation and trade and sales support staff. After surviving the recession in the early 1990s, the company is navigating through the current downturn, carefully, but successfully. Financial Staffing News recently caught up with CEO Peter Laughter, who is Suasan Laughter's son. He attributes the company's ability to survive such rough times to its ability to recruit and place the right candidate in a timely manner and to its customer relationships. Following are excerpts from the interview:

FSN: How is business doing these days?

LAUGHTER: Business has been going well lately. We were on the Inc 500 list in 1999 with revenue of about $11.3 million in 1998 [an 1180% growth in the five year period from 1994 to 1998]. We leveled off in 2000, saw a little bit of a drop in 2001. But now our numbers have started to increase considerably. We are up 12% from first quarter.

FSN: What have been some of the challenges lately?

LAUGHTER: Recruiting is still a very big issue. We have not really seen the increase in recruiting that we had expected or an increase in the number of great candidates out there. While the number of available candidates has really gone up, we have so much more sifting work to do. The good people still have jobs. Today, we are working just as hard on recruiting as we were in 1999.

Clients are also so much more exacting about their requirements. The speed issue is really critical. Now they need the right person right away, not in two or three days.

Competition also has gotten fiercer. Although business is increasing, we still have the same number of competitors.

FSN: What kinds of professionals are clients looking for?

LAUGHTER: We are definitely filling more analyst or high-level positions [on a contract basis]. We have seen that mostly people who are hiring contract professionals are either unsure where the economy is going or they are just slammed. For instance they have cut down so much that there are not enough people for, say, compliance work.

There are studies that show a positive correlation between increased usage of temporary workers and an increase in earnings per share. My take on this is that when a company starts to do better after poor economic times, they are usually outliving the usefulness of their existing staff. They have cut so deeply and existing staff is doing the jobs of two or three people. As they are already working beyond capacity, if the workload increases, [the company] has nowhere to go. So it hires temps. It's the time issue too. The [staff is] so overworked that an exhaustive search for a full-time person is very difficult.

FSN: Have you seen any uptick in demand because of the Sarbanes-Oxley Act?

LAUGHTER: I definitely have seen companies that are focused on compliance but I don't know it is directly related to Sarbanes-Oxley. In general, compliance professionals had been cut so drastically in the past that they are really needed now.

FSN: What are some of the other trends that you are seeing in the financial services industry?

LAUGHTER: Wall Street Services conducts quarterly surveys of about 100 key executives and managers from Stock and Bond Brokerages, Investment Security Brokerages and Financial Advisory Service firms in the New York and Chicago areas. The [most recent] survey showed that there is a 7% increase in the number of managers who are expecting bonuses this year in New York. There is also a 9% increase from the second quarter survey in the number of managers who expect to give their exempt employees a raise and a 19% increase in the number of managers who expect to give their non-exempt employees a raise. Furthermore there was a 3% decrease in the number of managers who foresee having to make cut backs in staff.

In Chicago, while 49% of the managers are not expecting a bonus in 2003, 51% believe they will get a bonus this year. [Fifty-nine percent of this category believe it will be greater than their bonus in 2002, 25% think it will be the same and 16% believe it will be less.]

These results are consistent with what we are seeing in our company. There is marked increase in the expectation of bonuses. It shows that people are more optimistic about the day-to-day economy [in the third quarter than they were in the second quarter]. Particularly, there is an increased desire to give raises, which signifies that there is less pressure from the top to cut costs.

FSN: Looking forward, what are your plans for the company?

LAUGHTER: We are responding faster to our clients' needs. We have been doing a lot of work on our internal systems so we have more accuracy in our searches for the right candidate. We are collecting a wider degree of information about our clients and distributing it through out the company.

We are focused on increasing the amount of our financial services business. We are opening a Chicago office at the end of September.