

## ACT-1 Group speeds up responsiveness to customers, grows revenues 35%.

---

### Overview

---

#### ■ **The Challenge**

*ACT-1 Group, a leading human capital solutions provider, wanted to integrate its enterprise technology offerings into a Web-based on demand environment. The goal was to become more responsive to customers' needs by providing scalable and cost-effective human capital management and staffing solutions*

#### ■ **The Solution**

*IBM @server xSeries® servers, 700 IBM desktop solutions deployed across the enterprise, and proprietary Web-based technology*

#### ■ **Why IBM**

*IBM provided a platform to integrate all of ACT-1's technology offerings into an on demand environment*

#### ■ **The Benefits**

*Realizes a sustained 35 percent increase in aggregate revenue over last three years, significantly lowers Information Technology (IT) and infrastructure operating costs, expands from regional to global provider, and captures growing share of small to medium-size business (SMB) market*

#### **Survivor takes the lead**

When the labor market shrank with the recession, ACT-1 Group just wanted to survive the downturn. But it did much more than that. The California-based human capital solutions provider transformed its regional business—by adapting Web-based technology—and catapulted itself into a national leader with global aspirations.

Today ACT-1 Group is the largest woman minority-owned human capital solutions provider in the United States, with a national network of 90 offices, management of more than 65,000 temporary workers, 300 company employees and annual revenues exceeding \$483 million—nearly twice as large as it was several years ago.

“In the recession, many agencies added offices and staff to try to stay alive, but the higher costs hurt them even worse,” explains ACT-1's founder, Janice Bryant Howroyd. “Instead, we developed and implemented proprietary Web-based technology to lower costs, expand our reach to more enterprises, and give clients easy access to our services—and that has made the difference.”

#### **Slow response threatens growth**

Founded in 1978, ACT-1 first provided staffing services to media executives in Hollywood and Beverly Hills, with the aim of “putting the humanity back in human resources.” But as the agency gained regional prominence with multiple offices, the first serious management problems surfaced.

Specifically, a hodge-podge of hardware solutions from different vendors did not work well together. The lack of efficiency resulted in high operating costs, frequent downtime and low response times to customers, which slowed growth and shrunk margins. Then the recession hit.

*“Because of IBM's on demand model, ACT-1 is gaining recognition as a leading supplier of human capital solutions to Global 2000 companies as well as small to medium-size businesses everywhere.”*

*—Janice Bryant Howroyd, CEO, ACT-1*

Howroyd realized that if she didn't transform the operating environment, ACT-1 might not survive. First, she needed to standardize on one robust, reliable server platform that could deliver best-of-breed desktop solutions to customers. Secondly, she wanted to offer ACT-1's staffing solutions over the Web.

"We wanted to redefine how our business should grow—not by adding real estate but by establishing deeper customer relationships," she recalls. "With Web technology, we knew we could deliver what our customers need, where they need it, when they need it—and do it in a more cost effective manner."

#### **More reliable solution**

First step: ACT-1 began a process of standardizing its operating environment on IBM **@server** xSeries servers. Compared to the old system, the IBM solution—which is able to support multiple lines of business, services 90 offices and provides on-site workforce management for dozens of Fortune 1000 and Global 2000 customers—costs less to operate, delivers superior performance and is more reliable with network uptimes of 99.97 percent. "We don't win the big customers without IBM reliability behind us," Howroyd says. "It eliminated downtime as an issue in the sale."

#### **Human capital solutions on demand**

Next, ACT-1 implemented its proprietary Web-based system that provides customers with integrated human capital solutions—including staff augmentation, vendor management, time and expense capture, enterprise reporting and employee background services—available on demand. "In the staffing industry, a fast response is the benchmark of quality service. With this technology, ACT-1 can guarantee customers a response within 30 minutes," Howroyd says.

#### **More revenues, more resilient**

With system upgrades over the last three years, the company's on demand model has achieved a 35 percent increase in aggregate revenue. Additionally, the IBM solution has dramatically lowered the cost of doing business, allowing ACT-1 to pass along cost savings to its customers. This has broadened its target market to include the fast growing—but cost-conscious—SMB segment.

"In a declining jobs market, we've expanded our business at both ends of the spectrum—global giants and SMBs," Howroyd says.

"While competitors are experiencing decreasing volumes, we have increased ours significantly. We've grown from a regional to a global provider, due to IBM technology and the on demand model. It's made us a much more resilient company, capable of not just managing market fluctuations but taking advantage of them."

#### **For more information**

Please contact your IBM sales representative or IBM Business Partner.

Visit us at:

[ibm.com/ondemand](http://ibm.com/ondemand)



© Copyright IBM Corporation 2004

IBM Corporation  
1133 Westchester Avenue  
White Plains, NY 10604  
U.S.A.

Printed in the United States of America  
01-04  
All Rights Reserved

The e-business logo, IBM, the IBM logo and xSeries are trademarks or registered trademarks of IBM Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



Printed in the United States on recycled paper containing 10% recovered post-consumer fiber.



G583-0591-00