

• The Hidden Revenue · Customer Proof Point

M Multi-entity Midwest US staffing group

Where the hidden revenue was hiding.

A \$220M, five-EIN staffing group recovered **\$957,000 of annual hard-dollar cost** and built the AI-ready operating foundation underneath it. Payback in four months. Three-year cumulative net benefit of \$2.25M after subscription costs. 30% EBITDA expansion - on the operation they already had.

REVENUE	WORKERS / WEEK	CORPORATIONS	FOOTPRINT
\$220M+ annual	4,500+ W-2	5 EINs · shared services	Multi-state Midwest

The whole story, in one read.

For: CEO · CFO · COO
Read time: 8 minutes
Adjacency: The Hidden Revenue Playbook

Five corporations under one shared-services roof, processing 4,500+ workers a week through a legacy stack that wasn't built to talk to itself. By the standards the Group had set for itself, the operation was holding. By the standards of where the front edge of staffing is now operating, **roughly a million dollars of avoidable cost was being absorbed every year** – inside back-office labor that didn't need to be there, branch capacity diverted into payroll prep, and forgone GP margin the platform was designed to unlock. Seven months after the first decision, the operating model looks different at every layer.



Hard dollars were the floor. **EBITDA expansion was the ceiling.** At mid-market staffing multiples of 5-7x EBITDA, \$3-4M of recurring annual contribution translates to \$15-28M of enterprise value created every year the platform operates. Each year of deferral had been a year of forgone enterprise-value compounding.

Five EINs. One shared operating problem.

The Group operates **five corporations under a shared services holding structure** built to pool back-office cost across the operating companies. Each corporation runs its own brand, sales motion, and EIN. Corporate handles payroll, finance, IT, compliance, and accounting as a centralized capability. The model has worked for more than a decade. What changed was the cost of running it on the systems that got the Group to its current scale.

REVENUE

\$220M+

annual, group-level

WORKERS / WEEK

4,500+

W-2 temporary

CORPORATIONS

5

shared services

FOOTPRINT

Multi-state

Midwest US

Verticals served

Light industrial. Technical. Clerical and administrative. Multi-site weekly cadence across all five operating companies, with client-specific payroll timing driving multiple weekly pay runs per entity.

The shared services bet

Centralized payroll, finance, IT, compliance, and accounting was designed to pool fixed cost across the EINs. The bet was sound. The systems running it had not kept pace with the volume.

"We didn't have a software problem. We had an operating model problem. The software just made it visible."

Group CEO · Multi-entity Midwest US staffing group

"We were measuring whether payroll went out on Friday. We weren't measuring whether it should have taken us five days to get there."

Group CFO · Multi-entity Midwest US staffing group

A stack designed for a different era of staffing.

Before the transformation, the Group's operating reality lived in three disconnected layers. Data was born in the branches – on paper, on tablets, in spreadsheets, in email. It traveled to corporate through Google Drive folders and email attachments. It landed in a back-office stack that spanned six separate databases, a sunseting ERP, an enterprise content management system, and a data warehouse nobody used.

● ORIGIN · WHERE THE DATA STARTS

Branch level · multi-site weekly cadence

Paper time cards

Tablets / iPads

Branch spreadsheets

Email notes

Client-format reports



● INTEGRATION · HOW IT MOVES

Manual handoffs · no system of record

Email attachments

Google Drive folders

Manual re-entry

Duplicate spreadsheets

Free-text notes



● BACK OFFICE · SYSTEMS OF RECORD

Six databases. One sunseting ERP. One unused warehouse.

ABD UltraStaff Edge · 6 separate databases

Sage 300 ERP · sunseting

Laserfiche ECM · documents

Data warehouse · unused

Compliance spreadsheets

The shape of the operating reality. 4,500+ weekly W-2 workers across five corporations. Multiple weekly pay runs – some entities running back-to-back batches every week to meet client-specific timing. Branch staff absorbing 30-40% of their selling capacity into payroll prep. No real-time operational visibility anywhere in the system.

Eight problems. Each one fed the next.

The Group's operational pain wasn't a list of independent issues - it was a cascade. Each gap in the system compounded the cost of the gap below it. Fragmented capture forced manual re-entry. Manual re-entry filled the back office. The back office became the bottleneck. By the time the executive team began the diagnostic, the chain had been running for over a decade.

01 No standardized time clocks
Time captured on paper, tablets, or whatever each branch settled into. No validation at source.

02 Multiple weekly pay runs at scale
Each operating company on its own schedule. 4,500+ workers, multiple batches, every week.

03 Spreadsheets as infrastructure
Branch and corporate exchanging data through email, Drive, and Laserfiche. No source of truth.

04 Front office doing back-office work
Recruiters and account managers absorbed 30-40% of their week into payroll prep instead of selling.

05 ABD architecture limits
Six separate databases. One user per database at a time. Duplicate records proliferating across them.

06 Legacy ERP sunsetting
Sage 300 approaching vendor end-of-life. Invoicing manual. Payroll funding semi-automated.

07 No reporting, no analytics
Compliance in a spreadsheet. Finance numbers after the fact. Executive team running on instinct.

08 Compounding error and cost
Every upstream gap multiplied downstream. Errors caught at payroll. Rework as a baseline operating cost.

The math the diagnostic surfaced: **back-office labor + branch leakage = ~\$1.25M of annual avoidable cost.** That was the hidden revenue. It was sitting inside the operating model, paying for itself in inefficiency, every fiscal period.

\$1.25M
annual hidden cost

Two generations behind the front edge.

Before the discovery work, the Group's leadership believed its back office was running efficiently. The team was working hard. Payroll went out on Fridays. The diagnostic compared the Group's reality against two reference points: where traditional staffing operations sit, and where AI-native, fully-automated staffing operations are heading.

OPERATING METRIC	THE GROUP, BEFORE	TRADITIONAL STAFFING	AI-NATIVE OPERATIONS
Workers per back-office FTE	~280	500 - 800	1,000 - 1,200
Time per worker (back-office)	~8.5 min	4 - 6 min	<3 min
Back-office annual labor cost	\$880K	\$440 - 715K	\$250 - 300K
Branch time absorbed in payroll prep	~\$370K / yr	limited	near-zero
Real-time operational dashboards	Not tracked	Partial	Full
Concurrent multi-entity processing	No	Partial	Yes
Days sales outstanding	Day 5 - 7 invoicing	Day 2 - 4	Day 1
GP margin visibility by client	Aggregated only	Mixed	Real-time
Compliance posture	Spreadsheet-based	Mixed	System-of-record

"The data warehouse existed. Nobody used it. We had built infrastructure faster than we had built the operating discipline to use it."

Group Head of Technology · Multi-entity Midwest US staffing group

One number to align the operation around.

The diagnostic produced a long list of KPIs the Group should be tracking. The executive team made a deliberate choice not to track all of them with equal weight. One metric was elevated to North Star status - the metric every operational decision would be evaluated against.

NORTH STAR METRIC

Revenue per Recruiter

The amount of revenue each internal recruiter generates. **Captures top-line growth, operating leverage, and team productivity in one number.** If it goes up, the operation is healthy. If it goes down, every other KPI needs to be examined.

Five operational KPIs were instrumented to roll up into Revenue per Recruiter and surface in real-time on the Command Centre. Each had been invisible before.



Time-to-fill

Hours, not days. High-volume placements measured in real-time.



Timesheet exception rate

Percentage requiring manual correction before payroll runs.



Payroll exception rate

Percentage of paychecks needing rework after the run.



Shift fill coverage

Daily fill rate against client orders, by branch and EIN.



Replacement / back-fill rate

Speed of replacing no-shows and turnover placements.



GP margin (rolling)

By client, by EIN, by vertical - visible in real-time.

Why do anything? Because the cost of doing nothing was higher.

The discovery work produced a bottoms-up business case the executive team could defend, line by line. Three layers, each independently calculated, each cross-checked against the Group's own operational data.

01 CURRENT STATE COST		ANNUAL \$1.25M
Back-office labor	16 FTEs × \$55K loaded cost	\$880,000
Branch time absorbed in payroll prep	4,500 workers × 3 min × 52 wks × loaded cost	\$366,000
02 TARGET STATE COST		ANNUAL \$319K
Back-office labor	~4 FTEs × \$55K (AI-native benchmark)	\$258,000
Branch time on payroll prep	Captured at source, near-zero leakage	\$61,000
03 TRANSFORMATION VALUE		EBITDA CONTRIBUTION \$4.26M
Annual hard-dollar savings	Current \$1.25M - target \$319K	\$957,000
GP margin expansion (+1.5pp on \$220M)	Front-office capacity to growth productivity	\$3.30M / yr
Total annualized EBITDA contribution	Labor + margin · ~30% of \$14.3M baseline	\$4.26M

A companion business case calculator accompanies this study. Plug your own revenue, weekly worker volume, back-office FTE count, and target benchmarks into the model - the math above traces line-by-line to the inputs.

What every period of deferral was costing.

The discovery work made the business case for action. It also quantified the case against further deferral. The Group's leadership had been circling the technology question for multiple planning cycles. The diagnostic put a number on each month of continued circling.



BEYOND HARD DOLLARS · ENTERPRISE VALUE IMPACT

The opportunity cost compounded into the EBITDA line.

The labor leakage was the floor. The ceiling was forgone EBITDA expansion. With 1-2 percentage points of GP margin recoverable on \$220M of revenue, every year of deferral cost the Group somewhere between \$2.2M and \$4.4M of EBITDA contribution the platform was designed to unlock - equivalent to roughly **30% expansion of total EBITDA at the existing margin profile.**

ENTERPRISE VALUE IMPACT (ILLUSTRATIVE)

At mid-market staffing industry multiples of 5-7x EBITDA, \$3-4M of recurring annual EBITDA contribution translates to **\$15-28M of enterprise value the platform creates every year it operates.** Each year of deferral had been a year of forgone enterprise-value compounding.

"Once we quantified what every month of waiting cost us, the conversation stopped. The investment paid back inside one fiscal quarter. The only question was sequencing."

Group CFO · Multi-entity Midwest US staffing group

Standardize where the data is captured. Everything downstream follows.

The transformation could have started in any number of places. The Group's leadership made a deliberately tactical choice: begin with the upstream – the one place a single change would propagate across the entire operation.

THE FIRST DECISION

Standardize time clocks and timesheets across every branch and every operating company – before touching anything else in the stack.

One clean upstream data layer feeds three downstream workflows simultaneously: branch operations get real-time visibility, the back office gets validated data ready to process, and client workflows get faster, more accurate billing and reporting. **Every downstream system inherits the data quality from the upstream capture.**

Phase 1

Months 1 – 3

Prove it at the largest EIN

Deploy standardized time clocks and timesheet workflows at the largest operating company. Establish clean upstream capture. Validate operating KPIs against the diagnostic baseline.

Phase 2

Months 4 – 6

Replicate across the remaining four

Replicate the proven model across the four other operating companies in sequence. Train corporate payroll on the new operating posture. Begin redeploying freed-up FTEs into revenue work.

Phase 3

Month 7+

Modernize the back office

With clean validated data flowing end-to-end, evaluate back-office payroll engine modernization separately, at lower risk. ERP consolidation follows on its own timeline.

"We had been waiting for a perfect platform decision. What we needed was the right first decision. Standardizing how the data was captured was where everything else became possible."

Group COO · Multi-entity Midwest US staffing group

From flying blind to real-time operating intelligence.

With clean upstream data flowing into the platform, the operating KPIs that had been invisible for years began producing live signals. The Group built what its CEO began calling the Command Centre - a single operating dashboard, role-based, refreshed in near-real-time, anchored on the North Star metric.



EXECUTIVES

North Star + EBITDA + margin trends

Weekly board-ready snapshot. Threshold alerts. CEO · CFO · COO views.

OPERATIONS

Fill rate, exception rate, time-to-fill

By branch and by client. Daily exception queue. Branch managers + account managers.

RECRUITERS

Personal pipeline, fill rate, revenue

Real-time scoreboard. Individual contribution to the North Star metric.

Get the foundation right. Then deploy AI.

The Group's leadership had heard the AI conversation in every staffing industry forum for two years. They had watched competitors announce AI initiatives that produced press releases and not much else. The Group made a deliberate choice not to deploy AI until the operating foundation could support it. **Throwing AI agents at a system fed by spreadsheets and email notes produces faster chaos.**

05 AI deployment

Predictive matching · Auto-dispatch · Anomaly detection · Forecasting

04 Real-time KPI layer

Command Centre · operating dashboards · role-based views

03 Integrated data flow

API spine · validated handoffs · front to back office

02 Standardized processes

Time clocks · timesheets · exception capture at source

01 Clean data foundation

Single source of truth · no duplicates · no spreadsheets

Why this sequence matters

AI workflows need clean, structured, validated data. They need real-time signals to act on. They need integrated systems to act through. None of that existed in the Group's prior operating model. The transformation built each layer in order.

What AI deployment looks like next

Predictive matching of workers to shifts. Auto-dispatch on open orders. Anomaly detection on timesheet exceptions before they reach payroll. Forecasting for branch capacity. Each one builds on the foundation now in place.

"Everyone in our industry is talking about AI. Most of them don't have the data foundation to deploy it on. We do now. That's the real moat."

Group CEO · Multi-entity Midwest US staffing group

Eight categories. Eight resolved problems.

CATEGORY	BEFORE	AFTER
Time clocks & timesheets	No standard. Paper, tablets, or whatever the branch used.	Standardized native time clocks. Validated capture at source. Clean data from minute zero.
Branch operations	Recruiters and AMs spending 30 - 40% of their week on payroll prep.	Branch staff focused on revenue work. Payroll prep under 10% of the week.
Corporate back office	16 FTEs. 8.5 minutes per worker. Exception handling one ticket at a time.	Target 4-5 FTEs. Under 2.2 minutes per worker. Exceptions captured at source.
Front-to-back handover	Email, Drive, Laserfiche. Free-text notes. Double data entry standard.	Structured flow from branch to corporate. No re-keying. No translation work.
Data quality	Duplicates across six databases. Errors compounding into payroll rework.	Single source of truth per worker. Validation at point of entry. Errors caught upstream.
Reporting & analytics	No operational dashboard. Compliance in a spreadsheet. Finance numbers after the fact.	Real-time KPIs in the Command Centre. Role-based views. Board-ready by Monday.
Compliance posture	Tribal knowledge in 2-3 people. Audit-readiness assembled on demand.	Audit logs as default output. Real-time credential alerts. Institutional capability.
Cash conversion	Invoicing Day 5-7. DSO leakage compounding working-capital cost.	Clean data ready Day 1. Invoicing accelerated. Working-capital cycle shortened.

COMMITTED TARGETS · VALIDATED AGAINST THE DIAGNOSTIC BASELINE

KPIs the operation is on track to deliver

Revenue per recruiter
+18% in Year 1

Workers per back-office FTE
1,090+ (from ~280)

Time per worker
~2.2 min (from ~8.5)

Shift fill coverage
>95% daily

Payroll exception rate
<2% (industry 10-15%)

Time-to-fill (high-volume)
Hours (from days)

Four factors drove the selection.

01 Diagnostic before demo

The discovery work produced the bottoms-up business case the Group's own team could defend. Other vendors led with product. Jombone led with the Group's operational reality.

02 Tactical-first sequencing

Standardizing time capture before touching anything else gave the Group an early win and a validated operating model before any further capital commitment.

03 AI-ready foundation

Clean data, standardized processes, real-time KPIs – the platform built the foundation AI deployment requires. Other vendors offered AI bolt-ons. Jombone built AI-readiness.

04 The math

A 4-month payback on a platform that drives 30% EBITDA expansion. The investment cleared every threshold the Group's leadership uses for capital allocation, with room to spare.

IF YOU RUN A MULTI-ENTITY STAFFING OPERATION

The math is on your table too.

The Group's situation isn't unusual. It's the default state of most multi-entity staffing operations that have grown organically over a decade. Legacy systems chosen for legitimate reasons. Branch processes that evolved around limitations no one wrote down. Back-office teams quietly absorbing the cost of upstream chaos. **The cost of doing nothing about it compounds every quarter the manual workflows stay in place.**

[Run your own business case →](#)

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