

MANPOWER INC /WI/
Form 10-K
February 20, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934:

For the fiscal year ended December 31, 2008

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission File No. 1-10686

MANPOWER INC.
(Exact name of registrant as specified in its charter)

WISCONSIN
(State or other jurisdiction of
incorporation or organization)

39-1672779
(I.R.S. Employer
Identification No.)

100 MANPOWER PLACE
MILWAUKEE, WISCONSIN
(Address of principal executive offices)

53212
(Zip Code)

Registrant's telephone number, including area code: (414) 961-1000

Securities registered pursuant to Section 12(b) of the Act:

Edgar Filing: MANPOWER INC /WI/ - Form 10-K

Title of each class

Name of Exchange on which registered

Common Stock, \$.01 par value

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by nonaffiliates of the registrant was \$4,623,783,615 as of June 30, 2008. As of February 17, 2009, there were 78,353,899 of the registrant's shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II incorporate information by reference from the Annual Report to Shareholders for the fiscal year ended December 31, 2008. Part III is incorporated by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 2009.

PART I

The terms “Manpower,” “we,” “our,” “us,” or “the Company” refer to Manpower Inc. or Manpower Inc. and its consolidated subsidiaries, as appropriate in the context.

Item 1. Business

Introduction and History

Manpower Inc. is a world leader in the employment services industry. Our global network of over 4,400 offices in 82 countries and territories allows us to meet the needs of our clients in all industry segments, whether they are global, multinational or local companies. By offering a complete range of services, we can help any company – no matter where they are in their business evolution – raise productivity through improved strategy, quality, efficiency and cost reduction across their total workforce.

Manpower Inc.’s five major brands – Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management – provide a comprehensive range of services for the entire employment and business cycle including:

◆ Permanent, temporary and contract recruitment – We find the best people for all types of jobs and industries at both the staff and professional levels under the Manpower, Manpower Professional and Elan brands.

◆ Employee assessment and selection – We provide a wide array of assessments to validate candidate skills and ensure a good fit between the client and the employee, which leads to higher employee retention rates.

◆ Training – We offer an extensive choice of training and development solutions that help our employees, associates and clients’ workforces to improve their skills and gain qualifications that will help them to succeed in the ever-changing world of work.

◆ Outplacement – Our Right Management brand is the world’s leading outplacement provider, helping our clients to better manage the human side of change by providing a positive way for employees who are transitioning out to make the right choice for the next step in their career. The countercyclical nature of the outplacement industry helps strengthen our portfolio during down economic cycles.

◆ Outsourcing – Under Manpower Business Solutions (MBS), we provide clients with outsourcing services related to human resources functions primarily in the areas of large-scale recruiting and workforce-intensive initiatives that are outcome based, thereby sharing in the risk and reward with our clients. Our solutions include: task outsourcing, vendor management, onsite HR services and Recruitment Process Outsourcing (RPO), where we are one of the largest providers of permanent and contingent recruitment in the world.

◆ Consulting – We are a leading global provider of integrated consulting solutions across the employment lifecycle. We help clients maximize the return on their human capital investments while assisting individuals to achieve their full potential. Our Right Management brand helps clients attract and assess top talent; develop and grow leaders; and engage and align people with strategy.

◆ Professional Services – Our Jefferson Wells brand is a high-value alternative to public accounting firms and other consulting groups, delivering professional services in the areas of internal controls, tax, technology risk management, and finance and accounting.

This comprehensive and diverse business mix allows us to mitigate the cyclical effects of the national economies in which we operate.

2

Our leadership position also allows us to be a center for quality employment opportunities for people at all points in their career paths. In 2008, we found permanent and temporary jobs for four million people who work to help our more than 400,000 clients meet their business objectives. Seasoned professionals, skilled laborers, mothers returning to work, elderly persons wanting to supplement pensions and disabled individuals – all turn to the Manpower group of companies for employment. Similarly, governments of the nations in which we operate look to us to help reduce unemployment and train the unemployed with skills they need to enter the workforce. In this way, our company is a bridge to permanent employment for those who desire it.

We, and our predecessors, have been in business since 1948, with shares listed on the New York Stock Exchange since 1967.

Our Internet address is www.manpower.com. We make available through our Internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. In addition, we also make available through our Internet website:

- our articles of incorporation and bylaws
- our Manpower Code of Business Conduct and Ethics
- our Corporate Governance Guidelines

the charters of the Audit, Executive Compensation and Nominating and Governance Committees of the Board of Directors

- our guidelines for selecting board candidates
- our categorical standards for relationships deemed not to impair independence of non-employee directors
- our policy on services provided by independent auditors, and
- our regular update on corporate social responsibility.

Documents available on the website are also available in print for any shareholder who requests them. Requests may be made by writing to Mr. Kenneth C. Hunt, Secretary, Manpower Inc., 100 Manpower Place, Milwaukee, Wisconsin 53212. We are not including the information contained on or available through our website as a part of, or incorporating such information by reference into, this Annual Report on Form 10-K.

Our Operations

United States

In the United States, our operations under the Manpower and Manpower Professional brands are carried out through both branch and franchise offices. We had 547 branch and 240 stand-alone franchise offices in the United States as of December 31, 2008, as well as on-site locations at clients with significant permanent, temporary and contract recruitment requirements. We provide a number of central support services to our branches and franchises, which enable us to maintain consistent service quality throughout the United States regardless of whether an office is a branch or franchise. We provide client invoicing and payroll processing of our contingent workers for all branch offices and some of our franchise offices through our Milwaukee headquarters.

Our franchise agreements provide the franchisee with the right to use the Manpower® or Manpower Professional® service mark and associated marks in a specifically defined exclusive territory. In the United States, franchise fees range from 2-3% of franchise sales. Our franchise agreements provide that in the event of a proposed sale of a franchise to a third party, we have the right to repurchase the franchise at the same price and on the same terms as proposed by the third party. We exercise this right and intend to continue to do so in the future if opportunities arise with appropriate prices and terms.

In the United States, our Manpower operations provide a variety of employment services, including permanent, temporary and contract recruitment, assessment and selection, training and outsourcing. During 2008, approximately 27% of our United States temporary and contract recruitment revenues were derived from placing office staff, including contact center staff, 52% from placing industrial staff and 21% from placing professional and technical staff.

We also conduct business in the United States under our Jefferson Wells and Right Management brands. These operations are discussed further in the following sections.

France

We are a leading employment service provider in France. We conduct our operations in France and the surrounding region through 958 branch offices under the name of Manpower and 93 branch offices under the name Supplay.

The employment services market in France calls for a wide range of our services including permanent, temporary and contract recruitment, assessment and selection, and training. The temporary recruitment market is predominately focused on recruitment for industrial positions. In 2008, we derived approximately 67% of our temporary recruitment revenues in France from the supply of industrial staff, 18% from the supply of construction workers and 15% from the supply of office staff.

We also conduct business in France under our Jefferson Wells, Elan and Right Management brands. These operations are discussed further in the following sections.

Europe, Middle East and Africa (excluding France and Italy), or Other EMEA

We are a leading provider of permanent, temporary and contract recruitment, assessment and selection, training and outsourcing services throughout Europe, the Middle East and Africa. Our largest operations are in Germany, the Netherlands, Norway, Spain, Sweden, and the United Kingdom. Collectively, we operate through 1,233 branch offices and 52 franchise offices in this region. Our franchise offices are primarily located in Switzerland, where we own 49% of the franchise.

Manpower U.K., the largest operation in the Other EMEA segment, comprising 13% of Other EMEA revenues, is a leading provider of employment services in the United Kingdom. As of December 31, 2008, Manpower U.K. conducted operations in the United Kingdom under the Manpower and Manpower Professional brands through a network of 116 branch offices and also provided on-site services to clients who have significant permanent, temporary and contract recruitment requirements. During 2008, approximately 68% of Manpower U.K.'s temporary recruitment revenues were derived from the supply of office staff, including contact center staff, 20% from the supply of industrial staff and 12% from the supply of technical staff.

We also own Brook Street Bureau PLC, or Brook Street, which operates through a total of 115 branch offices, separate from the Manpower and Manpower Professional brands in the United Kingdom. Its core business is secretarial, office and light industrial recruitment. Brook Street operates as a local network of branches supported by a national head office and competes primarily with local or regional independents. Brook Street's revenues are comprised of temporary and contract placements as well as permanent recruitment.

Also included in our Other EMEA operations is Elan, which is a leading IT and technical recruitment firm. In addition to IT and technical recruitment, Elan provides managed service solutions to clients, which enable them to recruit personnel efficiently and achieve ongoing cost savings. Elan provides services in 16 countries, with the largest operations in the United Kingdom.

During 2008 for our Other EMEA operations, approximately 34% of temporary and contract recruitment revenues were derived from placing office staff, 29% from placing industrial staff and 37% from placing professional and technical staff.

We also conduct business in Other EMEA under our Jefferson Wells and Right Management brands. These operations are discussed further in the following sections.

Italy

In Italy, we are a leading employment services provider and conduct our operations under the Manpower and Manpower Professional brands through a network of 460 branch offices. Our Manpower operations in Italy provide a comprehensive line of employment services including permanent, temporary and contract recruitment, assessment and selection, training and outsourcing. In 2008, approximately 3% of our temporary and contract recruitment revenues in Italy were derived from placing office staff, including contract center staff, 75% from placing industrial staff and 22% from placing professional and technical staff.

We also conduct business in Italy under our Elan, Jefferson Wells and Right Management brands. The latter two operations are discussed further in the following sections.

Jefferson Wells

Jefferson Wells delivers professional services in the areas of internal audit, technology risk management, tax, and finance and accounting. The company serves clients, including Fortune 500, FTSE 350 and Global 1000 companies, through highly experienced, salaried professionals working from offices worldwide. Jefferson Wells does not perform attestation work. Its unique business model emphasizes seasoned professionals with public accounting and industry experience. Jefferson Wells focuses on client needs and delivers independent, cost-effective results by providing solutions across a wide range of finance-related business functions.

Jefferson Wells employs only experienced professionals. Its mission has always been to provide exceptional service at competitive rates by putting resources into local offices, rather than a centralized, partner-based organization. This allows the company to keep their fees reasonable, with experts available locally and travel and lodging expenses nominal or non-existent. Jefferson Wells' professionals have extensive experience in a variety of industries, including: automotive, business services, communications, construction, education, energy and utilities, financial services, government, healthcare, hospitality, insurance, retail, technology and manufacturing.

Jefferson Wells has operations in the United States, Canada, England, Germany, The Netherlands, South Africa and Hong Kong through 36 offices, and delivers services in more than 30 countries and markets worldwide.

Right Management

Right Management is the world's leading provider of integrated human capital consulting services and solutions across the employment lifecycle. Right Management helps clients maximize the return on their human capital investments while assisting individuals to achieve their full potential. Right Management, operates from 283 branch offices in 51 countries across the Americas, Europe and Asia Pacific, and 12 franchise offices in the United States, serving large and medium-sized businesses in all industries, including 80% of the Fortune 500 and 50% of the Global 1000.

Transition services offer assistance to individuals or groups of employees displaced from employment. Services range from advising employers on severance packages to assisting displaced employees with resume writing, networking and interviewing skills. Services to displaced employees are provided in individual or group programs.

Managerial-level employees generally receive longer-term, individual services, while less-senior employees receive shorter-term, group-based services. Programs frequently begin with the displaced employee receiving counseling immediately after the layoff notification, followed by a combination of classroom training, support services and web-based tools to guide them along the remainder of the outplacement process.

Organizational Consulting services help companies succeed in managing their evolving human capital needs. For most organizations around the globe, the development of current and future leaders is a top priority. Right Management's world-class and world-wide approach to individual coaching and leadership development focuses on improving the effectiveness of both leaders and teams to achieve real business results for their employer. Right Management assists organizations to evaluate their potential and current talent base through assessment and competency modeling processes that ensure the optimal organizational design and fit of individuals. In addition to assessing and developing talent, Right Management provides regional and global clients with consulting solutions that drive organizational effectiveness, employee engagement, and alignment of the workforce through customized tools, interventions, and workshops. Right Management's deep expertise helps organizations address the essential issues of assessing, developing, engaging and retaining the talent required to successfully drive their business strategy.

Other Operations

We operate under the Manpower and Manpower Professional brands through 564 branch offices and 15 franchise offices in the other markets of the world. The largest of these operations are located in Australia, Japan, Mexico and Argentina, all of which operate through branch offices, and Canada, which operates through branch and franchise offices. Other operations are located throughout the Americas and Asia and operate through branch and franchise offices. In most of these countries, we primarily supply contingent workers to the office, industrial, and technical markets, which were 45%, 42%, and 13% of temporary and contract recruitment revenues, respectively.

Competition

Introduction

We compete in the employment services industry by offering a complete range of services, including permanent, temporary and contract recruitment, assessment and selection, training, outsourcing, consulting and professional services.

Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of U.S. Dollars in annual revenues. It is also a highly competitive industry, reflecting several trends in the global marketplace such as the notably increasing demand for skilled people, employers' desire for more flexible working models and consolidation among clients and in the employment services industry itself. We manage these trends by leveraging established strengths, including one of the employment services industry's most recognized and respected brands; geographic diversification; size and service scope; an innovative product mix; and a strong client base. While staffing is an important aspect of our business, our strategy is focused on providing both the skilled employees our clients need and high-value workforce management, outsourcing and consulting solutions.

Client demand for employment services is dependent on the overall strength of the labor market and secular trends toward greater workforce flexibility within each of the countries and territories in which we operate. Improving economic growth typically results in increasing demand for labor, resulting in greater demand for our staffing services. Correspondingly, during periods of weak economic growth or economic contraction, the demand for our staffing services typically declines, while demand for our outplacement services typically accelerates.

During the last several years, secular trends toward greater workforce flexibility have had a favorable impact on demand for our services in several markets. As companies attempt to increase the variability of their cost base, the contemporary work solutions we provide help them to effectively address the fluctuating demand for their products or services.

Our client mix consists of both small- and medium-size businesses, which are based upon a local or regional relationship with our office network in each market, and large national/multinational client relationships, which comprised approximately 42% of our revenues in 2008. These large national and multinational clients will frequently enter into non-exclusive arrangements with several firms, with the ultimate choice among them being left to the local managers. As a result, employment services firms with a large network of offices compete most effectively for this business which generally has agreed-upon pricing or mark-up on services performed. Client relationships with small- and medium-size businesses tend to rely less upon longer-term contracts, and the competitors for this business are primarily locally-owned businesses.

Recruitment Services Market

Our portfolio of recruitment services includes permanent, temporary and contract recruitment of professionals, as well as administrative and industrial positions. It also includes our Recruitment Process Outsourcing (RPO) offering, where we take on the management of customized, large-scale recruiting and workforce productivity initiatives for clients in an exclusive outsourcing contract. All of these services are provided under the Manpower, Manpower Professional and Elan brands.

The temporary recruitment market throughout the world is large and highly fragmented with more than 15,000 firms competing throughout the world. The global RPO market was approximately \$4 billion in 2008 and is projected to more than double to \$7 billion by 2010. RPO accounts for approximately 4-5% of the overall Human Resource Outsourcing market. In addition to us, the largest publicly owned companies specializing in recruitment services are Adecco, S.A. (Switzerland), Randstad Holding N.V. (Netherlands) and Kelly Services, Inc. (U.S.).

Historically, in periods of economic prosperity, the number of firms providing recruitment services has increased significantly due to the combination of a favorable economic climate and low barriers to entry. Recessionary periods generally result in a reduction in the number of competitors through consolidation and closures; however, historically this reduction has proven to be for a limited time as the following periods of economic recovery have led to a return in growth in the number of competitors.

Due to the difficult economic environment that arose in the latter half of 2008, we believe many of our smaller, local competitors will struggle and we anticipate further consolidation in the near term. We view this as an opportunity to take market share in 2009.

In most areas, no single company has a dominant share of the temporary and contract recruitment market.

Recruitment firms act as intermediaries in matching available permanent, temporary and contract workers to employer assignments. As a result, these firms compete both to recruit and retain a supply of permanent, temporary and contract workers and to attract clients to employ these workers. We recruit permanent, temporary and contract workers through a wide variety of means, including personal referrals, online resources and advertisements, and by providing an attractive compensation package in jurisdictions where such benefits are not otherwise required by law, including health insurance, vacation and holiday pay, incentive and pension plans and a recognition program.

Methods used to market recruitment services to clients vary depending on the client's need for permanent, temporary and RPO services, the local labor supply, the length of assignment and the number of workers required. Our full range of employment services and multiple brands enable us to cross-market to clients in order to leverage our relationships and expand our services provided, from outplacement services at Right Management to permanent recruitment services at Manpower Professional, to RPO services, etc. We compete by means of quality of service provided, scope of service offered, ability to source the right talent and price. Success in providing high quality recruitment services is a function of the ability to access a supply of available workers, select suitable individuals for a particular assignment and, in some cases, train available workers in skills required for an assignment. For RPO services, success is defined primarily by the ability to perform the recruitment function more effectively and efficiently than the client could perform those functions internally.

An important aspect in the selection of temporary and contract workers for an assignment is the ability of the recruitment firm to identify the skills, knowledge, abilities, and personal characteristics of a temporary worker and match their competencies or capabilities to an employer's requirements. We have a variety of proprietary programs for identifying and assessing the skill level of our associates, which are used in selecting a particular individual for a specific assignment. We believe that our assessment systems enable us to offer a higher quality service by increasing productivity, decreasing turnover and reducing absenteeism.

It is also important to be able to access a large network of skilled workers and to be able to "create" certain hard-to-find skills by offering training to available workers. Our competitive position is enhanced by our ability to offer a wide variety of skills, in some of the most important market segments, through the use of training systems. Our Manpower Direct TrainingSM online university provides over 5,000 hours of online courses that are accessible 24/7 and are free to our employees and associates to help them improve their skills. The courses cover a wide range of subjects in many languages and feature the latest information for a variety of fields, from learning the latest technology in the IT field, to brushing up on business management courses or software programs. This training can also enable students in any profession to further develop their skills, improve their employability and earn higher wages.

Outplacement and Human Resource Consulting Services Market

Our outplacement and Human Resource consulting services are primarily provided under the Right Management brand. The market for outplacement and HR consulting services is highly competitive. In the market for services required by global clients, there are several barriers to entry, such as the global coverage, specialized local knowledge and technology required to provide outstanding services to corporations on a global scale.

Our competitors in the outplacement market include outplacement services firms such as Drake Beam Morin, Lee Hecht Harrison (owned by Adecco); and career service divisions of global employment services firms. Additionally, there are regional firms and numerous smaller boutiques operating in either limited geographic markets or providing limited services. Our competitors in the HR consulting space include major firms that compete in serving the large employer worldwide, such as Mercer Delta, Towers Perrin, Watson Wyatt, DDI and Hewitt Associates; boutique firms comprised primarily of professionals formerly associated with the firms mentioned above; and newer to this market, some of the human resource IT firms that are starting to compete in the HR space (e.g. Kenexa). While public accounting and consulting firms such as PricewaterhouseCoopers and Deloitte & Touche have been competitors in the past, these firms represent less direct competition due to a reduction in their consulting businesses as a result of the Sarbanes-Oxley Act legislation.

Companies choose to provide outplacement services for several reasons. First, as the competition for attracting and retaining qualified employees increases, companies are increasingly attempting to distinguish themselves in the marketplace as attractive employers. Consequently, more companies are providing outplacement services as part of a comprehensive benefits package that provide for the well being of employees – not only during their period of employment, but also after their employment ceases. Additionally, when companies experience layoffs, many believe that providing outplacement services projects a positive corporate image and improves morale among the remaining employees. Finally, companies may provide outplacement services to reduce costs by preparing and assisting separated employees to find new employment, thereby diminishing employment-related litigation.

Companies choose Right Management for the high-tech, high-touch approach of our outplacement services and the flexibility of our solutions to meet specific organizational and candidate needs. Our technology solutions are integral to our outplacement services. We have made significant investments in technology to augment our core services with online, 24/7 access and support for both clients and candidates. Our solutions include: Right Navigator TM, RightChoice TM, RightTrack SM, Right-from-Home [®], Right Connection [®], Right FasTrack SM, Right Access SM iView TM and Wellness and Productivity Management along with Job Banks and Resume Banks.

Companies augment their internal human resources professional staff with external consultants for many reasons. First, the growing importance and complexity of employee issues is creating an unprecedented theoretical and technical service expectation on human resources departments. Additionally, human resources departments have continued pressure to contain costs without minimizing the resources available to managers. Finally, companies increasingly choose to outsource non-core functions that can be addressed more effectively by outside professionals. These organizations look to Right Management for thought leadership and best practices on attracting and assessing organizational talent, leadership development and engaging and aligning the workforce.

Professional Services

Jefferson Wells competes in the professional services industry as a high-value alternative to public accounting firms and other consulting groups, serving clients through highly experienced, salaried professionals working from offices worldwide.

The professional services industry is highly competitive and comprised of public accounting firms, mid-level consulting firms and specialty consulting houses. The “Big Four” public accounting firms are Deloitte & Touche, Ernst & Young, PricewaterhouseCoopers and KPMG. Competitors in the professional services market include Protiviti, Grant Thornton, Parson Consulting, Robert Half International and Resources Global Professionals. Additionally, numerous smaller boutiques either operate in limited geographic markets or provide limited services. While public accounting and consulting firms can be primary competitors, these firms also frequently refer Jefferson Wells to assist clients with engagements where there are conflict-of-interest concerns. Jefferson Wells does not perform attestation work, enabling the firm to provide an objective review of a client’s business processes, and avoiding potential conflicts of interest.

In an evolving global marketplace, a variety of market trends affect the professional services industry, primary among them are: increasing demand for highly experienced people, global business expansion with a need for consistent methodology and service delivery, and the high cost of full-time professionals with specialized skills.

Jefferson Wells has developed a variety of proprietary methodologies and tools, including a firm-wide Service Quality Process used on every engagement. Jefferson Wells identifies and confirms business needs and then employs proven approaches to provide client solutions. The firm’s competitive advantage resides in the combination of Jefferson Wells’ methodologies and highly experienced resources, which enables the firm to offer a higher level of service delivery to clients.

Jefferson Wells serves numerous industries, with the largest concentration in financial services, manufacturing, energy and utilities, and healthcare.

Regulation

The employment services industry is closely regulated in all of the major markets in which we operate, except the United States and Canada. Employment services firms are generally subject to one or more of the following types of government regulation:

- regulation of the employer/employee relationship between the firm and its temporary and contract employees,
- registration, licensing, record keeping and reporting requirements, and
- substantive limitations on the operations or the use of temporary and contract employees by clients.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on our operations and the ability of clients to use our services. In some markets, labor agreements are structured on an industry-wide, rather than company-by-company, basis. Changes in these collective bargaining agreements have occurred in the past and are expected to occur in the future and may have a material impact on the operations of employment services firms, including us.

In many countries, including the United States and the United Kingdom, employment services firms are considered the legal employers of temporary and contract workers. Therefore, laws regulating the employer/employee relationship, such as tax withholding or reporting, social security or retirement, anti-discrimination and workers' compensation, govern the firm. In other countries, employment services firms, while not the direct legal employer of temporary and contract workers, are still responsible for collecting taxes and social security deductions and transmitting such amounts to the taxing authorities.

In many countries, particularly in continental Europe and Asia, entry into the employment services market is restricted by the requirement to register with, or obtain licenses from, a government agency. In addition, a wide variety of ministerial requirements may be imposed, such as record keeping, written contracts and reporting. The United States and Canada do not presently have any form of national registration or licensing requirement.

In addition to licensing or registration requirements, many countries impose substantive restrictions on the use of temporary and contract workers. Such restrictions include regulations affecting the types of work permitted, the maximum length of assignment, wage levels or reasons for which temporary and contract workers may be employed. In some countries special taxes, fees or costs are imposed in connection with the use of temporary and contract workers. For example, temporary and contract workers in France are entitled to a 10% allowance for the uncertain duration of employment, which is eliminated if a full-time position is offered to them within three days after assignment termination. In some countries, the contract of employment with temporary and contract employees must differ from the length of assignment.

Our outplacement and consulting services generally are not subjected to governmental regulation in the markets in which we operate.

In the United States, we are subject to various federal and state laws relating to franchising, principally the Federal Trade Commission's Franchise Rules and analogous state laws which impact our agreements with our franchised operations. These laws and related rules and regulations impose specific disclosure requirements. Virtually all states also regulate the termination of franchises.

Also see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Legal Regulations."

Trademarks

We maintain a number of registered trademarks, trade names and service marks in the United States and various other countries. We believe that many of these marks and trade names, including Manpower®, Manpower Professional®, Right Management Consultants®, Jefferson Wells®, Brook Street®, Elan®, Ultraskill®, and Skillware®, have significant value and are materially important to our business. In addition, we maintain other intangible property rights. The trademarks have been assigned an indefinite life based on our expectation of renewing the trademarks, as required, without material modifications and at a minimal cost, and our expectation of positive cash flows beyond the foreseeable future.

Employees

We had approximately 33,000 full-time equivalent employees as of December 31, 2008. In addition, we estimate that we recruit on behalf of our clients approximately four million permanent, temporary and contract workers on a worldwide basis each year.

As described above, in most jurisdictions, we, as the employer of our temporary and contract workers or as otherwise required by applicable law, are responsible for employment administration. This administration includes collection of withholding taxes, employer contributions for social security or its equivalent outside the United States, unemployment tax, workers' compensation and fidelity and liability insurance, and other governmental requirements imposed on employers. In most jurisdictions where such benefits are not legally required, including the United States, we provide health and life insurance, paid holidays and paid vacations to qualifying temporary and contract employees.

Financial Information about Foreign and Domestic Operations

Note 15 to our consolidated financial statements sets forth the information required for each segment and geographical area for the years ended December 31, 2008, 2007 and 2006. Such note is found in our 2008 Annual Report to Shareholders and is incorporated herein by reference.

Item 1A. Risk Factors

FORWARD-LOOKING STATEMENTS

Statements made in this report that are not statements of historical fact are forward-looking statements. In addition, from time to time, we and our representatives may make statements that are forward-looking. All forward-looking statements involve risks and uncertainties. This section provides you with cautionary statements identifying, for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, important factors that could cause our actual results to differ materially from those contained in forward-looking statements made in this report or otherwise made by us or on our behalf. You can identify these forward-looking statements by forward-looking words such as “expect”, “anticipate”, “intend”, “plan”, “may”, “will”, “believe”, “seek”, “estimate”, and similar expressions. You are cautioned not to place undue reliance on these forward-looking statements.

The following are some of the factors that could cause actual results to differ materially from estimates contained in our forward-looking statements:

- cost structure of subsidiaries;
- management turnover;
- reorganizations;

material changes in the demand from larger clients, including clients with which we have national, multi-national, or sole-supplier arrangements;

- availability of workers with the skills required by clients;