

**WHITEPAPER:  
EXTREME UNCERTAINTY: HOW TO  
BUDGET AND HIRE EFFECTIVELY**



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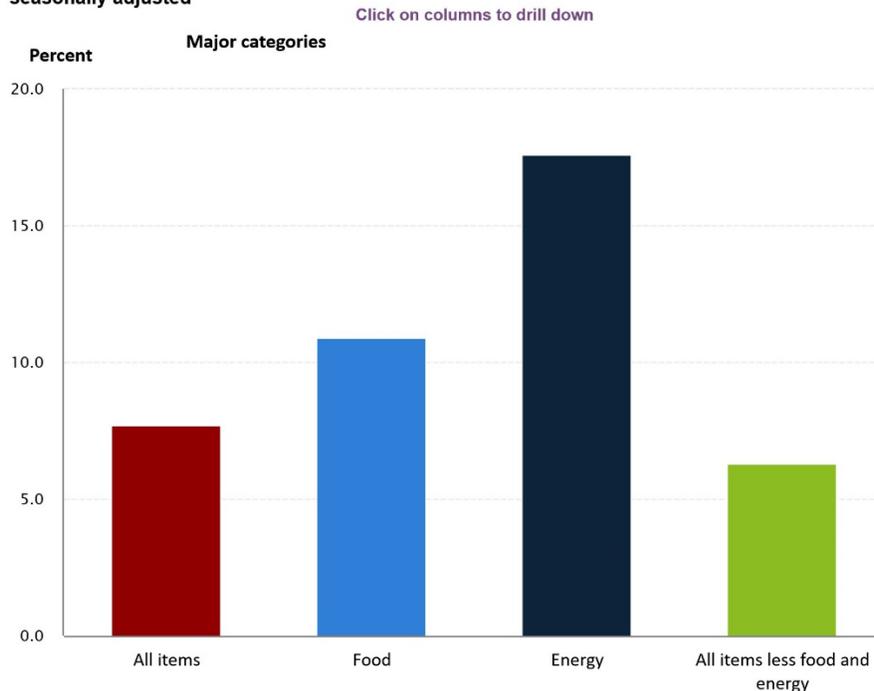
# EXTREME UNCERTAINTY: HOW TO BUDGET AND HIRE EFFECTIVELY

## THE HIGHLY VOLATILE JOB MARKET

The current job market is unprecedented in its uncertainty, full of indicators that contradict each other. The U.S. is headed for a recession – or it isn't. The job market is extremely competitive for companies, but thousands of workers are being laid off. This all complicates the ability of hiring managers to set budgets and create the team they need to accomplish business goals.

So far, the ambiguity has not affected payroll growth, the relatively low unemployment rates, or the competitive market for job seekers. The [U.S. Bureau of Labor Statistics \(BLS\)](#) reported that non-farm employment increased by 263,000 jobs in November 2022 and projects that there will be 8.3 million additional jobs available by 2031. According to the [New York Times](#), in September there were 1.9 posted jobs for every unemployed worker. And the people who are quitting jobs – fewer than during the pandemic, but more than pre-pandemic – are typically moving to better, more highly paid opportunities.

12-month percentage change, Consumer Price Index, selected categories, October 2022, not seasonally adjusted



But the window of opportunity for moving up by changing jobs may be closing. Higher wages have been cited as one factor in the inflation that has been creating economic ripples for much of 2022. The [BLS Consumer Price Index](#) for November reflected the smallest 12-month increase since January 2022 at 7.7%. While this is down from a high of 9.1% earlier in the year, the ongoing efforts by the U.S. Federal Reserve to curb inflation will continue to create economic uncertainty. As a

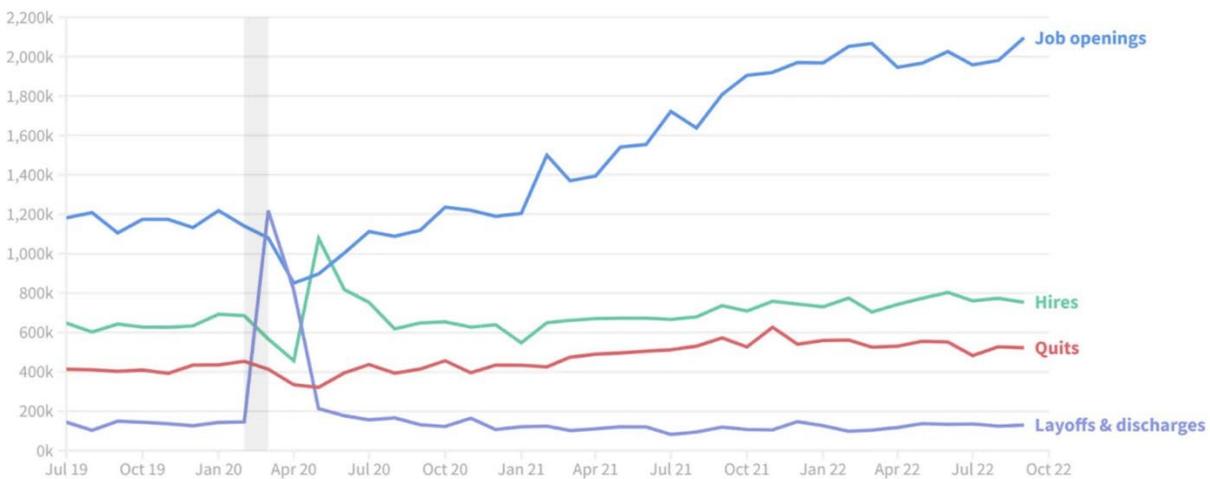
result, while many companies have already implemented better compensation structures, fewer are now considering wage increases.

In the face of inflation and other recent negative trends, how long can the candidate-driven hot job market persist? The headlines are full of [bad news](#). Meta is laying off 11,000 people, Amazon and Alphabet are laying off 10,000 people each, HP is laying off 6,000 people, Cisco 4,000 people, and many other tech companies have announced layoffs and hiring freezes. Despite this, [layoffs](#) are less than 1% of the workforce and remain historically low.

The truth is that job openings vary greatly by industry. At the same time as openings in tech, finance, and insurance are decreasing, [ZipRecruiter](#) reported that there are more than 2 million jobs available in health care and that enterprises with over 5,000 employees also have record-high job openings.

### Health care job openings rose to a new record high

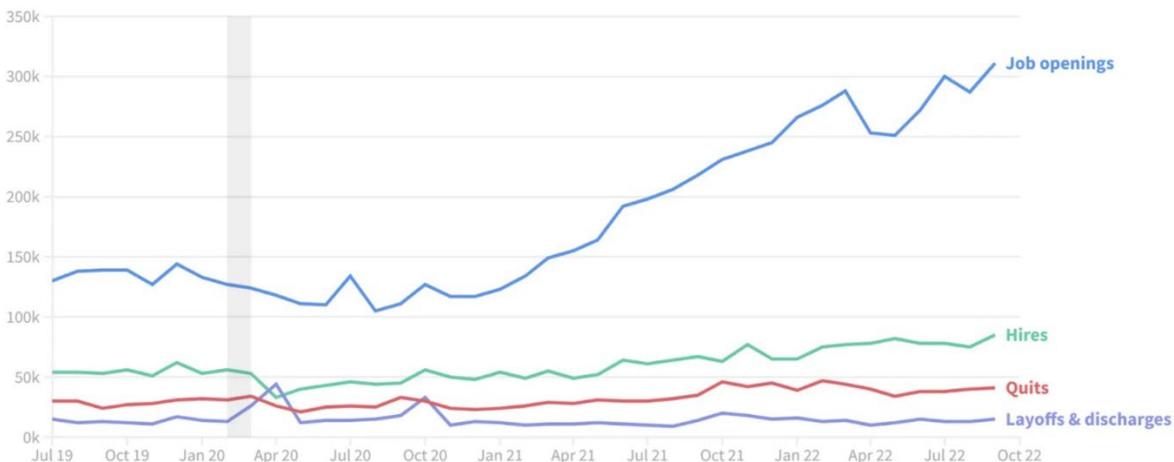
Levels of job openings, hires, quits, and layoffs and discharges, seasonally adjusted



Source: U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Summary, ZipRecruiter

### Major enterprise companies see record high job openings

Levels of job openings, hires, quits, and layoffs and discharges, seasonally adjusted



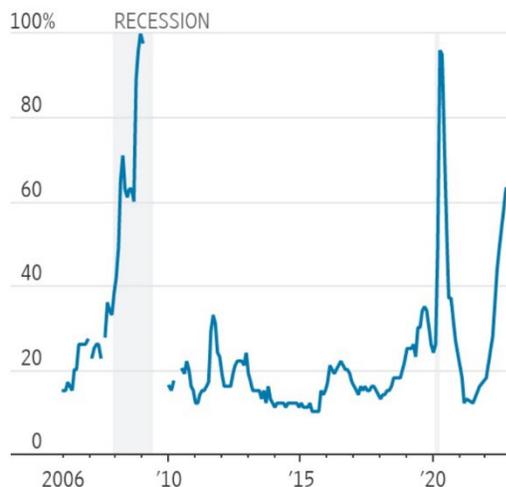
Source: U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Summary, ZipRecruiter

Will the projected economic trends turn a market that for two years has favored job seekers into a market that favors employers?

The [Wall Street Journal](#) reported in October that, on average, economists put the probability of a recession in the next 12 months at 63%, up from 49% in July. They further predict that gross domestic product will contract during the first two quarters of 2023.

In the venture capital arena, after historically high levels in 2021 and the first half of 2022, [Harvard Business Review](#) reported that venture funding for startups dropped 50% year-over-year in Q3. This is creating a capital environment where valuations for many startups is dropping, value generated in exits is decreasing, and VCs are looking more closely at business fundamentals. While some believe this era of VC caution will be transitory, the slowing of investment in startups will be felt in all sectors of the economy.

**Probability the U.S. is in a recession in next 12 months including today**



Note: Gaps indicate question not asked or data unavailable.

Source: Wall Street Journal surveys of economists

## THE IMPACT OF ECONOMIC UNCERTAINTY ON RESOURCE PLANNING

As companies struggle to anticipate and meet the demands of potential economic changes, hiring managers typically face three key challenges in achieving their goals: organizational volatility, offsetting long-term goals with short-term realities, and fluctuating budgets.

Organizations become volatile when leadership undertakes restructuring and other tactics to adapt the business to current economic indicators. Often this occurs as the result of challenges from the board and investors to pivot quickly, whether it is to adapt to a downturn or take advantage of unique market conditions. Building teams in today's uncertain environment becomes a daunting task and companies become wary of making permanent hiring decisions because the long-term outlook is not clear.

The downstream result of these high-level decisions is often that teams are asked to accomplish bigger goals without an accompanying increase in resources. Team members do their best, but it is hard to hire quickly enough for a permanent new resource to have an impact in the timeframe the board and investors expect. And in uncertain times, companies are unwilling to take on new permanent resources with the overhead they incur.

This leads to the need to balance long-term goals with short-term strategies. Conventional annual goal setting and planning no longer work. They simply can't accommodate the agility that it takes to stay ahead of changing economic conditions. While it is important to have long-term strategic plans as a vision of where the company wants to head, there needs to be flexibility in the planning process to accommodate the short-term realities. Adapting plans quarterly allows for pivoting to meet all but the most unexpected circumstances and provides

more stability than making monthly adaptations, which can inhibit teams from achieving their goals with continually changing projects and priorities.

Budgets, for both money and people, are another area where annual planning no longer offers the flexibility that companies need. Even with annual planning and its implied stability, open positions scheduled to be filled later in the year were often frozen as the company grappled with the impact of changing markets and economics on a budget that had been set three quarters earlier. Like strategic plans, budgets work best to support changing company priorities when they are adapted at least quarterly. For hiring managers, this requires finding new ways to meet those priorities and re-thinking long-term commitments because the money might disappear next quarter or even next month.

## STRATEGIES FOR EFFECTIVE RESOURCE PLANNING IN UNSETTLED TIMES

In the current economic climate, effectively planning and resourcing teams and responsibilities to meet business goals is a balancing act. Whether you are being asked to do more with less or pivot to meet a quick opportunity, here are three strategies to keep your team moving forward through tight budgets and big goals.

### *Embrace short-term planning horizons.*



In an ever-changing environment, short-term planning skills are critical. Everyone in an organization is being asked to be more flexible and agile in decision-making. Even if your organization still uses annual planning, adopting a short-term, at least quarterly planning horizon for your team will enable you to better adjust as needed and keep on track for achieving goals.

Furthermore, it gives your existing team the opportunity to break down objectives into smaller, more manageable tasks and set achievable goals for each set period of time such as each quarter. By breaking things down into smaller chunks, you can ensure that your team stays on track with their objectives and reaches their desired outcome.

Ultimately, short-term resource planning provides more flexibility and agility in decision-making, the ability to quickly identify and address any issues that arise in an ever-changing environment, while still keeping on track for achieving the larger goals.

### *Prioritize work and responsibilities that have the most impact on goal achievement.*

Make the most of the resources you have by ensuring the work they are responsible for is helping the team get to your business goals as efficiently as possible. The ability to quickly achieve goals helps your team feel on track, even as goals and projects change. To ensure success with limited resources, it's important to prioritize work and responsibilities so you can focus your energy where it will have the most impact on goal achievement. A good start is to map out the



resources you have available, then use that to identify which parts of your project or goal will be most effective and efficient in achieving results. When possible, look for opportunities to reuse existing assets or combine activities together to reduce costs and time spent on complicating tasks. Additionally, create a timeline to track progress and keep everyone on the same page. Clear communication is also key for successfully prioritizing work across teams and resources. It is important to set expectations with stakeholders and review regularly so everyone is aware of what can be accomplished within certain parameters. It is also beneficial to solicit feedback from resources in order to make sure expectations are reasonable. Prioritization of work is a very efficient way to navigate through uncertainty, managing tight budgets while still reaching goals.

### *Engage with project-based or short-term contractors.*



Strategically expand your team without taking on the timeline or the overhead of making a permanent hire by bringing in project-based or short-term contractors. Typically, contractors can be hired quickly, have the skills to provide value from Day One, and are only on-staff for the life of the project or the contract term. This gives you the flexibility to adjust your staff as needed from quarter to quarter as plans and budgets change. Engaging with project-based contractors, as needed, can help maximize efficiency and get processes moving quickly with a clear focus on objectives and goals.

As more companies aim to achieve the flexibility to survive the current economic uncertainty, demand for temporary workers is rising. The [Palmer Forecast™](#) indicated that there was a 9.6% increase in the use of temporary help in the third quarter of 2022. This report also noted, “Actual results as reported by the BLS came in slightly higher, with an increase of 10.8%, reflecting greater demand than originally anticipated.”

## WHAT TO LOOK FOR IN A CONTRACTOR STAFFING PARTNER

When you are looking for short-term staffing, you want to find an agency that will be a strong partner for you. You want someone who will listen to you, understand your needs and identify interim team members who provide the value you need.

For the best results, choose an agency that:

### *Understands your industry.*



Every industry has different knowledge and skills requirements, so you want a staffing partner that has deep knowledge of your industry. When a staffing team has worked in your industry for many years, they can bring insights to your hiring process that helps you quickly find the right person for your project.

### *Has a track record of success.*

You can't afford to trust your goals to an inexperienced team. Look for a partner with a reputation for excellence and an extensive history of being able to solve the challenges you are facing with team members who have had immediate impact.



### *Works with you to find the best solutions to your flexible staffing needs.*



A true partner works to understand you, your team, and your goals, and makes recommendations for the best solutions to bridge your resource gaps, whether that's project-based or term-based help. You can consult with the agency team and tap into their expertise when you need it.

### *Can get you the right professionals in a matter of days.*

The depth, diversity, and quality of the agency's talent pool matters. An agency with an extensive network of experienced professionals can quickly present you with a choice of candidates who can do the job, align with your DEI goals, and start as soon as you need them.



## WHERE STAGE 4 SOLUTIONS BRINGS VALUE

Stage 4 Solutions, Inc. is an award-winning, women-owned and minority-owned consulting and interim staffing firm headquartered in Santa Clara, CA, with a presence in over 32 states and offices in Tampa, FL; Columbus, OH; and Harrisburg, PA.

We bring together the right people, processes and skills to help organizations achieve their performance objectives and meet diversity goals.

### ✓ *AGILITY & FLEXIBILITY*

We understand that uncertain times can be difficult to navigate. We have been providing contingent staffing services for over 21 years and have been through recessions and uncertainty before. We understand resourcing flexibility, and with over 100,000 consultants in our network, we provide multiple qualified contractors who are a fit on every level within days and within your budget. We know how to tackle challenging times with confidence and can help you find the best solutions for your business needs.

### ✓ *100% CLIENT REFERENCEABILITY*

We are dedicated to creating true partnerships with our clients built on a foundation of clear communication, trust and respect. Since our foundation, we have served over a hundred companies, from startups to Fortune 100 companies and government agencies. Our placement success rate exceeds 99% and we have 100% client referenceability. Our clients include NetApp, VMware, ServiceNow, Cohesity, Poly, Riverbed, HPE and many more. [Please click here to check out what our clients say about us!](#)

✓ *FOCUSED EXPERTISE*

Our team's experience spans a wide range of expertise across market segments, industries and technologies. We specialize in serving high tech companies, government agencies and healthcare organizations by providing seasoned professionals for both short term and long term needs across marketing, technology and operations teams. We provide flexible resourcing solutions in the following areas:

MARKETING: Alliance Partner Marketing, Analyst Relations, Channel Marketing, Community Programs, Corporate Communications, Demand Generation, Digital Marketing, Event Management, Executive Briefing Programs, Installed Base Marketing, Launch Support, Products and Solutions Marketing, Search Engine Optimization (SEO), Sales Enablement, Social Media

TECHNOLOGY: CRM/Marketing Operations, Project/Program Management, Business Analysis, Web/Application/Software Development, Data Science and Analysis, IT Support and Training, Solutions Architecture, Network Infrastructure, Cyber Security

OPERATIONS: Change Enablement, Training, Accounting, Finance, Process Improvement, Assessment, Strategy, Administrative/Clerical

✓ *ACTIONABLE JOB MARKET INSIGHTS*

Since our day-to-day work involves working with candidates, we become experts on job market trends and candidates' expectations for specific jobs and geographies. We are able to share our expertise with clients to help better define jobs and budgets.

✓ *COMMITMENT TO DIVERSITY*

In addition to being a women-owned and minority-owned business, we are proud of the diversity of our team. 51% of our employees are minorities and 48% are women. We are passionate about helping our clients grow the diversity in their workforce, by presenting well-qualified candidates, who are also diverse individuals, for each client role.

*Please [contact us](#) when you are ready to find the right interim team members for achieving your business goals in these uncertain times.*

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