

# STEPHEN DWYER DIALOGUE WITH CLAUDE RE: FUTURE OF STAFFING INDUSTRY SERVICES IN LIGHT OF AI

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staffing firms are thinking that they should take on a new business model - statement of work or solutions. They think this is the way to go given the prolonged downturn in temporary staffing. But isn't this a temporary panacea? Much like temporary help jobs might be in jeopardy as AI continues to develop, won't the solutions model similarly become in jeopardy over time since AI will allow clients to bring projects in-house to be done by AI?

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You're raising a genuinely sharp strategic question, and the short answer is: yes, the SOW/solutions model is likely a better near-term hedge than temporary staffing, but it is probably not a durable long-term safe harbor either. Here's how to think through it:

## **Why SOW/Solutions Looks Attractive Right Now**

The logic is understandable. Temporary staffing is being squeezed because clients are replacing routine, task-based work — data entry, basic coding, customer service, document processing — with AI tools. SOW and solutions-based work, by contrast, involves taking on a defined project outcome, which seems to require more judgment, coordination, and accountability. Staffing firms see this as moving "up the value chain."

## **Why It's Still a Temporary Panacea**

Your instinct is well-founded, for several reasons:

1. **AI is already penetrating project-based work.** The same forces hitting temp staffing — agentic AI, large language models, automation platforms — are already capable of doing significant chunks of what solutions firms deliver: software development projects, marketing campaign execution, financial analysis, research reports, HR process redesign, etc.
2. **The in-house insourcing dynamic is real.** As AI tools become more accessible and user-friendly, clients don't need an outside firm to manage a project. A relatively small internal team armed with AI can execute what previously required a 20-person external engagement. The "management layer" that solutions firms provide becomes thinner and thinner.

3. **Commoditization follows the same curve.** Temporary staffing was once considered high-value and differentiated before it became commoditized. SOW work is likely to follow the same arc — just on a compressed timeline because AI is accelerating the pace of disruption far faster than prior technology waves did.
4. **The margin structure is vulnerable.** Solutions businesses at staffing firms often depend on labor arbitrage (offshore teams, specialized contractors) as their core cost advantage. AI erodes that arbitrage directly — clients can access the same "offshore-equivalent" productivity gains through AI tools themselves.

### Where the Real Strategic Question Lies

The firms that will survive this are probably not asking "should we do temp staffing or SOW?" but rather:

- **Can we become AI integrators and orchestrators** — helping clients figure out which work to automate, how to deploy AI tools, and how to manage human-AI workflows? This is a genuinely new capability that clients currently lack.
- **Can we own proprietary data or vertical expertise** that makes our solutions irreplaceable, even as generic AI gets better?
- **Can we shift from labor supply to outcome accountability** in a way that involves genuine intellectual property or process ownership — not just project management of other people's labor?

### The Historical Parallel

It's worth noting that travel agencies, document management firms, and tax preparation services all tried similar "move up the value chain" pivots when digital disruption first hit. Some survived by genuinely reinventing themselves; most did not. The SOW shift in staffing feels similar — it buys time and may be the right near-term move, but it is not a strategy immune to the same underlying forces.

The firms that are most honest with themselves about this — rather than treating SOW as a safe destination — will be the ones best positioned to find whatever the genuinely durable model turns out to be.

Three follow-up questions based on what you said. First, why wouldn't becoming AI integrators and orchestrators also be a temporary panacea - wouldn't clients want to eventually develop this expertise in-house? Second, what type of proprietary data or vertical expertise would be irreplaceable and lasting? Third, can you provide examples of intellectual property or process ownership?

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All three are excellent challenges that stress-test the logic further. Let me take each one seriously.

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### 1. Isn't "AI Integrator/Orchestrator" Also Temporary?

Yes, frankly, it probably is — at least in its current form. Here's the honest breakdown:

In the near term, there is genuine demand because most organizations lack the internal talent to evaluate AI tools, redesign workflows around them, and manage the change. But the same dynamic you identified applies: as AI integration becomes more routine and well-documented, internal teams will develop this capability. Major consulting firms, software vendors, and even AI companies themselves are already racing to make integration turnkey enough that a sophisticated internal team can handle it.

However, there is a nuance worth considering. The integrator role may be *self-refreshing* in a way that pure staffing is not. Every major wave of AI capability — and they are coming quickly — creates a new integration gap that internal teams haven't caught up to yet. So the integrator may not be permanently safe, but the runway keeps getting extended as long as AI keeps evolving rapidly. The key is whether a firm can stay perpetually ahead of client internal capability, which is a very demanding strategic position to maintain.

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### 2. What Proprietary Data or Vertical Expertise Would Be Lasting?

This is where things get more interesting, because not all "vertical expertise" is equally durable. The characteristics that make data or expertise genuinely hard to replicate are:

- **Longitudinal, relationship-embedded data.** Data that accumulates over years of deep client or candidate relationships — performance outcomes, retention patterns, cultural fit indicators across thousands of placements — is hard for a client to replicate internally because they simply haven't been collecting it at scale or across industries. A firm that has tracked, say, which engineer profiles actually succeed in post-acquisition integration environments over 15 years has something AI cannot easily synthesize from public information.
- **Regulatory and compliance-dense verticals.** Healthcare credentialing, nuclear facility staffing, financial services licensing, and government security clearance work involve layers of regulatory complexity that don't simplify easily. The

expertise here is less about judgment and more about liability management and institutional knowledge of regulatory bodies — which is genuinely sticky.

- **Proprietary assessment and prediction models.** If a firm has built and validated its own psychometric, skills, or cultural assessment tools — and has the outcome data to prove their predictive validity — that is a defensible asset. Generic AI cannot replicate validated, proprietary assessment intellectual property without the underlying longitudinal data.
- **Niche labor markets with embedded community trust.** In some highly specialized fields — certain clinical specialties, rare engineering disciplines, elite creative talent — placement firms function almost as guild intermediaries. The trust relationship with the talent community itself is the moat, not just the data.

What is *not* durable is generic "industry knowledge" — knowing how manufacturing plants work, or understanding software development lifecycles. AI will commoditize that kind of knowledge rapidly.

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### 3. Examples of Intellectual Property or Process Ownership

This is where staffing and solutions firms have historically been weakest, because the business model was never built around IP. But there are credible examples of what this could look like:

- **Proprietary workforce analytics platforms.** A firm that builds a client-facing SaaS tool for workforce planning, labor cost modeling, or skills gap analysis owns a software asset — not just a service. Beeline, for example, evolved from a staffing supplier into a vendor management technology platform. The technology becomes the product, not the labor.
- **Certified methodology frameworks.** A solutions firm that develops a proprietary, branded methodology for — say — AI workforce transition, with documented steps, toolkits, and certification programs, owns something replicable and teachable. McKinsey's frameworks, Accenture's industry accelerators, and similar assets are examples at the high end.
- **Outcome-based risk-sharing contracts.** A firm that is willing to contractually own the outcome of a project — not just deliver labor toward it — is providing something structurally different. If a firm says "we will reduce your claims processing time by 30% or we don't get fully paid," they are taking on actuarial

and operational risk that clients genuinely value and that cannot easily be insourced.

- **Talent community platforms.** A firm that builds a proprietary network or community platform for a niche talent segment — with content, credentialing, and career development tools — owns the relationship with talent in a way that resembles a LinkedIn for a specific vertical. The platform itself is the IP.

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### The Underlying Theme Across All Three Answers

The honest through-line is that *any* service-based model is ultimately vulnerable to insourcing as capabilities diffuse. The firms with the best chance of durability are those that shift from selling access to labor or expertise toward owning **assets** — whether data, software, validated IP, or contractual risk positions — that clients cannot easily replicate even when they develop internal capability. The asset has to be something that compounds in value over time rather than depreciating as AI capabilities improve.

It seems to me that the easiest path, of the ones you set forth, for staffing firms is to utilize the data they already have, particularly with enterprise clients. The others paths require developing or acquiring new assets, which could be expensive or time-consuming. Assuming you agree, this would mean that staffing firms in essence become data scientists, correct? And if so, sketch out some of the services they could/should realistically offer using the client-related data they already have.

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You are right on both counts, and it's actually a sharper strategic insight than it might first appear. Let me confirm the logic and then sketch out the realistic service offerings.

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### Why You're Right About the Data Path Being Easiest

The other paths all require capital outlays, long development timelines, or capability acquisitions that most staffing firms — even large ones — would struggle to execute quickly or well. Building a SaaS platform requires product and engineering talent they don't have. Developing certified methodology frameworks requires thought leadership investment and market credibility that takes years. Taking on outcome-based risk requires actuarial sophistication and financial reserves most staffing firms lack.

The data asset, by contrast, already exists. It has been accumulating passively for years. The strategic question is simply whether firms have the will and minimal

capability to activate it. So yes — in essence, the staffing firm that pursues this path is repositioning itself as a data and analytics firm that happens to have a staffing heritage.

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### What Data Do They Actually Have?

Before sketching services, it's worth being precise about what the asset actually is, because firms often underestimate it:

- **Candidate performance data** — tenure, promotion rates, rehire rates, reasons for separation, manager feedback, across thousands of placements
  - **Time-to-fill and sourcing channel data** — which recruiting channels produce which quality of hire for which roles
  - **Compensation benchmarking data** — real-time market rate data across geographies, industries, and skill sets, derived from actual transactions rather than surveys
  - **Workforce demand patterns** — how client headcount needs fluctuate by season, economic cycle, business unit, and geography
  - **Skills and role evolution data** — how job descriptions and required skills have shifted over time within specific industries
  - **Attrition and retention patterns** — what organizational and role characteristics correlate with early attrition versus long tenure
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### Realistic Service Offerings

The word "realistic" matters here, because the temptation is to overpromise. These should be grounded in what the data can actually support.

**Workforce Demand Forecasting.** Using historical patterns of a client's hiring cycles combined with external economic indicators, a staffing firm can build models that help enterprise clients anticipate workforce needs 6-18 months out — rather than reacting to sudden headcount requests. This reduces the client's cost of rushed hiring and helps the staffing firm plan its own pipeline. This is realistic because the demand pattern data is rich and longitudinal.

**Compensation Benchmarking as a Service.** Most compensation surveys are slow, infrequent, and based on self-reported data. A staffing firm with active placement data across an industry has real-time, transaction-based compensation intelligence that is

genuinely superior. This can be packaged as a subscription benchmarking service for HR and finance leaders — telling clients not just what the market pays, but what it *actually* pays right now for specific skill combinations in specific geographies.

**Quality of Hire Analytics.** This is arguably the most valuable offering. By tracking what happens to placed candidates over time — performance ratings, promotions, early exits — a firm can tell enterprise clients which sourcing profiles, interview processes, or onboarding practices correlate with successful long-term hires. Most clients have this data internally but have never connected it back to sourcing variables. The staffing firm can bridge that gap.

**Attrition Risk Scoring.** Using patterns observed across many client engagements, a firm can build models that flag which roles, managers, or organizational conditions are associated with high early attrition — and provide clients with a predictive risk score before a problem develops. This is particularly valuable for clients undergoing rapid growth or restructuring.

**Skills Gap and Workforce Transition Analysis.** As AI displaces certain roles within client organizations, a staffing firm with deep skills data can map which existing employees have adjacent skills that could be reskilled, which roles are most at risk, and what the realistic retraining timeline looks like. This turns the staffing firm into a strategic workforce planning partner during exactly the kind of AI transition that is already underway.

**Sourcing Channel Optimization.** Enterprise clients often spend heavily on job boards, LinkedIn, employee referrals, and agencies without rigorous data on which channels produce the best hires for which role types. A staffing firm can analyze its own multi-client placement data to give specific guidance on channel mix — essentially acting as a recruiting strategy consultant backed by empirical evidence rather than anecdote.

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## The Capability Gap That Has to Be Addressed

The one honest caveat is that even though the data exists, most staffing firms have it sitting in ATS systems, VMS platforms, and spreadsheets that were never designed for analytics. So the path forward requires:

- A modest investment in data infrastructure to clean, unify, and query the data
- Either hiring a small number of data analysts or partnering with an analytics firm

- Crucially, getting client contractual agreements right so that using aggregated client data for benchmarking products is permitted

That last point is often overlooked and can be a real obstacle. But for firms that solve it, the competitive position is strong — because the data moat deepens every year they continue operating, and it is the one asset that newer, AI-native competitors simply cannot replicate quickly.

Is that the most likely outcome for staffing firms, or do you think they will principally offer/rely on some other core service? And when will this evolution happen? Last, and most important for my purposes, based on your answers to the foregoing, how should the American staffing association evolve and cater to this new model?

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These are the right questions to end on, and they deserve straight answers rather than hedged ones.

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### Is the Data/Analytics Path the Most Likely Outcome?

Honestly, no — at least not for the majority of staffing firms. Here is what will most likely actually happen:

Most staffing firms will not successfully make this transition. The industry has historically been operationally focused, not analytically focused, and the cultural and capability gap between "we fill requisitions efficiently" and "we are a data science partner to your HR function" is wider than most firms appreciate. The more probable outcomes by firm tier are:

- **Large national and global firms** (Manpower, Adecco, Allegis, Randstad) will attempt the data and analytics path but will more likely get there through acquisition of analytics or HR tech companies than organic development. Some will partially succeed; most will produce analytics offerings that are superficial and fail to displace established HR tech vendors.
- **Mid-size firms** will mostly pursue the SOW/solutions path as their primary evolution — not because it is strategically superior, but because it is more familiar. It looks like staffing, just with a different contract structure. They will ride that model until margin compression forces another reckoning.
- **Small and specialty firms** will survive largely by doubling down on niche depth — becoming indispensable in a narrow vertical or talent community where

relationships and trust matter more than analytics capability. This is actually a durable model for firms willing to stay small and specialized.

The data/analytics path is the *most strategically correct* answer, but strategic correctness and industry behavior are different things. The most likely dominant near-term behavior is a messy, uneven drift toward SOW with selective analytics experimentation at the margins.

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### When Will This Evolution Happen?

The honest answer is that it is already underway but will accelerate in distinct phases:

The **immediate pressure** (now through 2027 or so) is being driven by the current staffing downturn forcing firms to justify their value proposition to enterprise clients who are tightening vendor rosters. This is pushing the SOW pivot now.

The **next inflection point** (roughly 2026-2029) will come when AI-enabled insourcing becomes visibly mainstream — when a critical mass of enterprise clients demonstrably reduce external workforce spend because internal AI tools have replaced what they previously outsourced. That will be the moment that forces the deeper strategic reckoning that most firms are currently avoiding.

The **analytics maturity phase**, for firms that pursue it seriously, is probably a 5-7 year journey from commitment to genuine market differentiation. Firms that start now will have a meaningful head start; firms that wait for the crisis to force the issue will find the window much narrower.

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### How Should the American Staffing Association Evolve?

This is the most consequential question, and it requires the ASA to be honest about a tension at its core: trade associations naturally defend existing member business models, but the existing model is structurally threatened. An ASA that simply advocates for the status quo will become less relevant as the industry transforms. Here is what genuine leadership would look like:

**Reframe the Association's Core Identity.** The ASA should consider whether "staffing" remains the right organizing concept for its identity. The firms that survive and thrive over the next decade will not primarily think of themselves as staffing companies. The ASA might position itself as the association for *workforce solutions and human capital advisory firms* — a broader tent that reflects where leading members are actually going,

and that attracts the next generation of firms who are building at the intersection of AI, analytics, and talent.

**Become the Industry's Data Consortium.** This is the single highest-value thing the ASA could do that no individual member firm can do alone. By aggregating anonymized data across member firms — placements, compensation, tenure, skills demand, sourcing patterns — the ASA could build the most comprehensive workforce intelligence database in existence. This serves members directly as a competitive resource, serves enterprise clients as a benchmarking tool, and gives the ASA genuine policy influence in Washington because it owns authoritative labor market data that no government agency or think tank can replicate. This is a transformational opportunity that is sitting largely untapped.

**Shift Education and Certification Toward Analytics and AI Literacy.** The ASA's current educational programming is heavily oriented toward the operational and compliance dimensions of running a staffing firm. That curriculum needs to be substantially rebuilt around data literacy, AI tool evaluation, workforce analytics interpretation, and human-AI workflow design. The goal should be that an ASA-certified professional is recognized in the market as someone who understands the intersection of talent and technology — not just employment law and recruiting process.

**Lead the Ethical and Regulatory Conversation on AI in Hiring.** This is an area where the ASA has both a responsibility and a strategic opportunity. AI-driven hiring tools are already generating significant regulatory scrutiny — New York City's algorithmic hiring law is just an early indicator of what is coming federally. The ASA is positioned to be the authoritative voice that shapes how those regulations are written, rather than simply reacting to them. That requires investing in genuine policy expertise and being willing to advocate for standards that might constrain some member practices in the short term but protect the industry's legitimacy long term.

**Create a Venture or Incubator Function for Member Innovation.** Rather than waiting for members to individually figure out the analytics and AI pivot, the ASA could create a shared innovation vehicle — a consortium fund, an incubator, or a technology cooperative — that allows mid-size members to collectively develop or acquire the analytics capabilities they couldn't afford individually. This is not without precedent in other industries facing disruption, and it would give the ASA a role that goes well beyond advocacy and networking.

**Be Honest With Members About the Threat.** Perhaps most importantly, the ASA's leadership communications — its conferences, its publications, its CEO messaging — need to be more candid about the structural nature of the disruption the industry faces.

Trade associations have a natural tendency toward optimism and defense of member interests, but members are best served by clear-eyed analysis that helps them make hard strategic choices early rather than late. The ASA that tells its members the uncomfortable truth about where the industry is heading will earn more long-term credibility and relevance than the one that reassures them the fundamentals remain strong.

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## **The Bottom Line for ASA**

The association that leads this industry through transformation rather than simply representing it through decline will need to do something trade associations rarely do: get ahead of disruption rather than react to it. The data consortium idea alone, if executed well, could reposition the ASA from a lobbying and networking organization into a genuine strategic asset for the industry — one whose value compounds as the data does. That is the opportunity worth pursuing seriously.

You say that "Mid-size firms will mostly pursue the SOW/solutions path as their primary evolution — not because it is strategically superior, but because it is more familiar. It looks like staffing, just with a different contract structure. They will ride that model until margin compression forces another reckoning." When will this reckoning likely occur? And elaborate much more on how ASA could execute on your data consortium idea.

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## **When Will the Mid-Size Firm Reckoning Occur?**

The honest answer requires separating the question into two parts: when will margin compression in SOW become visible, and when will it become existential.

The early signs of margin compression in SOW are already emerging. As more staffing firms pivot to SOW simultaneously, they are commoditizing the model almost as fast as they adopt it. Enterprise clients with sophisticated vendor management functions are already beginning to disaggregate SOW contracts — breaking them into smaller, more competitive bid packages, demanding greater price transparency, and using AI-assisted procurement tools to benchmark SOW rates the same way they benchmarked temp bill rates a decade ago. This dynamic will be clearly visible to most mid-size firms by 2027-2028.

The existential reckoning — the moment where SOW margins compress to the point that the model no longer justifies its overhead — will likely arrive in the 2028-2031 window for most mid-size firms. The trigger will not be a single event but a convergence

of three forces hitting simultaneously: AI-enabled client insourcing reaching critical mass, enterprise vendor consolidation reducing the number of preferred SOW suppliers dramatically, and newer AI-native project execution platforms undercutting traditional SOW pricing in ways that are difficult to compete with on cost alone.

The firms that will feel this earliest are those doing commodity SOW work — project-based staffing that is really just temp work with a different contract label. The firms with more time are those that have genuinely moved into outcome-based engagements with measurable deliverables, because those take longer for clients to insource and longer for AI platforms to replicate convincingly.

So the practical answer for a mid-size firm today is: you likely have 3-5 years of reasonable SOW runway, but the back half of that runway will feel increasingly uncomfortable, and firms that wait until the reckoning forces action will find the transition options much more limited than they are right now.

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## **How ASA Could Actually Execute the Data Consortium**

This deserves serious elaboration because the idea is only valuable if it is operationally credible. Here is how it could realistically be built.

### **Phase One: Foundation and Governance (Years 1-2)**

The first and most underestimated challenge is not technical — it is political and legal. Member firms will immediately ask why they should contribute their proprietary data to a shared pool that their competitors can also access. This concern has to be addressed architecturally from the start, not as an afterthought.

The governance model should be built around three principles. First, contribution tiers determine access tiers — firms that contribute more data, more variables, and more history get access to deeper and more granular insights than firms that contribute minimally. This creates a direct incentive to participate fully rather than free-ride. Second, no individual firm's data is ever identifiable in outputs — all reporting is aggregated and statistically anonymized to a degree that a member firm cannot reverse-engineer a competitor's client relationships or pricing. Third, client data requires explicit contractual permission — the ASA would need to develop a standard data sharing addendum that member firms incorporate into their enterprise client contracts, making the contribution of anonymized aggregate data a routine part of the client relationship rather than a special negotiation.

The legal structure matters enormously here. The ASA should establish the consortium as a separate legal entity — likely a nonprofit data trust or a limited cooperative structure — with its own board, data governance committee, and independent auditing function. This separation insulates the ASA's core operations from liability and gives member firms confidence that the data is governed by an independent body rather than ASA staff who might have conflicting interests.

In this phase, the ASA should hire or contract a small founding team of three to five people: a data architect, a privacy and data governance attorney, a business development lead to manage member enrollment, and ideally a chief data officer with experience in labor market analytics. The budget for this phase is real but not prohibitive — probably in the range of three to five million dollars over two years, which is accessible through a combination of dues reallocation, a founding member premium tier, and potentially a grant from workforce development foundations or the Department of Labor, which has a genuine interest in better labor market data.

### **Phase Two: Data Infrastructure and Initial Products (Years 2-4)**

Once governance is established and a critical mass of member firms — probably 30 to 50 large and mid-size members — have signed on, the technical build begins. The core infrastructure challenge is that member firms store their data in incompatible systems: Bullhorn, Avionté, JobDiva, Salesforce, proprietary VMS platforms, and dozens of others. The consortium needs a standardized data ingestion layer that can accept feeds from all major ATS and VMS platforms without requiring members to overhaul their internal systems.

The data taxonomy is equally important. The consortium needs a standardized schema that maps each member's idiosyncratic data fields onto common definitions. What one firm calls a "placement" another calls an "assignment." What one firm tracks as a "bill rate" another bundles differently. Getting 50 firms to agree on a common data dictionary sounds mundane but is actually one of the hardest and most important things the consortium will do. The ASA's existing standards and compliance infrastructure gives it more credibility to drive this alignment than any individual firm would have.

The first generation of products should be deliberately modest and high-confidence rather than ambitious and speculative. The three most immediately viable products are a real-time compensation benchmarking tool, a workforce demand signal index, and a skills velocity tracker.

The compensation benchmarking tool is the most immediately monetizable. It takes actual placement transaction data — bill rates, pay rates, and compensation packages across geographies, industries, and role categories — and produces a continuously

updated market rate database. This is directly superior to existing products like the Staffing Industry Analysts compensation reports or Mercer salary surveys because it is based on real transactions rather than surveys, and it updates in near real-time rather than annually. This product has paying customers on both sides: member firms use it to price competitively, and enterprise HR and procurement leaders pay for access to benchmark their own compensation structures.

The workforce demand signal index is essentially a leading indicator of labor market conditions derived from the aggregate hiring activity of consortium members. Because staffing firms see hiring demand before it shows up in government employment data, a well-constructed index based on new job orders, placement volumes, and requisition patterns across member firms would be a genuinely valuable macroeconomic signal. This has appeal not just to members but to financial analysts, economists, media organizations, and policymakers — which gives the ASA a public platform and credibility that pure advocacy cannot provide. The Conference Board and similar organizations publish leading economic indicators; there is no reason the ASA could not own the definitive workforce demand indicator.

The skills velocity tracker monitors how fast specific skills are appreciating or depreciating in market demand — essentially tracking which job titles and competencies are being ordered more or less frequently across member placements, combined with how compensation for those skills is moving. For enterprise clients managing workforce planning and reskilling investments, this is highly actionable intelligence.

### **Phase Three: Monetization and Expansion (Years 4-7)**

Once the core data infrastructure and initial products are established, the consortium's monetization model diversifies in several directions.

Member value should be tiered and explicit. Platinum contributing members — large firms contributing comprehensive data across all variables — receive full access to all consortium analytics, early access to new products, dedicated analyst support, and the ability to white-label certain consortium outputs for their own client presentations. This last point is important: allowing members to present consortium-derived insights as part of their own client advisory services dramatically increases the perceived value of membership and directly supports the strategic evolution toward data-driven advisory that the broader conversation has been about.

Enterprise client subscriptions become a meaningful revenue line. Large employers — Fortune 500 HR and procurement functions — pay for access to compensation benchmarking, skills demand forecasting, and labor market signals. This is not a conflict with member interests; it is complementary, because enterprise clients who trust the

consortium's data are also more likely to value and invest in the member firms that contribute to it.

Government and policy partnerships create both revenue and influence. The Bureau of Labor Statistics, the Department of Labor, state workforce development agencies, and congressional staff working on labor policy all need better real-time workforce data than the government currently produces. The consortium is positioned to be a privileged data partner to these institutions — which creates funding opportunities, regulatory goodwill, and a policy influence platform that the ASA has never had at the level it deserves given the industry's scale.

Academic partnerships extend the consortium's credibility and analytical depth without proportionate cost. Partnering with university labor economics departments and business schools to conduct research using consortium data produces peer-reviewed insights that validate the data's quality, generates thought leadership the ASA can publish, and creates a pipeline of analytically trained talent who understand the staffing industry — addressing one of the core capability gaps that has historically held the industry back.

### **The Risks Worth Acknowledging**

The consortium idea is genuinely powerful but not without real risks. Antitrust exposure is the most serious — any arrangement where competitors share pricing data has to be structured with extreme care to avoid running afoul of Sherman Act concerns. This is navigable with proper legal architecture but cannot be an afterthought. The ASA's legal counsel would need to be deeply involved from day one, and the product design would need to ensure that outputs are aggregated in ways that cannot facilitate price coordination.

Member free-riding is a persistent governance challenge in any consortium. The tier-based access model mitigates it but does not eliminate it. Enforcement mechanisms — including the ability to revoke access for firms that contribute inadequate or manipulated data — need to be written into the governance structure with teeth.

Finally, the ASA's own organizational capacity to execute this is a real question. The association is staffed and structured for advocacy, events, and member services — not for building and operating a data business. This likely requires either a significant internal capability build or a partnership with an established data or analytics firm that provides the technical infrastructure while the ASA provides the member relationships, governance authority, and brand credibility. That partnership model is probably the fastest and most realistic path to execution, provided the ASA retains genuine ownership and control of the data asset itself.

The bottom line is that the data consortium is executable, but it requires the ASA to make a genuine strategic commitment — dedicated funding, dedicated leadership, and a willingness to operate in a fundamentally different way than a traditional trade association. The organizations that have done this well, like NACHA in payments or FICO in credit scoring, created durable industry infrastructure that became indispensable over time. That is the model and the ambition level the ASA should be working toward.

What about competition - why wouldn't a Bullhorn or other such vendor be in a better position to execute on this and isn't it likely that they are contemplating doing so (if not already down the path)?

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This is a genuinely important competitive threat that the ASA should be losing sleep over, and you are right to raise it. Let me be direct about it.

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### **Why Bullhorn and Similar Vendors Are Formidable Competitors**

The technology vendors — Bullhorn, Avionté, SAP Fieldglass, Beeline, and others — have structural advantages that are real and significant:

They already have the data infrastructure. Unlike the ASA, which would have to build data ingestion pipelines from scratch, Bullhorn already sits inside member firms' operational systems. The data flows through them natively. They don't need a standardized ingestion layer or a common data dictionary negotiated across reluctant competitors — they already are the common platform for a large portion of the industry.

They have technical talent. Building and operating a data analytics business requires engineers, data scientists, and product managers. Bullhorn is a technology company and already employs these people. The ASA is not and does not.

They have direct client relationships at the operational level. Bullhorn doesn't just know staffing firms abstractly — it knows their workflows, their pain points, and their data in granular detail. That intimacy is a significant product development advantage.

And critically — they are almost certainly already thinking about this. Bullhorn in particular has been moving deliberately in the direction of analytics and intelligence products. Their acquisition strategy over the past several years has been oriented toward expanding the platform beyond ATS functionality into analytics, automation, and AI-assisted recruiting. It would be naive to assume they are not looking at the aggregated intelligence opportunity that sits in their data.

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## **But the Vendor Position Has Real Weaknesses Too**

That said, the competitive picture is not as one-sided as it might first appear. The vendors have genuine vulnerabilities that the ASA could exploit if it moves thoughtfully.

**The antitrust and trust problem is much harder for vendors than for the ASA.** When Bullhorn aggregates and monetizes data that flows through its platform, it is a for-profit company extracting value from its customers' proprietary business information and potentially selling insights back to those same customers or to their competitors. This creates a fundamental conflict of interest that is both legally sensitive and commercially toxic if member firms become aware of it. The backlash against similar practices in other industries — most notably when financial data vendors were found to be monetizing client order flow data — has been severe. The ASA, structured as a nonprofit data trust governed by member firms themselves, has a legitimacy and trust position that a for-profit vendor simply cannot replicate.

**Vendors are platform-fragmented.** Bullhorn has significant market share but not dominant share. A meaningful portion of the staffing industry runs on Avionté, JobDiva, TempWorks, or proprietary systems. A Bullhorn-owned consortium is therefore structurally incomplete — it reflects Bullhorn's client base, not the industry. The ASA's neutrality allows it to aggregate across all platforms, which produces a more comprehensive and therefore more valuable dataset.

**Vendors have conflicting product incentives.** Bullhorn's primary business is selling software subscriptions. An analytics and intelligence business built on top of member data creates complicated questions about whether insights derived from that data will be used to make product decisions, pricing decisions, or competitive moves that disadvantage certain members. Member firms will be legitimately wary of this, especially as the value of the data becomes more apparent.

**The vendor's customer is the staffing firm, not the enterprise client or the policy world.** The ASA's potential reach — into enterprise HR buyer relationships, government partnerships, and academic credibility — is not territory that Bullhorn naturally operates in or is well-positioned to develop. The intelligence products with the broadest and most durable value are precisely those aimed at buyers and policymakers, not just at staffing firm operations.

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## **What Is Bullhorn Likely Actually Doing?**

Without claiming specific current knowledge of their product roadmap, the trajectory is fairly readable from their public moves. They are almost certainly building or have already built internal benchmarking and analytics features that use aggregated platform data to give individual member firms comparative performance insights — things like average time-to-fill by role category, bill rate benchmarks within their platform, and recruiter productivity comparisons. This is the lowest-hanging fruit and the most defensible legally because it is presented as a platform feature rather than a standalone data product.

The more aggressive move — packaging aggregated industry intelligence as a standalone product sold to enterprise clients or third parties — is probably being evaluated but is also where the legal and commercial risks concentrate. If Bullhorn has not already sought outside legal counsel on the antitrust and data ownership questions involved in that move, they are being careless. The more likely path is that they pursue it carefully and incrementally, which actually gives the ASA a window to move if it acts with urgency.

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### **How Should the ASA Respond to This Competitive Threat?**

The ASA's strategic response needs to be built around the things vendors cannot easily replicate rather than trying to out-execute them on technical infrastructure.

The single most important move is to establish data ownership norms at the industry level before vendors do it unilaterally. The ASA should develop and promulgate a standard industry position on who owns staffing firm and client data that flows through third-party platforms — asserting clearly that the data belongs to the staffing firm and the client, not to the technology vendor. This is not just a defensive legal maneuver; it is a genuine policy question that the industry has been slow to address and that will become increasingly contentious as the data's value becomes apparent. If the ASA establishes this norm early, it both protects member interests and positions the consortium as the legitimate steward of that data rather than leaving it to vendor discretion.

The ASA should also move quickly to establish the consortium's governance structure and recruit founding members before vendor analytics products become entrenched. The window where member firms are most willing to invest in an independent alternative is before they have already integrated a vendor analytics product deeply into their operations. Once Bullhorn analytics is embedded in a firm's weekly reporting workflow, displacing it becomes very difficult regardless of the consortium's theoretical superiority.

A partnership rather than pure competition with some vendors is also worth considering. The ASA does not necessarily need to beat Bullhorn at data infrastructure — it needs to own the governance, the neutrality, and the output products. A model where the consortium contracts with one or more technology vendors to provide the data engineering infrastructure, while the ASA retains ownership of the data asset and controls the product roadmap, could actually be faster and cheaper to execute than building independently. The key negotiating point is that the vendor in such an arrangement is a service provider to the consortium, not a co-owner of the data.

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## **The Bottom Line**

The vendor threat is real, probably more immediate than the ASA currently appreciates, and should genuinely accelerate the ASA's timeline for moving on the consortium idea. The ASA's advantages — neutrality, member governance, cross-platform reach, policy credibility, and the ability to serve enterprise clients and government without conflicting interests — are durable but only if they are activated before the vendor landscape makes the independent consortium redundant. This is a situation where the ASA has a closing window, not an open-ended opportunity.

You read my mind - partnering with Bullhorn, Avionte, and other vendors. Give me some high level considerations for evaluating this idea, as well as how we would position it to vendors so it would be attractive to them.

4:32 PM

## **High Level Considerations for Evaluating the Partnership Idea**

### **Structural and Governance Questions**

The most fundamental question is who controls the data asset that the consortium creates. This has to be resolved unambiguously in the ASA's favor before any other negotiation proceeds. If vendors are infrastructure providers — contributing their data pipelines and engineering capability in exchange for defined compensation and defined access — the partnership is potentially healthy. If vendors are co-owners of the data asset with veto rights over product decisions or access to raw member data beyond what the consortium explicitly authorizes, the partnership becomes a Trojan horse that ultimately serves vendor interests over member interests. The governance documents need to draw this line with exceptional clarity.

Related to this is the question of which vendors to partner with and whether to partner with multiple vendors simultaneously or exclusively. Exclusive partnership with Bullhorn,

for example, immediately raises concerns among Avionté or JobDiva clients who may feel the consortium is structurally biased toward a competitor's platform. A multi-vendor architecture is more complex to execute but far more defensible from a member trust standpoint and produces a more complete dataset. The evaluation should assess whether the technical complexity of multi-vendor integration is manageable — and the honest answer is that it probably is, given that data normalization across platforms is a solved problem technically, if not trivially easy.

### **Data Ownership and Contractual Boundaries**

The partnership agreement must explicitly define what data vendors contribute to the consortium, what they are prohibited from doing with consortium outputs, and what audit rights the ASA retains to verify compliance. Specifically, vendors should be contractually prohibited from using consortium-derived insights to inform their own product pricing, competitive strategy, or sales targeting. This sounds obvious but is the kind of provision that gets softened in negotiation unless the ASA goes in with it as a non-negotiable position.

The question of data that exists in vendor systems prior to the consortium's formation is particularly sensitive. Vendors will have years of historical data sitting in their platforms that would dramatically accelerate the consortium's analytical depth if included. Negotiating access to that historical data is worth pursuing but requires careful legal structuring around member firm consent and client data permissions that may not have existed when that data was originally collected.

### **Financial Model and Vendor Compensation**

Vendors are businesses and need a credible answer to "what do we get out of this." The financial consideration should be structured in a way that aligns vendor incentives with consortium success rather than creating ongoing tension. Options worth evaluating include a fixed annual infrastructure fee paid by the consortium to each vendor partner, a revenue sharing arrangement on consortium products where vendors receive a defined percentage of revenue attributable to data flowing through their platforms, or an equity-like stake in the consortium entity that appreciates as the consortium's products generate value. Each structure has different implications for vendor behavior and consortium financial sustainability and should be modeled carefully before any term sheet is drafted.

### **Antitrust Architecture**

Any arrangement involving competitors sharing data requires antitrust counsel involved from the earliest design stage. The partnership with vendors adds a layer of complexity

because vendors themselves compete with each other, and the consortium arrangement could theoretically facilitate coordination that regulators would scrutinize. The safeguards — aggregation thresholds, output anonymization standards, prohibitions on individual firm identification — need to be designed into the data architecture itself, not just described in policy documents. This is technically achievable but requires intentional design rather than retrofitting.

### **Vendor Financial and Strategic Stability**

Vendors are themselves subject to acquisition, financial distress, and strategic pivots. Bullhorn has been private equity backed for years and could be acquired or taken public on a timeline that changes its strategic priorities significantly. The consortium's dependence on any single vendor's infrastructure creates a vulnerability that the partnership agreement needs to address through transition provisions, data portability requirements, and minimum service level commitments that survive a change of ownership.

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### **How to Position the Partnership to Make It Attractive to Vendors**

The framing here matters enormously. The ASA should never approach vendors as a supplicant asking for help building something it cannot build alone. The positioning should be that the ASA is offering vendors something genuinely valuable that they cannot easily create for themselves, and that the partnership is a strategic opportunity rather than a charitable contribution to the industry.

### **The Core Value Proposition to Vendors**

The most compelling argument for vendors is that the consortium solves their legitimacy problem. As noted earlier, a vendor that unilaterally aggregates and monetizes member data faces serious trust and legal exposure. By channeling that capability through an ASA-governed consortium, the vendor gets access to a much larger and more comprehensive dataset than it could assemble alone — including data from competitor platforms — while operating under a governance structure that provides legal cover, member consent, and reputational protection that the vendor acting alone could never achieve. The consortium essentially launders the data aggregation function in the most legitimate sense of that word — it makes something that would be problematic for a vendor to do alone into something that is institutionally sanctioned and member-endorsed.

The second compelling argument is market expansion. Consortium-derived products sold to enterprise HR buyers, government agencies, and financial analysts represent

markets that vendors are not currently serving and are not well-positioned to serve independently. A benchmarking subscription sold to Fortune 500 CHROs, or a workforce demand index licensed to financial data services, generates revenue and market presence in segments that enhance the overall value of the vendor's ecosystem without cannibalizing their core business. Vendors benefit from being associated with an authoritative industry intelligence capability even if they are not the ones directly selling it.

The third argument is defensive. If the ASA does not build this consortium with vendor partnership, it will either build it more slowly and less effectively without them, or — more threateningly from a vendor perspective — it will partner with a competing technology provider to do so. A Bullhorn that declines to participate in the consortium may find that the consortium gets built on Avionté's infrastructure, giving a competitor a privileged position in the industry's most important emerging asset. The same logic applies in reverse for every major vendor. The fear of exclusion is a genuine motivator that the ASA can use tactfully but should not shy away from.

### **Specific Talking Points by Vendor Audience**

For a vendor's CEO and board the conversation should be framed around strategic positioning and long-term asset value. The consortium creates an industry infrastructure layer that enhances the entire ecosystem in which the vendor operates. Vendors whose platforms are embedded in a thriving, analytically sophisticated industry are more valuable businesses than vendors whose platforms serve a declining, commoditized one. Helping the industry navigate its transformation successfully is directly in the vendor's long-term financial interest.

For a vendor's product and technology leadership the conversation should focus on the technical opportunity. The consortium's data asset, if properly built, becomes a resource that vendors can draw on to improve their own products — better benchmarking features, more accurate demand forecasting tools, richer skills intelligence — in ways that would be impossible from their own platform data alone. A vendor that has access to cross-platform industry data to train its AI models has a product development advantage over one that does not.

For a vendor's sales and marketing leadership the conversation should emphasize co-marketing and thought leadership opportunities. Being a founding partner of the ASA's workforce intelligence consortium is a differentiating credential in a competitive vendor market. It signals industry commitment and sophistication in a way that resonates with enterprise buyers who are themselves trying to navigate the AI transition.

## **The Ask and the Sequencing**

The ASA should approach vendors sequentially rather than simultaneously in the early stages. Securing one credible founding vendor partner — most likely Bullhorn given its market position — before approaching others creates social proof and competitive urgency that makes subsequent conversations easier. The first conversation with Bullhorn should be exploratory and relationship-oriented, focused on whether there is strategic alignment in principle before any terms are discussed. The worst outcome is a negotiation that fails publicly, which would make subsequent vendor conversations much harder.

The ask in that first conversation should be modest and specific: a joint feasibility study, co-funded and co-staffed, to assess the technical and governance architecture for a consortium. This is a low-commitment entry point that allows both parties to develop trust, identify obstacles, and build internal champions without either side making a binding commitment. If the feasibility study goes well it creates natural momentum toward a formal partnership. If it surfaces irreconcilable differences it does so before either party has made a significant investment.

The overall posture throughout should be that the ASA is building this with or without any given vendor, that the door is open for a defined period, and that founding partners will have structural advantages — governance seats, preferred economics, co-branding rights — that later entrants will not. Scarcity and exclusivity, deployed honestly and without artificial pressure, are legitimate tools for accelerating vendor commitment in a negotiation like this.