

State of the Profession

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My remarks are going to be relatively brief as we have had a full program today and lots of business to attend to. First, congratulations to those newly elected officers of IAAP and the RTF and all those who participated in the election process.

What about the state of the profession: The economy is still dominating the entire business and institutional framework of the U.S., Canada and the world. Coming out of a severe economic recession, the worst since the great depression, is taking longer than anyone would like and it continues to affect the entire employment spectrum and will continue to do so. But the trends are looking better. Rob Hosking, Executive Director of OfficeTeam, has provided me with some insight since the hiring of temporary administrative employees is often a leading indicator for full-time hiring and employment.

Hiring Trends

- We've seen cautious optimism about the job market in general among companies and job candidates. Conversations with hiring managers are more positive—more firms are starting to talk about hiring plans.
- The most recent Bureau of Labor Statistics numbers (<http://www.bls.gov/news.release/empsit.nr0.htm>) show demand for temporary professionals continues to rise.
- Companies that cut staff too deeply or aren't quite ready to hire on a full-time basis are bringing in temporary professionals to help keep key initiatives on track and gauge their long-term staffing needs.
- Some employers are hiring to upgrade their teams' skills and expertise.
- Companies are making strategic hires but remain cautious. They want to find precisely the right person for the job.
- In the administrative field, there is a demand for customer service representatives, administrative assistants and sales assistants.
- There has been an increase in the demand for people to start on a temporary basis and move into a full time role if they are the right person for the job.
- Companies continue to seek administrative professionals who are versatile and can stretch beyond their job descriptions, similar to the "super admin" we described in our APW materials.

But in the meantime, companies and organizations will continue to delay some hiring and get more out of the employees that remained after layoffs concluded.

I want to provide some information about what IAAP has done in terms of weathering this same severe economic recession and specifically what has been accomplished at the headquarters office. Last year, in Minneapolis, I gave the attendees a commitment to take every measure necessary to get us through the downturn. I think the board and staff worked together this year more than ever to make calm out of chaos caused by this economic downturn. At the Kansas City headquarters we focused on cutting expenses and gathered ideas from all levels of staff and it worked. Last year, several of our key areas of revenue generation were down, led by the 2009 EFAM which was down \$250,000 over what we had originally budgeted for that event when the budget was approved in March of 2009. Normally we make a profit of \$150,000 to \$200,000 from the event that helps support other activities and programs. This past year we actually showed a loss of a little more than \$30,000. We also made less profit on the

Certification Conference and the Spring Conference. We made less in membership revenue, in *OfficePro* advertising, our building rental and in our certification exam program, so all major revenue producing categories were down. We knew that was going to be the case going into the year and informed the members in advance of the Minneapolis EFAM and during the town hall meeting at that event. But because of the expense cutting efforts implemented through board and staff action, we actually limited the impact on our cash situation. In addition, the initiation of two loans have provided the necessary cash cushion to weather this economic downturn and provide the resources to continue IAAP's headquarters operation with little or no service interruption. Coupled with the approval of the dues increase last year, IAAP is on the road to replenishing the cash reserves lost during the recession and actually increase those reserves compared to previous levels. Over the next several years, this will allow us to build a cushion that will be available for the next economic downturn.

Over the past year, while our unaudited budget shows a loss of \$420,000, our cash position, not considering the loans, was reduced by only about \$53,000 as compared to June 30, 2009. This in large part was due to the expense reduction efforts.

Another effort that we pursued this year at Headquarters was the mapping of our internal processes through the help of FBD Consulting. Out of that initiative, many recommendations were made for changing how we do things that will make us more efficient and more than half of those recommended changes have already been made or are in the process of being implemented. Given our limited number of staff members, we have to be effective and efficient in our operations. These are detailed internal process changes that you may not or should not notice. If you do notice, we hope it is for the better in getting information out to you or processing information faster. A couple of examples of the accomplishments this year include a complete overhaul of our Employee Handbook, and a better shared file timesheet recording and approval system, and using more auto response e-mail acknowledgements when possible to let members know we have received their information. One other item that we are working on this coming year is to make sure our entire certification exam registration process is available online. We are now down to 26 full-time equivalent positions and one part-time employee from 30 FTEs just a few years ago.

Another project that I was personally involved in was working with a subcommittee to develop a management agreement between IAAP and the RTF for staff services provided to the RTF. Up until this year, the terms and definition of the relationship between IAAP and the RTF was essentially done as a handshake and not documented. Now the entire relationship has been spelled out in a formal agreement which is better for both IAAP and the RTF.

This past year was a challenge but your elected board leaders and headquarters staff worked together to limit the impact on the membership. We also worked together to solidify IAAP's financial future.

Like many of you attending this meeting today, the IAAP staff worked with frozen salaries last year and with did more with less. I thank them. They have made me proud to be their executive director.

I thank the board for willingness to make the changes necessary and to push for a long-term strategic approach rather than only focusing on the here and now.

I especially thank International President Shamali for her support and willingness to keep the big picture in mind as she led the board this challenging but very productive year.