

Q3 2017

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*Straw Poll*

Q3: Spring 2017

# It's Hard to Imagine We're in the 3rd Quarter!

This is a mixed report with conflicting results. Instead of trying to rationalize the results, I suggest we look at it as an inflection point of some kind.

I have been reviewing the exciting earning news from the publicly traded companies but have noticed the revenue line has consistently been low. For example, GE is 12% off. Conflicting economic news seems to be widespread.

We had hoped the changes in Washington, D.C. would have finally ended the gridlock on taxes and business regulations but that doesn't seem to be the case. The poll had several positive results and some negative ones. Over all when I weighed the positive and negative trends of the poll, the results were more favorable than negative.

The traditional busy season typically starts anytime between late July and the middle of September. Let's hope things start to pick up sooner rather than later.

Semper performs this poll every quarter to help the industry answer important economic and business questions. We are a trusted voice within the industry and have been for 23 years. Thank you to those who participated in this quarter's poll and we hope you will refer others in the industry to take part next quarter.

Thank You,

**Dave Regan, CEO**

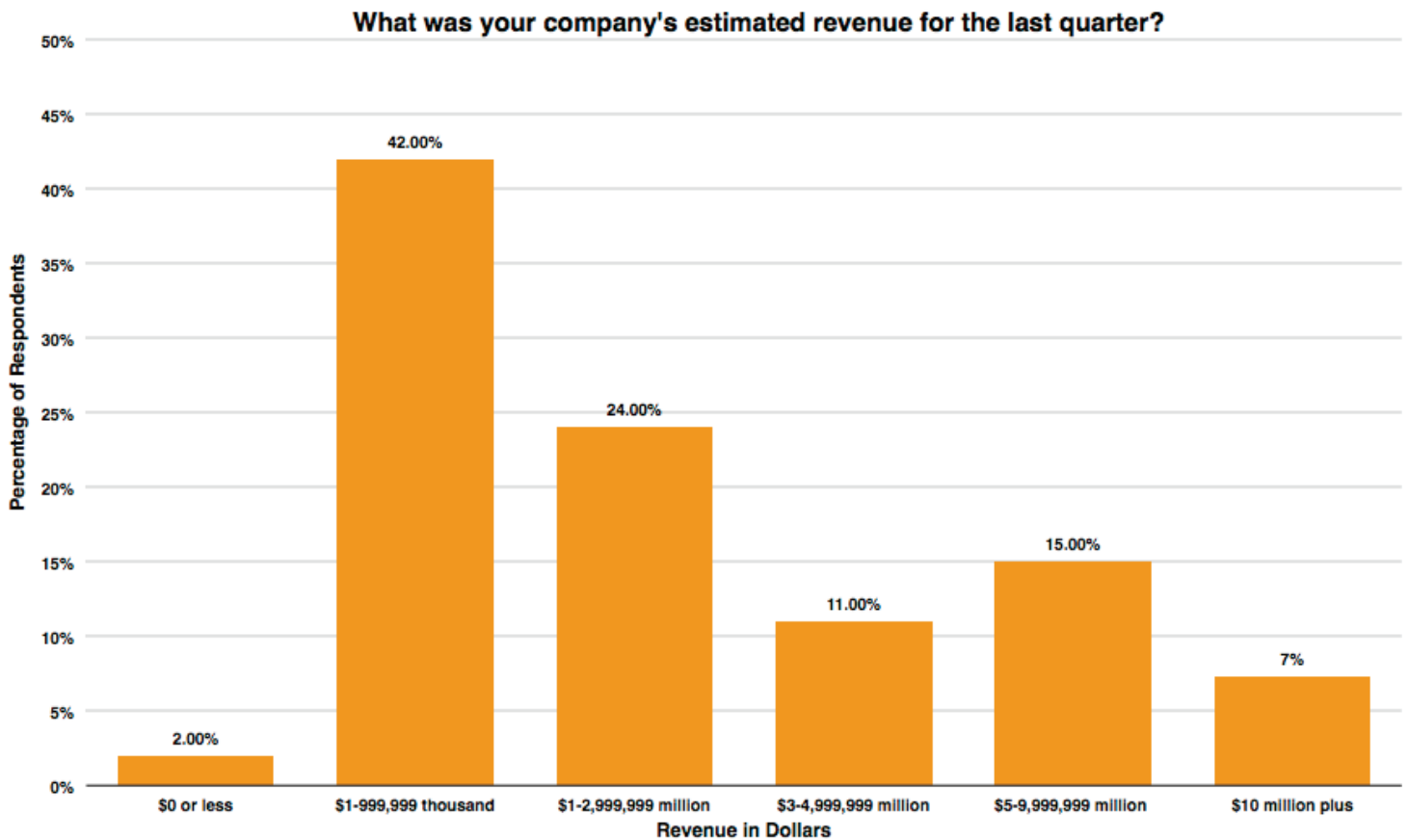
**Semper International**

# Straw Poll Results

## Question One

Over the past few months, our team has come up with better methods to increase participation. The more respondents we get, the better the data.

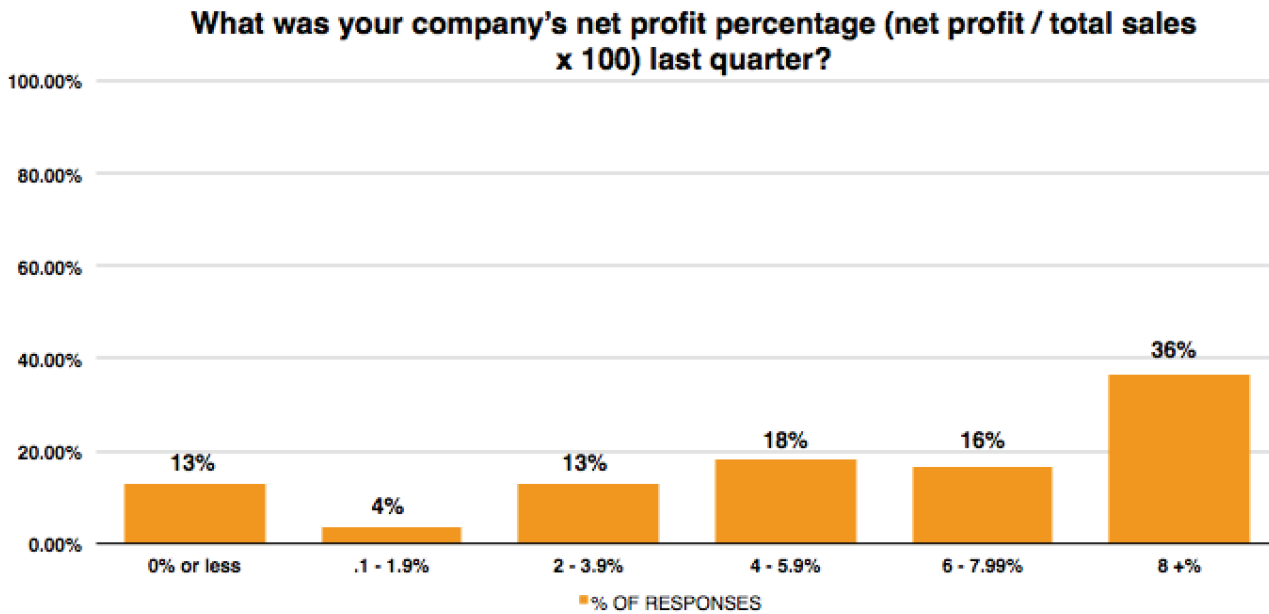
Your continued participation and any referrals are appreciated. This current poll had the highest number of respondents for some time and we feel the results are very indicative of the current state in the industry.



## Question Two

Clearly, companies have kept costs in line. The poll results on this question reflect this with 87% of respondents indicating profitability and 36% indicating strong profits.

The skew has lessened since the last poll but is still considered healthy. Our concern is if revenues are declining cost cutting to profitability is not sustainable.

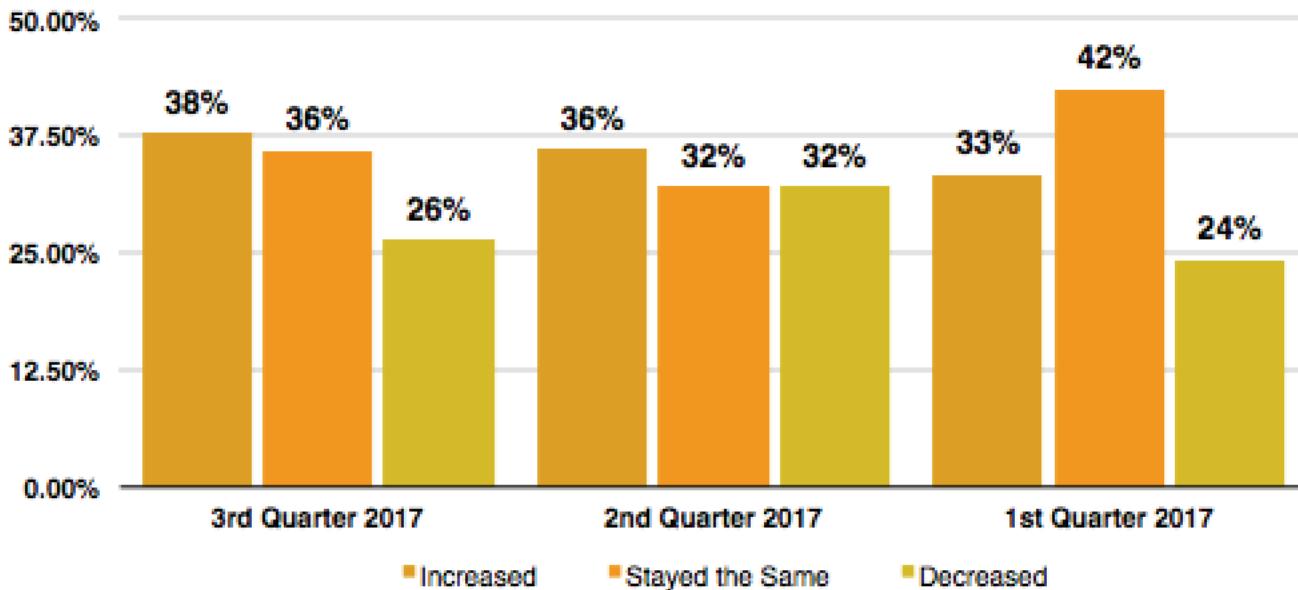


## Question Three

We see some modest improvement in the results to this question. This poll opened soon after the July 4th holiday which is typically a slower sales period. Considering the previous poll results we would say there is a slight decrease of overall growth.

We need to see a strong uptick in growth this coming busy season to really put the industry on stronger footing.

**How have sales changed in the last 2 weeks?**

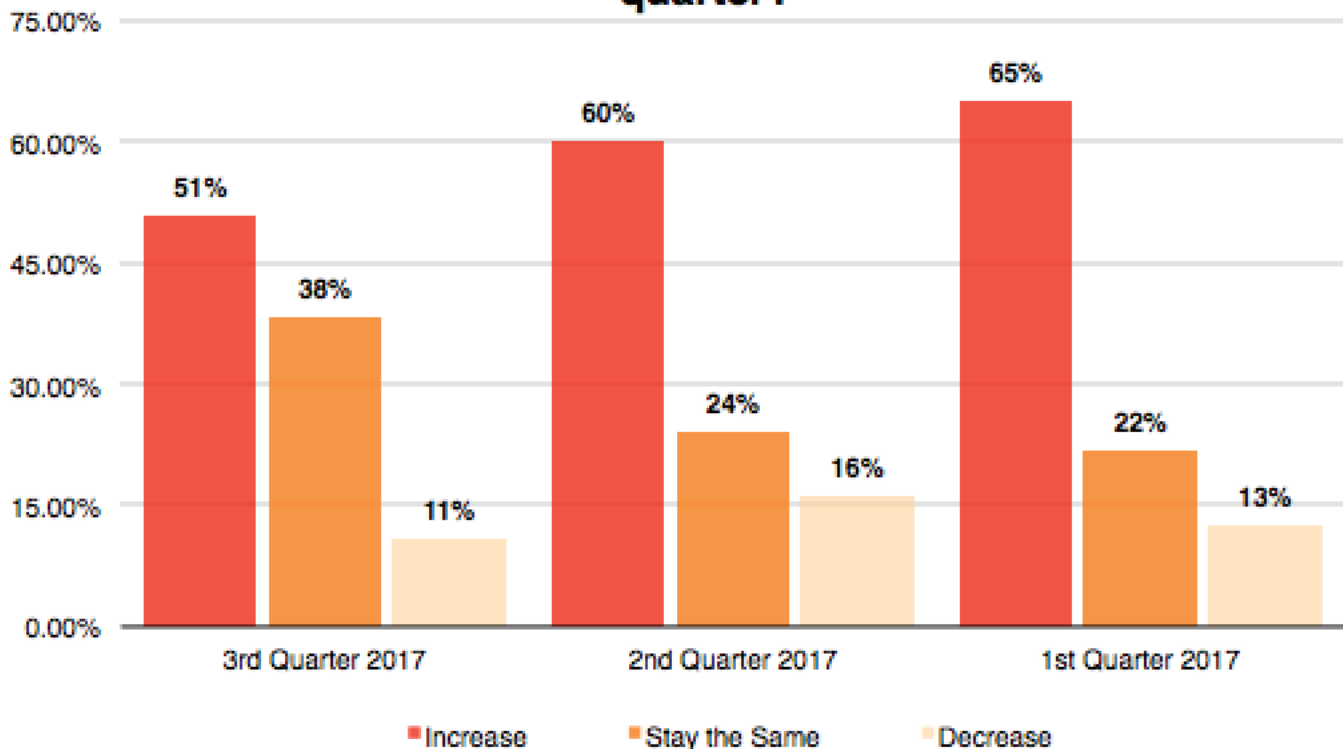


## Question Four

This question is part of the conflicting data the poll brought us. Companies are reporting an expectation of increased sales in the current quarter. This is a moderation from 65% at the start of 2017 to 60% in the second quarter poll to 51% in this poll.

With each passing quarter, expectations of growth moderate which if translated into reality forces more cost-cutting to retain profitability. In economic parley, the continued focus on reducing costs is called a negative feedback loop and often leads to negative economic circumstances for the economy at large (i.e.recession). Clearly a downward trend.

### How do you expect sales to change during this quarter?



## Question Five

There are more conflicting data points in this question too. Yes, profits are reasonable but with sales moderating, hiring should be weaker. Surprisingly, it is not.

Companies reporting that they plan on increasing staff have increased from 12% at the start of 2017 to 20% during the first quarter to 29% this quarter.

The percentage of companies who are holding or reducing staff is dropping. From Semper's vantage point, we understand this conundrum with customers asking for the perfect candidate and often delaying the hiring process until they have an economic imperative or see stronger growth.

With the dearth of skilled labor entering the industry those companies who take the risk and hire faster and offer better pay often increase growth and profitability.

### What will your staffing needs be like this quarter?

