

a guide for starting an agency - part 1



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Search the internet and there are a plethora of articles, content, comment and features on how to start a recruitment agency.

With minimal overheads, no need for an office space and relatively low barriers to entry, many consultants take the plunge armed with a laptop, phone and access to LinkedIn.

Simple, right? Well yes, until you have to pay your first placements and the client has agreed longer payment terms, or you fall foul of a compliance issue, or your temp workers are calling you late on Sunday night because they can't log their time sheets or your first payroll run failed Friday. That's when you need solid support.

But don't lose heart, **giant finance+** has more than fifteen years' experience in the Recruitment sector and a long tradition of helping consultants start – and grow – their business. We know a thing or two about what it takes to be a successful start-up.

the business back drop

After each economic disruption comes an upturn, and this time will be no different with the most proactive and innovative starting new enterprises in the UK. In particular, we see that this is a good time to start a temporary employment business in the UK; many businesses need to reduce costs with a more flexible workforce and the likely rise in unemployment will mean more workers will be seeking assignments.

This is the first part of our 'Starting A Temporary Agency' that can help you go from employed to self-employed, to the owner of a successful agency or from a permanent business to adding a successful temporary desk.

So, having considered the options, and decided to go for it, this guide outlines some of the things you should do before you open for business.





know your difference

With more than 37,000 competitors already trading, how will you do it better, faster, cheaper than them? Consider picking one industry and sticking to it, as too broad of an appeal will mean you could be competing against too many players.

Your difference may be your skills, how you work with clients, the team you employ or an idea you have to deliver the service differently for example, taking your client's internal screening processes or providing all your service online to save them time and money.

Remember most successful businesses do not have a ground-breaking idea - but just deliver their service with a different twist or execute it excellently. Decide what you are going to be and make a plan to achieve this.

understand your customer

Start to understand your target market; who are they and what is important to them. Begin with the basics; what do you know about them; their drivers, their motivations for looking for and ultimately accepting a role. Where and how do they consume information and job searches, what they think about your brand and what they are looking for from your service?

From this research you can build a persona of your target customer and begin the process of producing engaging and informative content on websites and social media, or featuring as 'experts' in leading industry and business publications, extending your digital footprint or use PR to build a brand and a legacy that will outlive a promotion or campaign offer.

test your difference

So many business leaders fail to do this and don't succeed or grow as they hoped.

Ask your end hirers open questions about their "pain" points. What do they find frustrating? What takes their time? What would help them meet their aims? Meet with your potential hirers or design a questionnaire - easy to send using Microsoft forms or engage a willing apprentice to do this for you.

Look carefully and objectively at the results – don't try and find the answer you want in the responses, be critical: have you hit on an idea that may be a success or do you need to adapt this?

Remember a very simple idea to resolve a clients' "pain" points may be all that is needed to make you the provider of choice. Many agencies say they have won business on the fact they can offer something others can't, such as online timesheets, easy to use screening or multiple payroll solutions.

set your pricing, and terms wisely

Set your target and your minimum margin and stick to it, there is little point chasing turnover if you don't make enough to cover your own costs! Also importantly decide which business you do not want and that you will say no to.

Draft your terms and make sure you are covered for workers going direct or transferring to a permanent role, you have introduced them and should receive your rewards for this.



have enough funds to get the company off the ground

Lack of capital is still the key reason cited for why 1 in 3 businesses don't survive past the two-year mark. Essentially, if you're planning on starting a business, you need to make sure you have some initial set up capital for your website and to cover initial costs and access to a good finance partner that will support your ongoing cash flow - if you want to grow, make sure they can grow with you.

secure a good back office company

Spending the majority of your time on admin, rather than servicing your clients or finding candidates, can have a negative impact long term. It may seem like another thing to spend your money on to begin with, but recruiters who use the right back office provider think it's worth every penny. Try and tie in all costs to be variable so the costs are a proportion of income.

invest in a good database or CRM system

Your data is your most valuable asset. Ensure you can store, secure and provide access to it safely and if used properly it will also save you time and money tracking down a candidate you worked with nine months ago that is perfect for a new role a client has just asked you to fill.

don't forget the detail ...

Choosing your legal entity, agreeing your allocated shareholding (very important if setting up with someone else); according to the World Bank the UK is one of the easiest countries in the world to start a business so this is fairly straightforward but again we can help.

about giant

Since 1992 **giant** have provided specialist, end to end workforce management software and support services to large and small recruitment agencies, internationally.

We invest heavily in our cloud-based software which ranges from candidate sourcing and onboarding through to timesheet management, billing and payroll. Our support services include candidate screening, employment solutions and legislative risk management; whilst at our specialist division, **giant finance+**, we provide tailored funding, software and support services for start-up to medium sized recruitment agencies.

You can relax knowing your data is safe with us. Our commitment to compliance protects your business from risk and our rigorous international security standard ISO 27001 ensures that your data is GDPR secure.

Our principles are simple: customer 1st. This is the core to everything we do as a group and screening is no exception. We grow and retain our customer base through exceeding expectations and ensuring that everything we do is focused on our client's needs and not our own.

As part of **giant group**, who have been delivering compliance solutions to their clients for 25 years, we have the expertise, knowledge and systems that many providers envy.

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