NISA National Independent Staffing Association

The NISA Messenger Monthly Special Edition

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IN THIS ISSUE:

UPCOMING MEETINGS AND EVENTS:

February 22-24, 2017, Owners Retreat, Renaissance Hotel, Palm Springs, CA

R RENAISSANCE® PALM SPRINGS HOTEL

Time is running out to register for the 2017 Owners Retreat in Palm Springs!

"Bridging the Workforce Gap" - Keeping the Next Generation Engage

The 2017 Owners Retreat should surely be a meeting to remember with great speakers, information to move your business forward, networking opportunities, and an awesome venue to boot . A sample agenda is below:

Speakers to include:

John Rutledge—ACA Update, Changes are Coming, Be prepared!

Keynote: **Brian Kinahan,** *Alliance CEO Advisory, NC CEO Forum*

He will cover these topics at the meeti

- ⇒ ***How to hire properly for maximum success***
- ⇒ ***How to build a winning culture and align people to it***
- ⇒ ***How to Build a simple but effective employee coaching c development process***

Dave Kollmorgen—CAREERBUILDER will on hand! —"People, Process, Technology: 2017 Trends on the Horizon"

Evan Rosen will host an interactive workshop on the IMPACT OF T ELCTION FROM A LEGAL SIDE—FMLA, ADA, Wage and Hour Laws, Employee Agreements, and Discrimination clair

Mark Beverwyk from RMP Resources *will give his lowdown on OSHO and Federal Compliance Regulations. With a Q &A wrap up.*

DON'T MISS THE BREWERY TOUR ON WEDNESDAY NIGHT AND THE SPECTACULAR TRAM RIDE OVER THE CITY ON THURSDAY! See page 2 for details.

LAST CHANCE!!!!

HOPE TO SEE YOU THERE! REGISTER TODAY!

Discounted rates end February 3rd! Book your room now.

NISA Owners Retreat, February 22-24, 2017

"Bridging the Workforce Gap: Keeping the Next Generation Engaged"

2017 Attendees List:

Name	Company
BRIAN KINAHAN	SPEAKER - ALLIANCE CEO ADVISORY, NC CEO FORUM
JEFF TUISL	SPEAKER/SPONSOR - ASSURANCE
LAUREN GIZZI	SPEAKER/SPONSOR - ASSURANCE
JOHN RUTLEDGE	SPEAKER/SPONSOR - ASSURANCE
DAVE KOLLMORGEN	SPEAKER/SPONSOR - CAREERBUILDER
ERICA SMITH	SPEAKER/SPONSOR - CAREERBUILDER
CHRISSY SPHAR	SPONSOR - GULF COAST BUSINESS CREDIT
MARK BEVERWYK	SPEAKER - RISK MANAGEMENT PARTNERS, INC.
JASON MUEHLECK	SPONSOR - VRAIN
Ari David Susman	A. D. Susman & Associates
Debby Abel	Abel Staffing
Jamie Miller	Advantage Resource Group
Sal Ramirez	Alpha Pro Temps (A.P.R. Inc.) PROSPECTIVE MEMBER
Steve Swerdloff	Alternative Staffing In
Jan Cappanilli	Alternative Staffing In
Jason Muehleck	AmeriStaff Inc.
Gary Burgand	Anchor Medical Staffing
Elaine Hollo	Anchor Medical Staffing
Jeff Betting	Bettinger Gro
Cima Johnson	Connect Staffing
JEFF SOSIC	*VENDOR - CRIMCHECK*
Karen Wishart	Curzon Staffing
Peter Durham	Durham Staffing
Dan Mori	Employment Solutio
Renee Erickson	Global Cash Card
Katie Germa	Gulf Coast
Jeremy Talton	Gulf Coast
Cathy Volpe	HB Staffing
Jonathan Paul	HB Staffing

Name	Company
Hedy Holmes	Hedy Holmes Staffing
Tena Rusyon	Hedy Holmes Staffing
Shelly Denigris	Hedy Holmes Staffing
ROD KELLEY	*KELLEY AND WARE - NEW MEMBER*
Russell Landry	Nationwide Skill Trad
Peter Romberg	NISA
Dwight Segraves	Premier Staffing Inc.
Mary Segraves	Premier Staffing Inc.
Laura Diez	Primary Staffing
Lynn Connor	Reliance Staffing & Recruiti
Tom Sarach, Jr.	Reliance Staffing & Recruiti
Bonnie Peracca	RUSH Personnel Service, Inc.
Heidi Erickson	RUSH Personnel Service, Inc.
Kim Kilgo	Staff Right, Inc.
Angela Genti	Staff Right, Inc.
Meghan Stevens	Sierra Employment Services Inc.
Anna Sangiorgio	Superior Employment
Cheryle Painter	Team Concepts (+1)
Bob Jensen	Temp Associates
Kyle Jensen	Temp Associates
Rob Callahan	Temporary Solutio
John Anderson	TempsPlus of Paducah Inc.
Jeff Betting	The Bettinger Company, I
Jeremy Daniel	The Daniel Group
Ethan Rasbach	TransHire
Scott Rasbac	TransHire
Yvonne Rasbach	TransHire
Adam Himoff	Xemplar Workforce Solutio

Don't miss out on the fun social events!

Wednesday and Thursday Nights.....

Register Today!

WEDNESDAY NIGHT

February 22, 2017

Join your colleagues for a brewery tour and beer tasting at the Coachella Valley Brewery!!! *Limited availability so sign up early..*

THURSDAY NIGHT

February 23, 2017

Night out with NISA DINNER and Tram Ride overlooking beautiful Palm Springs!

New Year + Old Habits = Same Results

For people the world over, the start of each new year is a time when all things seem possible. For the past 6 years, I've celebrated the start of each new year by giving up a food I love for the entire year. Think of it as a self-imposed Lent. Why you ask? The answer is mostly because I'm stupid and a glutton for punishment, but if you want the full story, I did blog about this a couple of years back. You can read that post here. However, my food craziness is not what this New Year's post is about.

As 2016 gets underway, optimism once again fills the air as it does each new year. People everywhere are setting any number of new goals that they most certainly will not achieve. These might be health goals, financial goals, family goals, friendship goals, community goals, employment goals, etc. In fact, most people have a long list of things they're going to differently just as soon as the calendar turns. The problem, as we all know, is that far too many people find themselves reaching the end of another year with many goals half started, and not one goal fully accomplished.

It's good and well to want to change everything about yourself with a snap of the finger. If only it were that easy. In my experience, it's far better to focus on changing just or two specific behaviors, and then really make it happen. It's partly a matter of focus. It also partly about specificity. But mostly it's about having a plan, and having someone (or many someone's) available to hold you accountable. Shame, as it turns out, is a great motivator.

Personal goals are much the same as business goals in that respect. At Assurance we encourage our employees to set specific goals, outline monthly benchmarks, and have somebody hold them accountable for meeting their own deadlines.

So my suggestion for 2016, whether it's a personal resolution or a business goal, share it with the world and ask to be held accountable. It's far too easy to let yourself off the hook in a moment of weakness, and much more difficult to let others down when they're counting on you!

Submitted by Steven Handmake
Assurance

Assurance
Minimizing risk. Maximizing health!

Time Marches On—
Especially for Resumes and Leadership

It's inevitable. It's cliché. But it's a new year and everyone takes a few seconds to take an assessment on their direction – whether that's a look at their business, career, or personal lives.

The most readily and promptly disposed of resolutions are ones that involve any sort of adjustment in caloric balance (whether that means the absence thereof – dieting – or the increased energetic usage of that which is consumed – exercise). We also might want to put a check on our vices, make better use of our time, get more education, etc.

However, with respect to employment-related issues and general good leadership, some very good advice has been dispensed to begin this year.

First – resumes. What do you change in 2017 (and what should placement specialists be looking for) to make a candidate relevant, competitive and potentially that next great hire?

For many of us, it's not the experience, but the mileage. That's, at least, the message that Forbes Magazine sends. They relate the top five things to remove from an applicant's dossier:

1. Too Much Detail About Your College Years
2. Languages You Speak (Even Fluently)
3. Fellowships, Internships and Prizes (With a Few Exceptions)
4. References and Personal Names
5. Any Dates or Years That Could Create Ageist Assumptions

This makes sense as: name dropping only goes so far; unless you're applying for that position that requires fluency in Latin, it's probably not relevant on your resume; and,

if your grand prize for excellence was won more than 15 years ago, it isn't going to win you your new dream assignment.

But most of us already knew this.

The true revelatory points of this list, particularly to Gen X'rs, is knowing that remaining relevant and current means ditching just about any reference prior to 2007, which is an eye-opener. Not because it's particularly surprising, but when you consider 9/11 was more than fifteen years ago and then-Senator Barack Obama announced his candidacy for president in February 2007 – a decade ago – one begins to realize that the march of time is quick. If these two events are starting to become distant memories, then what a person did for their job back then might not be too high on the list either.

The second, and particularly for leaders and managers, should be basic commonsense, but it never hurts to consider proverbial truths.

Inc. suggests that this litany should be on any business-owner's wish list:

1. A great co-founder.
2. Wisdom.
3. Grit.
4. A reality distortion field.
5. A great network.
6. A soul.
7. Generosity.
8. A loving and supportive family.
9. Great investors.
10. An exploding market.
11. Luck.

If you look at this list analytically, is there anything on it that any one, regardless of being a business owner or not, wouldn't wish we had either? That said, everything on this list can be earned through focus, continuous curiosity and learning, determination, and just general caring and observation.

Have a great 2017!

Submitted by Jim Hoeft
Communications Director for
COATS Staffing Softwai

COATS Staffing Software

Don't Get Trampled: The Puzzle for "Unicorn" Employees

A company's fate is ultimately determined by its people, so ***talent is everything***. But this old adage bumps up against another one: cash is king (or ***runway is king****,* for a fast-growing private company). Without runway, talent takes off. So, it is no surprise that bold moves to extend runway (think late-stage financings at technically large valuations with some tricky liquidation preferences underneath) are done even if they could hurt the company (and it's people) in the long run. This is especially true when these financings are ego-driven rather than strategic. The problem is, the employees at these companies don't understand the implications. They see the valuation, they know the number of shares they own or are being offered, but they do the wrong math.

The "unicorn" phenomenon (the vast number of companies that have raised over $100M at a $1B+ valuation) gets enough media coverage these days. Much has been written about the founders of these companies, their investors, and their rapidly growing valuations. But very little has been written about the employees, the people that do all the work and whose careers rely upon the judgement of their leaders and investors. How can employees—and prospective employees—protect themselves in this environment?

One of my sad predictions for 2017 is a bunch of big headline-worthy acquisitions and IPOs that leave a lot of hard working employees at these companies in a weird spot. They'll be congratulated by everyone they know for their extraordinary success while scratching their heads wondering why they barely benefited. Of course, the reason is that these employees never understood their compensation in the first place (and they were not privy to the terms of all the financings before and after they were hired).

I have had a few conversations about compensation at so-called "unicorn" companies the past few months. Two of these conversations were with prospective employees—an engineer and a designer—with offers to join later-stage private companies in mid-level producer-manager roles. Another conversation was with the founder of a very early stage startup contemplating an acquisition offer from one of the later-stage delivery/food-related private companies. And the most recent conversation was with a senior HR professional at one of these $1B+ valued companies. All of these conversations reinforced my concern that employees (and founders of acquihire/acquisition targets) don't understand how the capital structure of later-stage private companies can impact the true value of their compensation and outcome.

The Quick Primer For How "Unicorn" Employees Get Trampled
When CEO's need more runway, they naturally seek investment at a higher valuation than their last round. When the company's performance doesn't warrant the valuation they seek (or when investors have the upper hand), investors can insert special terms to protect their interests, essentially limiting their downside at the expense of past equity holders, many of whom are employees.

Over coffee the other day with the Head of HR at a late-stage start-up, she confirmed for me how few candidates even ask about their stock grants. "And when they do, they ask for more shares, without even knowing the denominator," she said in amazement. "And when they know the denominator and the hypothetical value of stock at the last round, they almost never ask about liquidation preferences or other barometers for the likely long-term value." Wow. ***To bring this home, it's like negotiating your salary without specifying the currency you're being paid in.***

While the drive to join a company cannot be solely about the money, I also believe that the possibility of reward must accompany risk. If you're joining an early start-up, these questions are premature and your focus should be on building something of value. But if you're joining a later stage private company, its just being responsible.

Don't Get Trampled By A Unicorn, Audit Your Comp
So, if you're an employee working at a "unicorn" company (or are considering joining one), what questions should you have? Here's a bit of a primer for employees:

Have you raised capital with liquidation preferences, and what are they? A liquidation preference specifies which investors get paid first in the event your company is acquired or goes public. It also determines how much investors get paid before everyone else gets paid. It is standard and necessary to have a "1x non-participating liquidation preference" which means that investors will get the amount they invested out first (before employees). The thing to look out for is a higher liquidation preference, where investors get a multiple of their investment out first, before you or any other shareholder gets a single dollar—regardless of how much equity you own. If your company has raised a lot of money with high liquidation preferences, you could argue that your salary and/or grant should be larger to account for the increased risk of your shares being worthless. Like any investment that is less marketable as a result of an illiquid market, stock that is less

Submitted by Scott Belsky, Investor and Entrepreneu

Continued from page

likely to be valuable and/or marketable should be discounted.

How many months of runway do you have? *The amount of money your company has raised, divided by the amount it "burns" every month (expenses beyond revenue), determines the number of months your company can survive before it either makes more, spends less, or needs to raise more funding. If your company is running out of money, your CEO is more likely to raise money at unattractive terms (like a high liquidation preference). If runway is limited, you're entitled to ask about the plan.*

If you need to raise more money but are unable to do so at standard terms, will you accept less favorable terms or will you raise at a lower valuation? *I wouldn't ask this question straight out, but I'd look for the signs. A big consequence of the press's celebration of billion-dollar valuations is the desire to be one or stay one, despite unfavorable terms. Founders are essentially compromising the long-term value of shares held by employees in exchange for a larger valuation today. In a more normal world, companies would be able to tolerate ups and downs in valuation with the realization that every company goes through cycles (recall not too long ago when Facebook traded below it's IPO price, Netflix plummeted during its transition away from DVD's, etc…). The value of your shares can go up or down, but liquidation preferences stick around. The best CEOs can stomach and lead their teams through some volatility rather than optimize for short-term headlines. In his post last year about the mechanics of these late-stage financings, Bill Gurley (with whom I work as a Venture Partner at Benchmark) makes the point that employees need to understand their CEO's approach, "if your CEO/founder will take a dirty round, and is also anti-IPO, the chance that you will ever see liquidity for your shares anywhere near what you think they are worth is very, very low."*

Has the company taken on debt? *Like a liquidation preference, debt must be repaid before the proceeds from being acquired are divided by shareholders. A company with a lot of debt is another red flag that could certainly jeopardize the value of your shares in the event your company is acquired.*

Does the company aspire to be a public company? *To be clear, a company need not aspire to go public. However, raising hundreds of millions of dollars leaves very few other ways to return value to investors or employees. Nevertheless, there are many CEOs that want to keep their companies private while continuing to raise massive amounts of capital despite unfavorable terms. You deserve to know the intentions of your leaders. Perhaps there is a good reason related to certain milestones your company must reach before going public? Alternatively, it may seem like the allure of less scrutiny is driving decisions (red alert!). The answer you get will help you quantify the likehood of your shares being valuable over time.*

If the company's plan is to stay private for the foreseeable future, have there been secondary sales for employees and/or founders? Its a controversial question—you may want to fish around vs. appear to be so focused on liquidity, but it is fair for you to know whether employees and founders are selling their shares while the company is still private. If there is no line of sight to becoming a public company, secondary sales are your only chance at liquidity. But there are cultural and signaling implications if some employees are able to sell their shares.

Have the company's financials been audited? *Obviously, the value of your shares in the company is connected to the company's financials. Early stage start-ups without massive expenses or balance sheets need not endure audited financials. But as companies become larger and/or valuable, checks and balances ensure that mistakes or misrepresentations are not impacting how investors value the business (which ultimately determines how many shares you receive in the company). You'd be shocked to learn how many companies raising money at a billion-dollar valuation are doing so with financials that have never been checked/audited by a third-party. Again, if you're taking a major risk in your career for a grant of stock with a proposed value, you deserve to know how reliable it is.*

Don't Wait For The Cataclysmic Event, Start Asking Now
Like most bad behavior that brews in any industry, the bad behavior is liable to continue without much attention until a major event blasts it into consciousness.

Imagine waking up one morning to the news that one of the popular "unicorn" companies was just acquired for a billion dollars. "Wow," you think. Headlines fly around celebrating the outcome. And then suddenly there is a flurry of tweets from employees of the company followed by an expose article revealing the fact that employees actually made very little from the acquisition. How is this possible? The company raised money at increasingly high valuations at unfavorable terms, and there was little left to distribute to common shareholders. Hundreds of employees got nothing more than a hard lesson learned.

I hope it doesn't take such an event to encourage companies to disclose the mechanics behind their valuation and illustrate the implications for employee shares. But you can start asking now. Your CEO's willingness to answer these questions, the cleanliness and simplicity of his/her answers, and the assurances your CEO provides you are as important as any quoted value for the shares you are given for your investment of time in the company—an investment far more valuable than money.

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Submitted by Scott Belsky, Investor and Entrepreneur

New ACA Executive Order Signed by President Trump

President Trump wasted no time on his campaign promise to take action on the Affordable Care Act. Mere hours after being sworn into office, the President signed the Executive Order titled "MINIMIZING THE ECONOMIC BURDEN OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT PENDING REPEAL."

The Executive Order is effective immediately, however, its implementation may take a number of days to actually begin taking effect. Among other things, it directs the heads of the various agencies of the Executive Branch in charge of enforcing the ACA (namely, Health and Human Services, Medicare and the Treasury) to: *"exercise all authority and discretion available to them to waive, defer, grant exemptions from, or delay the implementation of any provision or requirement of the Act that would impose a fiscal burden on any State or a cost, fee, tax, penalty, or regulatory burden on individuals, families, healthcare providers, health insurers, patients, recipients of healthcare services, purchasers of health insurance, or makers of medical devices, products, or medications."*

This sets the tone for the ACA's repeal, however, the Secretaries of the main agencies involved (i.e. Tom Price for HHS, of which Medicare is a part, and Steven Mnuchin for Treasury) have not yet been confirmed by the Senate. Once that happens, they'll need to draft and publish new regulations to actually comply with this Executive Order. In the meantime, Congress is working on actual repeal legislation to be passed via a reconciliation budget bill. Details on Congress' repeal bill have not yet been released.

Interestingly, this order doesn't mention "employers" directly, but instead uses the term "purchasers of health insurance." This casts a broader net, and the ultimate effect of Section 2 of this order to eliminate taxes and penalties associated with the ACA. That most certainly could be inclusive of both the individual and employer mandates, making both of them invalid. The timing of that relief – whether it's for 2017 going forward, or retroactive to the inception of the ACA – has not yet been discussed and may have to wait for the legislative repeal from Congress.

Undoubtedly more details will be published soon, as the new Administration gets to work on its agenda. Assurance will continue to keep you posted on developments as they occur.

Information contained herein is not intended to constitute tax or legal advice and should not be used for purposes of evading or avoiding otherwise applicable regulatory responsibilities as issued by the federal or state government(s) and/or taxes owed under the Internal Revenue Code. You are encouraged to seek advice from your legal or tax advisor based on your circumstances.

Submitted by

Assurance
Minimizing risk. Maximizing health.

NISA Congratulates Preference Employment Solutions on Making the Best 50 Places to Work List!

Prairie Business lists the 50 Best Places to Work in the northern Plains. Companies were nominated through an anonymous employee survey that outlined work environment, employee benefits and employee happiness. Consideration was also given to thenumber of nominations received per company. The 50 businesses will be honored in the magazine, which is available today on http://www.prairiebusinessmagazine.com/.

“Employees in the companies nominated for this list wait eagerly to find out if their workplace has been chosen,” says Lisa Gibson, editor of Prairie Business. “It’s a point of pride for our winners because being nominated as a great place to work by actual employees on all levels of hierarchy is a testament to really being a great company. You can’t claim to be a great place to work unless the employees who actually work for you agree.”

Now in the third year of conducting the Best Places to Work contest, Prairie Business received nearly 950 surveys. “We’re happy to present the 2016 winners and offer our congratulations to them all,” Gibson says.

David Dietz, President / CEO for Preference Employment Solutions contributes his success to their new Employee-Ownership model for the great culture that has evolved here the past few years. Keeping and attracting “A Players” is impacting the level of service we are providing to our clients, candidates and employees. (The magazine is regional – North Dakota, South Dakota and western Minnesota.)

According to the American Staffing Association, National Association of Personnel Services, the National Center on Employee Ownership and the ESOP Association, Preference Employment Solutions is the first staffing company in the U.S. to be 100% ESOP. Last we heard, there are six staffing companies in the U.S. with a partial or 100% ESOP.

About Prairie Business magazine: For more than 16 years, Prairie Business magazine has served as the only business-to-business magazine dedicated to the northern Plains region. More than 21,000 print and digital copies are distributed monthly. The magazine focuses on the success and opportunities in the northern Plains states of North Dakota, South Dakota and western Minnesota and covers a variety of business topics including higher education, finance, architecture and engineering, agribusiness, energy, health care, economic development, tourism, technology and construction.

This n' That

Prospective Members

If you know of an agency who is interested in joining NISA, please contact our office. We would be happy to assist them through the membership process.

OWNERS' RETREAT

Everyone here at NISA hopes to see you at this year's retreat! We look forward to serving you in 2017!

"I knew that if I failed I wouldn't regreat that, but I knew the onew thing I might regret is not trying."

~Jeff Bezos, Amazon CEO

New Member:

Rod Kelley

Kelley and Ware Enterprises LLC kelleyandware.com

New Prospective Memb

Sal Ramirez

Alpha Pro Temps, (A.P.R. Inc.)
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"Seek Answers. Find Solutions. Gain Knowledge"

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Nationally Recognized NETWORK OF PEERS.

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Your business is a big responsibility that's changing constantly. The National Independent Staffing Association (NISA) offers independent owners an affordable way to access a nationally respected, non-competitive network of other owners.

With territorial protection for their market area, members of NISA can share sensitive information about business operations without the risks of competitive or public memberships. Members strengthen their knowledge, share resources, and receive discounts on necessary insurance, products, and services.

EXPERIENCE THE DIFFERENCE!