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Our 2022 Story



118

New Partners



48%

YoY Revenue Growth



3

New Office Locations Opened

















Letter From Our CEO

To our stakeholders,

What a year. On the back of a crazy 2021, 2022 didn't disappoint. Despite the market headwinds and global uncertainties, at FTS, we were fortunate to call 2022 a record setting year.

Our **core business growth** not only led to things like a record setting number of trees planted through our One Tree Planted partnership, three new offices, and a record amount of volunteer hours completed but we made significant headway in extending our value creation well past our core staffing and recruiting offerings.

Innovation around data & research, giving back to our local communities and how we engage in things like consulting services and investing in our partners have introduced new categories of value that we're excited to really drive in 2023.



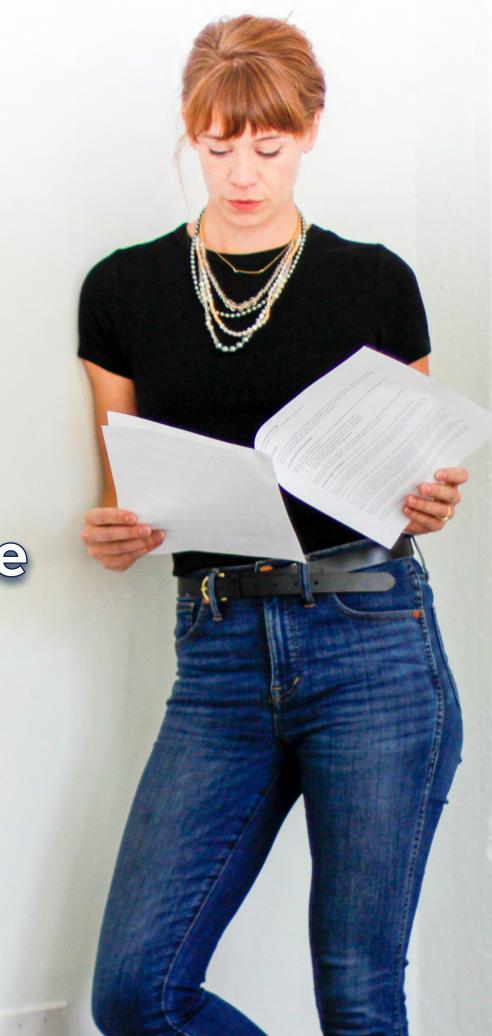
Our refined operating model is centered around **stakeholder value creation** and **creating 10 out of 10 experiences** across the board. As a result, we've seen consistent increases in areas like our employee culture surveys, strong retention of our front-line billing contractors, and an exponential year-over-year increase in new client acquisition.

Based on our strategy, in 2023, we expect to capture strong market share in all the markets we serve with a baseline expectation to overdeliver for our stakeholders. The primary focus for us in 2023 will be to build on the strong foundation our team has worked so hard to establish the last few years and to achieve **efficiency gains in every category** as we look to grow well past 50+ internal employees.

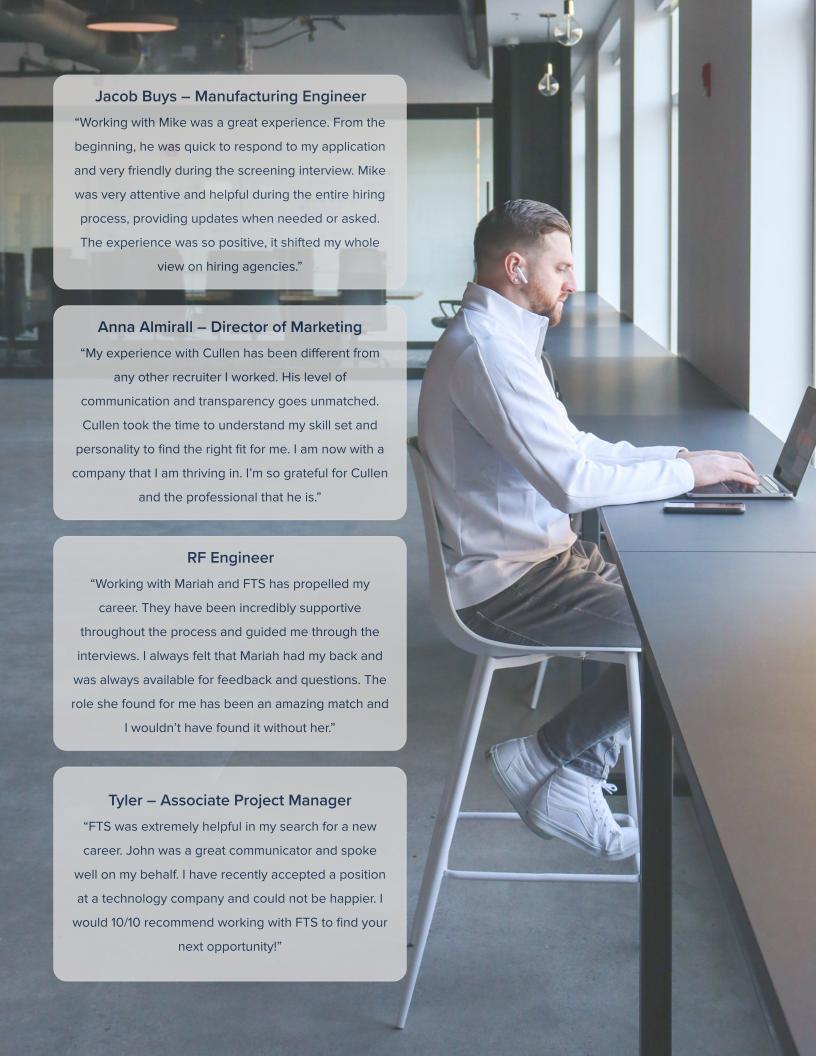
2022 forced us way outside of our comfort zone, and as a byproduct, everyone won. I am so proud of who we are and who we're becoming. Two years ago, we were 1/8th our current size and our success is a result of the right people, true hard work and a little luck. We are so grateful to have experienced the success we have, and we are wildly fortunate for the team we have. I am extremely proud to be part of this winning team. Together, we are building a movement and company that our industries and communities have never seen. **We are FTS.**

Proudly yours,

Thomas Carpitella



Client & Candidate Stories



Client Stories

Jacob Bartlett - Orolia Defense & Security

In early 2019, Orolia Defense & Security (ODS) spun off as a separate entity from its parent company Orolia, with the mission of providing resilient Positioning, Navigation, and Timing (PNT) solutions and custom engineering services to U.S. Government agencies, U.S. Defense organizations, and their contractors. To provide best-inclass services, they were determined to find the best talent to do so.

In November 2019, Jesse Jackman, Head of Staffing & Recruiting at FTS, connected with ODS's talent acquisition team to discuss the benefits a partnership would deliver. Leaving the meeting, both companies were confident this relationship would be valuable as ODS and FTS were both local to Rochester and had growth in mind.

Fast forward to today, ODS and FTS have grown in parallel to each other, both experiencing significant internal growth all while strengthening their professional relationship. In March of this year, both companies came together for an exclusive private event that gave employees from either side a chance to connect inperson and build upon their relationship. Now three years into the partnership, FTS is proud to have had the opportunity to staff over half of the ODS team.

Jacob Bartlett, HR Business Partner at ODS, believes this is a true partnership as both teams experience strong, timely, and clear communication. Bartlett noted he is impressed with how FTS always presents candidates with the right technical skills, while also understanding the ODS culture and what it takes to be an effective employee in their industry.

Both teams are looking forward to partnering for years to come as they are appreciative of the unwavering support, they provide for one another.

Karen Holden - ProArch

"FTS is a highly valued partner for recruitment for our organization. Bret and his team have done an excellent job understanding our business goals and presenting quality candidates that match our requirements. The process with the team is seamless and they are a pleasure to work with."

Nicole Hoy - Frazer and Jones

"Frazer and Jones LLC prioritize building their team with talented, driven individuals and it has become essential to build partnerships with recruitment firms. Over the last few months, we have built a unique partnership with FTS which has helped us to fill critical roles in Accounting, Procurement, and HR. It is so rare to find a recruiting firm that focuses on long-term relationships over short-term financial gains, and I cannot say enough about their professional and thorough approach. Together, we have built a relationship of trust that will continue to grow."

James Fehrmann – Convoke

"Finding a reliable recruiting partner is always a challenge. Convoke had been through a half-dozen partners in the year leading up to working with FTS but they set a new bar for Convoke on what to expect out of a recruiting partner. They work with you to understand the qualities that are important for new hires, and as the search progresses, each candidate gets closer to matching the position's needs. Their attention to detail not only results in faster matches and lower recruitment costs for us, but also allows them to be productive across a wide variety of executive and highly technical roles - including developers, DevOps, QA, products managers, and operations. Without the great partnership with FTS, Convoke would not have been able to double its Engineering team over the last two years."

Candidate Stories

James Graham - Red Door Homes

James had worked his entire 15-year career in sales roles in a few different industries but found that residential home sales energized him more than anything. After experiencing a remarkably successful two-year stint in the industry, James had to leave the industry as he wanted to live closer to family and couldn't find an opportunity in his new city.

Although he soon found bliss in his home life after the move, he struggled to find that same feeling at work as he found himself back in car sales. Auto sales was familiar territory but did not provide that spark home sales ignited.

It wasn't until FTS Construction Recruiter Jennah Romansky connected with James about a sales opportunity at Red Door Homes that he felt a bit of hope in finding that desired balance between loving his job and being close to family. Jennah and James agreed that the opportunity was "the perfect fit" and that it was long overdue for James to jump back into home sales.

With his girlfriend deployed overseas, the financial responsibilities fell heavily on James' shoulders. He knew he hadn't reached his maximum earning potential and the position at Red Door Homes set him up with uncapped earning potential and career advancement opportunities that blew him away.

"The impact Jennah had on me trickled down to my family as well," said James. "Since I was finally at peace with my career, I was able to focus more on my family, be alert to their needs and provide financial security. We also have a unique opportunity to build my own home through them. Honestly, this whole thing just feels like a miracle."

LaKeenen Foster - ODS

LaKeenen Foster, a medically retired Explosive
Ordnance Disposal Officer for the Army National
Guard, had a career history riddled with jobs that were
highly demanding of his time and energy.

Although he wasn't actively looking for a new opportunity when FTS Principal recruiter Andrew Davis connected with him, today, he can't express the joy and relief his new role provides him. He admits he was hesitant when he received the message, as the opportunity seemed "far too good to be true."

After going through a hiring process that blew him away regarding speed and clarity, LaKeenen now works for Orolia Defense & Security as their Foreign Military Sales Program Manager.

"I did not feel professionally fulfilled in my previous job, working countless hours with no apparent strategic impact; now I love what I do, and I can still help my fellow warfighter. I also have the flexibility to alter my hours so I can be there for my family when they need me. I wouldn't change a thing about this."

Only six months in, LaKeenen couldn't imagine working anywhere else. Being a part of a company where collaboration is highly valued and where learning is encouraged was something he could only dream of. Today, after a little bit of help from Andrew, it's a reality.

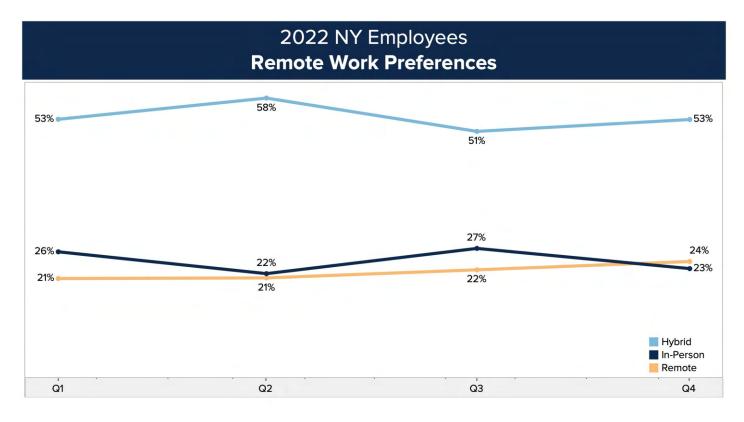


LaKeenen Foster (left), Andrew Davis (right)



NYS Employee Preferences

When COVID-19 swept the nation just over two years ago, many of those who were fortunate enough to remain in the workforce were forced to work remotely. When remote work was first introduced to the masses, there was plenty of uncertainty, and rightfully so, as remote work was a new concept for many businesses. Today, remote work has become a normality as just over three quarters of experienced professionals in New York State prefer to work remotely in some capacity.



Through our internal research, we found that employees tend to prefer what their current remote situation is. For example, those who are currently hybrid have the strongest preference for continued hybrid work and those who work remotely prefer to remain remote. As we look ahead to 2023, it is important to note that it will be difficult to bring those who prefer to work remotely in some capacity to transition to fully in-person roles. For many industries, offering remote flexibility is now a necessity to attract top talent. We have no reason to believe that remote work will lose popularity, as everything points to the hybrid working model being here to stay.

FTS started monitoring workforce remote flexibility trends at the beginning of the year focusing on talent in our sectors. Those surveyed hold many of the following titles:

- Staff Accountant
- Controller

IT Manager

- · Senior Staff Accountant
- · Accounting manager
- Data Engineers
- Project Manager

- HR Manager
- Business analyst
- Backend Software Engineer

Full Stack Software Engineer

DevOps

State of Hiring & Recruiting

A look back

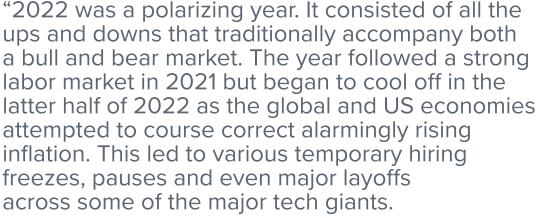
It's been two years since the world seemingly stopped due to the pandemic. Since then, we have witnessed the labor market shift, morph, and have experienced dramatic changes that will forever alter how employers and employees view their respective businesses. The professional world is adjusting to new norms and is gradually finding stability as the unemployment rate declines, yet remains above its pre-pandemic levels, according to The Bureau of Labor Statistics (BLS). The recession caused by the pandemic resulted in catastrophic job loss, bumping the **unemployment rate to a high of 13**% in the second quarter of 2020. At that point, the private sector **recovered 99% of all jobs lost** whereas the public sector **regained just over half at 58**%.

As most businesses found themselves back to or near pre-pandemic production levels by the second quarter of 2021, it came with drastic changes to compensation packages. When the labor force started to return, they did so with a new ideology. When competition increased regarding acquiring elite talent, salaries skyrocketed, and so did the demand for flexibility, revamped benefits, and better work-life integration. According to Forbes, 80% of Americans expected their employer to provide them the flexibility to work remotely multiple days a week, and 82% expected to be granted flexible hours. Employees' newfound value on home-life and being present sparked the push for flexible hours. Flexible hours can mean anything from leaving work for appointments and family events to starting days later or ending earlier. Flexibility is so valued that 77% of American employees said they would take a lower-than-market-salary to achieve it. Compensation packages are no longer attractive when based on salary alone. It became necessary to provide a balance of monetary value, freedom with flexibility, and new and improved culture. In addition to flexibility, candidates are also looking to work for companies with strong leadership teams who listen to employees and colleagues who are highly collaborative, according to Quantum Workplace. Candidates now use words like "supportive," "innovative," and "diverse" when describing their ideal organizational culture.

A look ahead

As the market still has not completely found its footing, employers have widened their focus from a strict talent acquisition mindset to putting emphasis on talent retention which begins and ends with culture. Culture has been the buzzword for the entirety of 2022 as candidates are balancing their desire for a bigger paycheck, more flexibility and wanting a more engaging day-to-day experience. Quantum Workplace reported that employees chose "a strong mission and values statement" as the top aspect that makes them feel company culture the strongest. It will be necessary for business leaders to continually reevaluate their values, mission, and vision statements to ensure the message they are trying to communicate inspires engagement and aligns with their workforce. It will also be essential for companies to incorporate new methods to engage with their remote employees as the demand to work from home remains steady. It is proven that highly engaged employees are the basis of every successful organization.

If the pandemic taught us anything, it is that change is inevitable. Undoubtedly, the labor market will continue to face new pressures and businesses must operate under the mindset that **people are their greatest asset because it is true.**



With that said, many of these hiring 'disruptions' are felt more by some industries than others. Some organizations have continued capitalize by acquiring top from their competitors while iron is hot and making long term investments in their future."

Jesse Jackman
Head of Staffing & Recruiting



Winning Culture

What separates leading organizations from the rest of the pack is the **thought, passion, time, and energy** put into every pillar that builds their culture. A winning culture begins with a **company's values** and ensures that every member of an organization is represented and accounted for. In years past, culture was seen as offering competitive salaries, attractive benefits packages, casual Fridays, and having alcoholic beverages stocked for happy hours. Although the concepts listed can be a part of company culture, they are not the culture itself. The foundation of culture should be robust and include **actionable mission and vision statements**, as well as a specific and meaningful set of values in which decisions are based upon.

Companies can create a greater sense of comradery if they have values that their employees can get behind and passionately believe in. Team members will be more engaged if there are shared interests in company impact pillars and initiatives. DEI has also become a prominent aspect of a winning culture as companies focus on initiatives that provide employees with opportunities to work with others from diverse backgrounds and unfamiliar experiences.

As countless organizations have adopted some form of remote flexibility, establishing a remote culture is just as crucial as an in-person one. Building out processes and adopting the necessary technology to ensure remote employees **feel connected** during meetings and gatherings is imperative. A study conducted by Stanford shows that people who are encouraged to collaborate stick to a given task 64% longer than people who work alone. So, when remote workers don't feel they can effectively collaborate with their peers, job performance suffers.

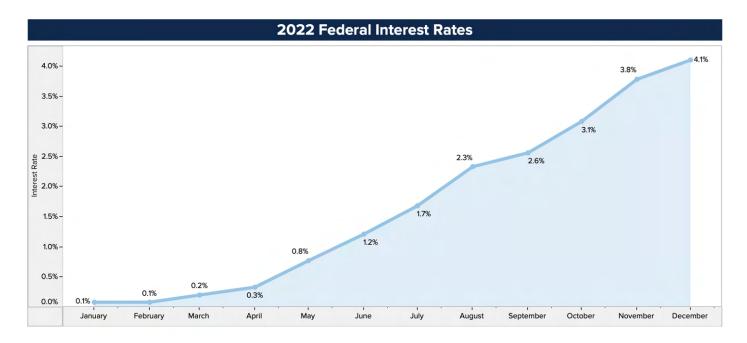
The days of offering higher salaries to compensate for not having a winning culture have diminished, as the new generation of employees have a powerful desire to work for companies they **deeply believe in.**

Culture is an ever-changing existential feature that company leaders must work to constantly improve upon and add to. To attract top talent, you must find ways to retain top talent. People want to join organizations that value them and consistently put action behind their words, mission and vision statements. When it comes to building a great team and gaining an edge over the competition, having established a winning culture is imperative.



FTS team at the 2022 RocTop100 awards ceremony

Construction Industry



In 2021, many Americans participated in micro-migrations in search of maximum housing affordability, accelerating the housing shortage which reached 6.8 million. To combat the shortage, builders ramped up their production and hiring efforts to keep up with the demand. A **talent shortage was imminent** when builders nationwide began to hire in masses due to demand surges for new homes. As builders fought to acquire the best talent, many companies inflated salaries to get ahead of the competition; resulting in record high compensation in various markets.

2022 continued to be bumpy terrain for many homebuilders to navigate despite many record profits. If supply shortages weren't troubling enough at the beginning of 2022, the Federal Reserve increased interest rates in July, causing a sharp decrease in consumer demand across the product spectrum. While the high-interest rates have helped to regulate the supply chain and cost of materials, many builders have been forced to adapt by cutting costs through deep reductions in workforce, which is something we believe we will continue to see through the first half of 2023. As a byproduct, we expect employee salaries to stabilize closer to the salaries in 2019.

Although builders are tightening their belts, we expect operational and marketing executive talent searches to continue to increase. Having the right operating and marketing strategies in place becomes imperative to optimize production efficiency gains, as well as product and brand market share during times like these.

As the homebuilding landscape continues to evolve with the economy, builders across the US are presented with a strong opportunity to build better businesses across all disciplines, through their people, processes, relationships and culture. In 2023, US homebuilders must focus deeply on **innovation**, **process improvement**, **employee retention strategies**, and **staff development**. Focusing on the areas that builders are in full control over will position firms to come out of this downturn stronger in every category.

Process Automation & Optimization

In the last 20 years, we have seen technology evolve swiftly, but over the last three years alone, the growth of technology has skyrocketed. With the seemingly endless availability of data, many companies are investing heavily into automation, and the talent needed to build and program the machines to become more productive, cost-effective and increase overall performance. Today, many tasks that used to be completed manually are done through automation, whether it be with robotics or task-specific software. Through automation, process optimization is also being heavily affected. With new software being introduced regularly, companies are staying competitive by continually improving processes with a focus on automating mundane tasks. In doing so, employees are enabled to focus on more complex challenges that will ultimately **drive the real growth** of the business.

Although these advancements have created plenty of excitement, many members of the general workforce are apprehensive and asking, "Will machines replace humans?" The truth is, human intelligence still is, and will be, very much needed. The developments in artificial intelligence and automation will just create leaner, more efficient organizations.

Employees around the globe are constantly bogged down by general minutiae of their day-to-day roles. These advancements in technology will free up the **greatest asset** of all - **time**. Optimized workflows and additional headspace will provide employees with more quality time to make informed decisions and think strategically. In theory, we could see **breakthrough solutions** of all kinds come about much faster than previous generations.

As businesses around the globe begin to dive deep into the world of Al and automation, the demand for controls, automation, software and hardware engineers is going to boom. Utilizing and developing sophisticated **Al was inevitable**; the pandemic just expedited the time horizon. In the coming years, Al will be table stakes for any business as automation simplifies, localizes, and maximizes routine functions.



The efforts of the last 5-7 years to move into more automation, specifically in manufacturing, became more front facing in 2022. The companies willing to invest in the talent and technology (AI & Robotics) associated, will maximize stakeholder value and ultimately be rewarded the most in the long run.

Andrew Davis, Principal Recruiter





In 2022, FTS was proud to build upon the work we began in 2021 with our 501 ©3 non-profit, the FTS Foundation. At its core, the FTS Foundation is a vehicle for economic and social growth that aims to make a meaningful impact on the communities that FTS serves. In 2022, the Foundation not only received a new look and feel, but we also refined our core pillars of impact to better communicate our mission and the work we are doing in the surrounding areas. In 2023, we are excited to continue establishing deep relationships and amplifying our impact on the communities where we live, work and play.

What we invest in:



Earth & Climate

Carbon capture: Reducing our local and global community's carbon footprint through afforestation efforts, climate education & awareness, and ESG efforts.

Community development: Rehabilitation projects, community volunteerism and resource allocation towards our community's programming, beautification, infrastructure enhancements, etc.

Natural disaster relief: Partnering closely with organizations to provide resources and support in time of need and recovery.



Flourishing Communities

Ending homelessness: Financial support for rental assistance, general shelter programs & food drives, resource donation volunteering, etc.

Job creation, workforce development & education: Financial support to local organizations that are creating & retaining jobs and upskilling talent within our local communities.

Disaster & hardship relief: Supporting the businesses that make up our local economies through hardship grants.



\$117,924

in FTS Community Contributions



300+

Hours Donated

Organizations assisted:











Community Partnerships & Social Impact





Through our partnership with One Tree Planted, FTS's efforts resulted in **4,410** trees being planted across the globe this year. The trees we planted can be found in **India, Mexico, British Columbia, Australia** and the **United States**. One Tree Planted is on a mission to help global reforestation efforts and for every deal we close at FTS, 10 trees are planted around the world in ecosystems that need it most.









GRE

At FTS, we are passionate about investing in our local communities and making a lasting impact on those around us. One way we do this is by partnering with Greater Rochester Enterprise, which provided more than \$1.2 billion of economic development to the greater Rochester region in 2022. After partnering for two years and witnessing the impact an organization like GRE has on communities, we are excited and steadfast to continue growing our partnership and value creation with them for many years to come.

UVC

UVC is an entrepreneur-led nonprofit on a mission to connect and empower Upstate NY entrepreneurs and start-ups with the resources needed for building high-growth tech companies. Through our partnership with UVC, we leverage our own network and resources to help **bolster the greater Western/Upstate NY startup ecosystem**. We are all-in on playing our part in making this region reach its maximum potential and look forward to continuing our impactful partnership with the entire UVC team.



Business Units

Data

Our goal at FTS has been to explore ways in which we can provide outsized value to our future and current stakeholders. The last few years have shattered the assumptions of what the best talent acquisition leaders knew to be true about attracting and retaining talent. As a result, we have recognized an increased need for deep and actionable data and insights.

The FTS Data and Research arm will offer custom reports using data and analytics to support our stakeholders in making critical decisions as it relates to talent and business strategy. The data reports will be curated to address the exact business challenges our stakeholders are facing; from understanding the talent pool for a very specific set of skills, to abstract variables that may impact compensation expectations. Our stakeholders will be able to leverage reports like these to answer questions relating to acquisitions, new market entry, internal equity and retention, competition for talent and much more. Our team will handle the report from start to finish, leaving our stakeholders with a clear interpretation of the results and strategic recommendations.

We spent 2022 creating the strategic framework of this offering, building internal infrastructure, identifying best-in-class partners, and building strong relationships to ensure we can deliver an exceptional experience. We worked closely with partners to launch a minimum viable product and gathered insight about maximizing the value of our product and overall experience. Through the first half of 2023, we are committed to continued testing and refinement before going to market with our first entry into the data and analytics space.

Ventures

FTS Venture Partners is FTS's corporate venture arm which focuses on investing directly into early-stage technology startups, and venture capital fund LP opportunities. Our newest entity enables us to directly invest into our existing and future startup clients that need capital, while providing a host of value-add services through our core business in staffing/search, leveraging our existing networks, our data & research arm, and a variety of flexible consulting services.

We are proud to announce that in 2022 we made our first investment through an SPV of StartFast Ventures Fund II, in a high-growth HR Tech startup called Kanarys, based in Dallas, TX. We also committed to Far Out Ventures Fund I as an active LP. In 2023, we will continue to have an eye out for opportunistic investments in both startups and VC funds throughout the country.

Our long-term vision is to be a top performing, active corporate venture fund throughout Upstate NY, with an in-house recruiting team dedicated exclusively to our portfolio companies.



Rebrand

Logo

In July of 2022, we officially launched our rebrand and are proud of everything it stands for. What you see in the background is a display of the process we went through with our partners at ninetytwo, to find the perfect visual representation of us. In late 2021, we realized we had outgrown what our previous logo stood for. We wanted our logo and updated branding to portray our long-term mission and vision, while showcasing the company we are becoming.

Logo designed by: **ninety**



Mission & Vision Statements

Although our core virtues haven't changed, our team, mission, and vision have grown immensely. After months of discussion, we decided to enhance our mission and vision statements to match the direction our company is headed.

The FTS Mission

Create Value. Build Partnerships.

Accelerate Growth. Inspire Change.

The FTS Vision

We are building a leading global enterprise centered around creating stakeholder value while doing business differently.

FTS Over the Years



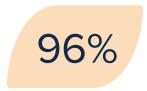


2011-2017

2018-2022

Current

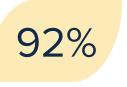
Our Culture



of employees stated they feel their values align very closely with those of FTS



of employees stated they feel FTS provides an abundance of opportunities for growth



FTS provides opportunities to strengthen relationships with my colleagues

Flexibility

At FTS, we understand that **flexibility means something different to everyone**. We spend time learning what it means to each of our team members and believe that if employees **demonstrate high performance** through their actions and results, employees should be given a large amount of flexibility in return. Whether it's flexible hours, offering hybrid work opportunities, or providing various types of workspaces throughout our offices, we understand the value of flexibility and its effect on an individual's well-being. We also encourage team members to come to us when life happens so we can work together to find a **unique solution to their unique situation**. Our collaborative nature allows us to provide flexibility for all employees and we take pride in providing consistent support to our team members.

Team Building

Providing a wide variety of growth opportunities, both personally and professionally, is something we are incredibly passionate about here at FTS. We believe everyone should **have a path for growth** no matter what position they are hired for. We take an **individualistic approach** to growth, developing unique plans and milestones for each employee, pending their specific career aspirations. FTS invests deeply in internal upskilling by **providing technology, mentorship, and resources** to accelerate the individual's growth process. It's our belief that hard work should be rewarded and because of that individual growth opportunities are presented at the right time for the individual and not just when a position is vacated. We have massive plans for expansion and know we can only achieve it if our employees grow in lockstep.

Professional Growth

Team building strengthens communication, cooperation, collaboration, and overall workplace comradery. Throughout the year, we get our **entire team together** through various activities and events to help build our team-wide connections. The more comfortable employees feel interacting with each other and being their authentic selves, the more successful our organization will be. Whether it's our annual company retreat, participating in our ongoing volunteer efforts, attending award ceremonies, or competing in monthly wellness competitions, **we prioritize building relationships** with our peers.

Circle of Lasting Impact

Our belief is that changing one life can impact change at scale, from an individual all the way to community. We believe that the 441 individuals we placed this year will have a ripple effect and have a profound impact on the individuals' families, new organizations, and communities.



"Taylor took the time to understand what was important to me and why I was looking for a change, and quickly put together a plan with various options. Within a few days, I had multiple interviews lined up for jobs that I am not sure I would have been able to market myself for without her. She believed in me and my abilities and set me up for success from the very beginning. As a mom and wife, the new hybrid schedule, coupled with the dramatic increase in salary, is absolutely life changing for my family."

Emily Lee - Carrier Enterprise

Create Value.

Build Partnerships.

Accelerate Growth.

Inspire Change.

