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RECRUITER BURNOUT

OUTSOURCING EFFECTIVELY

THE 2030 SUCCESSION WINDOW

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WELCOME

SIMON KENT
EDITOR

In this issue of The Global Recruiter there is a sense of preparation. We are already preparing for 2027. There has been a change in the season, a change in temperature, and even a corresponding change in wardrobe.

Across the board there seems to be a sense of looking to the future as well as taking care of the present. Recently The Global Recruiter has held a number of Recruitment Live discussions, online and in person, bringing together recruitment leaders to discuss how they see their industry from a variety of perspectives.

It's been an insightful process and you can read the results of the first discussion in this issue. Sure there are challenges facing every business, but there's also a healthy optimism, a desire for more. It's the kind of approach that can pay dividends - and over the remaining months of this year, we will help you ensure that it does. ■

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1 IN 4 HRS SAY JOB IS HARDER

Over a quarter (27 per cent) of HR professionals have said they're finding their job harder now than they did two years ago. The findings come from HR software provider Breathe HR, which surveyed over 500 HR people to understand the evolving pressures shaping the profession.

The findings show that as many as 1 in 3 (33 per cent) HR professionals are considering leaving the industry. Of those looking to leave, 1 in 4 (27 per cent) are driven by stress, a further 1 in 4 (24 per cent) by the changing nature of HR, and a fifth (18 per cent) by pay concerns.

The findings come as new Employment Rights Act (ERA) measures – such as extended tribunal time limits, stronger harassment prevention duties, and expanded trade union responsibilities – come into play this month, piling additional compliance and administrative pressures on HR teams.

Breathe HR's findings point to a HR profession growing increasingly challenging and complex.

Nearly two-thirds (63 per cent) of HRs surveyed said that they are held responsible for decisions they have limited authority or budget to control, while the same proportion (63 per cent) report that the amount of "people work" has grown, without the size of the HR team growing alongside it. Meanwhile, nearly seven in ten HRs (69 per cent) say work that falls between HR, legal, IT, and operations is increasingly landing on the HR team, increasing capacity and delivery pressures.

This strain is surfacing clear organisational risks. More than half (51 per cent) of HR professionals say most people decisions get made outside any HR system or record, with 62 per cent still relying on spreadsheets to track employee data. Two fifths (42 per cent) say their organisation would struggle to evidence how a people decision was made if challenged at an employment tribunal: a particular concern following the ERA's extension of the deadline for bringing employment tribunal claims, which came into effect on 1st October.

"We've seen a number of Employment Rights Act changes land in October, and with them a clear message: inconsistent record-keeping and unclear ownership structures no longer fly," says Bharat Siyani, VP of People & Culture at Breathe. "To manage the increased complexity of HR in the wake of the ERA, teams should prioritise streamlining processes, automating repetitive admin, and tightening record-keeping using reliable digital systems to stay compliant.

"Organisations must also recognise HR as a strategic engine in the business, not a dumping ground for work that could or should be funnelled elsewhere. In order to carry out their jobs effectively, HRs need clear ownership, adequate resources and effective tools designed to meet their specific needs."

Despite these challenges, HRs say their strategic value is rising: ore than two-thirds (68 per cent) say HR matters more to the business than it did two years ago and three quarters (77 per cent) say that if the HR team were to leave tomorrow, it would seriously disrupt the status quo. ■

AFFINITY WORKFORCE SOLUTIONS ACQUIRES SUGARMAN CHILDREN'S SERVICES



The UK's leading education workforce provider has acquired a children's services provider to help extend its support for vulnerable young people.

Affinity Workforce Solutions has today announced that it has acquired Sugarman Children's Services, a specialist provider of education, tutoring and mentoring for vulnerable children and young people across England.

The move follows Affinity's recent acquisition in September of education training platform Training Toolz and takes the group further into direct support for children, alongside its work supplying staff to schools, multi-academy trusts and colleges.

Sugarman Children's Services delivers personalised, child-centred support tailored to each young person's educational, social and emotional needs. Working in partnership with Local Authorities, schools and families, it provides trauma-informed tutoring, mentoring and alternative provision for children with SEND, SEMH needs and mental health challenges, and for those at risk of exclusion. Its specialist services include therapeutic mentoring, ESOL support and Speech and Language Therapy assessments.

The business also helps young people reintegrate into mainstream education and achieve recognised qualifications, with every professional rigorously vetted.

"Children who face barriers to education need the right support at the right moment, and too often it isn't there," said Esme Bianchi-Barry, CEO of Affinity Workforce Solutions. "Children who face barriers to education need the right support at the right moment, and too often it isn't there. Sugarman Children's Services has built a trusted, safeguarding-led service for some of the most vulnerable young people in England. Bringing it into Affinity strengthens our alternative provision and educational support offer, deepens our specialist expertise in SEND, SEMH, mentoring and reintegration, and makes us a genuinely stronger partner for Local Authorities and education partners working to improve outcomes for these children."

The acquisition supports Affinity's mission to improve outcomes for children who face barriers to education, and builds on its existing work beyond recruitment, including its eSafeguarding service under The Protocol Group.

Affinity Workforce Solutions provides recruitment, compliance and workforce solutions to schools, multi-academy trusts, colleges and training providers across the UK, through its brands Career Teachers, CER, Monarch Education, The Protocol Group and Affinity Partnerships. Together, these brands support thousands of schools and colleges with supply staffing, permanent recruitment and workforce compliance, helping to keep classrooms running and pupils learning every day. Affinity's growing platform portfolio also includes Affinity Elevate, Affinity Elevate 360, CandidateGo and eSafeguarding, supporting schools, MATs and recruitment agencies with training, compliance and safeguarding needs. ■

SEASONAL POSTINGS 43 PER CENT BELOW 2018



Data from hiring platform Indeed has found the UK's seasonal jobs market remains subdued, even although jobseeker interest in Christmas work is holding up.

As of the 2nd October, seasonal job postings were 43 per cent below their 2018 level – a steeper decline than across the wider UK jobs market, where postings have fallen 32 per cent over the same period. Meanwhile, search levels remain broadly in line with last year. The 2025 and 2026 readings were the two strongest early-October shares recorded since at least 2018.

Despite strong jobseeker interest, the subdued seasonal jobs market comes amid wider weakness in UK hiring. Overall UK job postings are down 11 per cent since the start of 2026 and stand 32 per cent below their February 2020 baseline.

The decline reflects broader pressure on hiring, with most occupational categories recording year-on-year falls, including retail and hospitality. Employers continue to operate in an environment characterised by economic uncertainty and cost pressures.

Retail and sales roles dominate the most common seasonal job titles, with seasonal associate being the most in-demand job title, followed by sales assistant and operations assistant. The logistics side also makes it into the top ten this year, with operations assistants, mail sorters and seasonal warehouse associates appearing among the most common titles.

The weakness in seasonal hiring forms part of a broader reduction in opportunities for younger workers. Graduate job postings are down around 13 per cent year-on-year as of 2nd October and stand at their lowest level for this point in the year since 2020. Summer job postings, covering temporary and seasonal roles in sectors including hospitality, retail, tourism and events, had one of their weakest summers in four years.

Together, the findings point to a tightening of two important entry routes into employment: graduates are competing for fewer early-career roles, while students and school leavers are facing reduced access to the seasonal jobs that often provide their first experience of work.

"Subdued seasonal hiring echoes a generally weak UK labour market," said Jack Kennedy, Senior Economist at Indeed. "Seasonal job postings remain low even as searches for Christmas work are among the strongest for early October since at least 2018. For people relying on seasonal work to help manage household costs at an expensive time of year, that could mean greater competition for available roles.

"Hiring demand remains muted across most parts of the economy, while cost of living pressures persist amid rising inflation," he added. "The data suggests that young people and other jobseekers looking for a temporary bridge into work are facing a narrower set of opportunities." ■

LONDON FINANCE JOBS MARKET HITS THE BRAKES



Morgan McKinley's 2026 London Employment Monitor has recorded vacancies in the sector falling from 1,719 in July to just 1,200 in September, as employers become increasingly selective over new hires.

The report found:

- 6 per cent decrease in jobs available quarter-on-quarter (Q3 2026 vs Q2 2026)
- 11 per cent decreasein jobs available year-on-year (Q3 2026 vs Q3 2025)
- 30 per cent decrease in jobs available between July and September 2026, with monthly vacancies falling from 1,719 to 1,200

Professional job vacancies in London fell to 4,368 during the third quarter of 2026, down 6 per cent from the previous quarter and 11 per cent year-on-year, according to the latest Morgan McKinley London Employment Monitor.

"The third quarter of 2026 shows vacancies fell 6 per cent compared with Q2 and 11 per cent year-on-year, but these quarterly figures mask a much sharper deterioration as Q3 progressed," remarked Mark Astbury, Director, Morgan McKinley. "Monthly vacancies fell from 1,719 professional vacancies in July to 1,449 in August and just 1,200 in September – a 30 per cent decline across the quarter.

"The continued fall through September is particularly notable. August typically sees recruitment activity soften as businesses and candidates take time away from the market, but vacancies failed to rebound as businesses returned after the summer. Instead, September ended with vacancies at their lowest level of the quarter, suggesting the slowdown extends beyond the usual seasonal effect."

Astbury went on to say the findings reflect a wider softening in the UK recruitment market. He noted that the KPMG/REC Report on Jobs recorded a further decline in vacancy demand in August alongside a marked increase in candidate availability. At the same time, permanent placements increased for the first time in almost four years, suggesting this is not a wholesale hiring freeze. The Bank of England's latest intelligence supports this picture, with recruitment increasingly focused on specific skills gaps and growth or investment projects.

"The message from Q3 is therefore not that London has stopped hiring, but that the threshold for hiring has become higher," he said. "Employers are more selective about where they commit headcount, prioritising professionals who can address immediate skills gaps, improve productivity or directly support growth and transformation. There are still pockets of strong professional-sector demand, including IT, tax, employment law, restructuring and engineering consultancy. That points to a more targeted recruitment market rather than a wholesale withdrawal from hiring."

"The Budget on 28 October could add to that caution," Astbury said. "Businesses are already operating with a higher employment cost base, following the increase in employer National Insurance contributions, and uncertainty over further measures could encourage some employers to delay discretionary hiring until they have greater clarity."

Astbury concluded: "The question is whether September represents a temporary loss of momentum or the beginning of a more sustained period of caution as we enter Q4." ■

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THE 2030 Ssuccession WINDOW

Michael Bowden, Managing Partner at Bowden Mayes asks what happens if everyone want to sell their business at the same time.



There is a generation of recruitment businesses approaching an interesting moment.

Many were established during a period of significant expansion in the UK recruitment industry from the late 1990s through the 2000s. Industry data illustrates the scale of that growth. The number of recruitment businesses registered for VAT increased from approximately 6,500 in 1994 to 16,800 by 2005, while ONS-derived business demography data recorded a further 1,730 new employment agencies starting in 2010, according to data published by the TUC. >



A significant proportion of the firms that survived that period have subsequently spent two or three decades building specialist markets, management teams, international operations and considerable enterprise value. As a result their founders are now approaching another decision: what happens next?

For some, the answer will be continued ownership. Others will bring through a new generation of management, pursue external investment or sell to employees, but inevitably, a meaningful number will begin contemplating some form of liquidity or exit over the coming years. This creates a potential 2030 succession window.

To be clear, this is not a prediction that everyone will suddenly decide to sell in 2030. Markets, businesses and founders simply do not behave that neatly. It is the possibility that several forces, founder tenure, business maturity, personal succession and a receptive M&A market, could converge within a relatively concentrated period creating an uncomfortable question for founders: what happens if everybody decides it is the right time to sell at once?

Founders Choose When to Sell. Buyers Choose What to Buy

One of the understandable assumptions founders make about succession is that timing remains largely within their control.

Build the business to a certain level of profitability. Develop the management team. Wait for economic conditions to improve. Perhaps complete another acquisition or expand internationally and then, when everything aligns, take the business to market.

Individually, this logic makes perfect sense. The problem is that M&A markets do not operate around the timetable of an individual shareholder, as buyers experience the market collectively.

You know the drill. If ten attractive recruitment businesses come to market, buyers may compete aggressively to acquire them. If considerably more businesses with similar propositions, specialisms and growth stories become available within the same period, the balance of that competition can begin to change. Suddenly, the question is no longer simply whether your business is attractive. It is whether it is more attractive than the alternatives. That distinction could become increasingly important as today's generation of long-standing recruitment founders begins contemplating succession.

Demographic Pressure is Already Visible

Recruitment is certainly not alone in facing this challenge. Research into Britain's owner-managed business community suggests succession is becoming increasingly prominent. Armstrong Watson's 2024 Family Business Report found that more than two-thirds of surveyed UK family, privately owned and owner-managed businesses were planning to exit within the following ten years. Their more recent research found 18% expecting to exit within just two years and the reasons aren't purely financial.>



Analysis of UK and Irish mid-market transactions by Dealsuite found that age combined with an absence of succession was the most common reason for a business sale, accounting for 41% of transactions in its research. The average age of a selling owner had also fallen from 59 to 56 over the previous decade. None of this tells us precisely how many recruitment founders will sell between 2026 and 2032. Nor should we pretend it does.

What it does demonstrate is that succession is becoming a significant issue across the UK's established owner-managed business population at precisely the point that many successful independent recruitment businesses are entering their second, third or even fourth decade. The potential for those timelines to overlap is difficult to ignore.

Recruitment M&A is Accelerating

If there is a future succession wave, it will not arrive in a dormant market. RSM's analysis of M&A activity in the recruitment sector recorded 58 transactions involving UK recruitment and workforce solutions businesses in 2023, rising to 63 in 2024 and 74 in 2025. That represents a 28% increase in annual deal activity across just two years.

Activity remained resilient into 2026, with a further 19 transactions completed during the first quarter. Particularly relevant to our own part of the market was renewed M&A activity in executive search, including the $100m acquisition of Metric Search by Southfield Capital and Groupe Adequat's acquisition of Solutions Driven, highlighted in RSM's Q1 2026 recruitment M&A update.

Different corporate finance advisers define the recruitment M&A universe differently, so transaction totals vary according to methodology. BDO's recruitment sector M&A analysis, for example, recorded 97 UK recruitment deals during 2025 and described the market as moving towards greater private equity interest and continued buy-and-build activity.

The precise number matters less than the direction of travel. There remains a functioning and diverse market for good recruitment businesses, but that doesn't mean every seller is competing on equal terms.

Capital is Plentiful. Attention is Scarcer.

It's tempting to assume that an ageing founder population matters less when private equity has so much capital available to deploy. There is certainly no obvious shortage of capital.

Invest Europe reported that European private equity and venture capital dry powder reached a record €459 billion in 2025, alongside €1.367 trillion of total capital under management. However, dry powder should not be confused with indiscriminate appetite. >



Within recruitment, RSM's analysis of 2025 transactions shows how selective capital deployment has become. Private equity was involved in 27 transactions, but 19 of those were add-on acquisitions by existing PE-backed businesses. In other words, 70% of PE-backed recruitment deals involved investors adding to platforms they already owned rather than making new primary investments. That is an important distinction for founders considering an eventual sale.

A large pool of available capital doesn't necessarily create a large pool of buyers for every recruitment business. Investors continue to favour specialist capability, resilient earnings, recurring or repeat revenues, scalable operating models and businesses capable of growing without excessive dependence on individual founders. The capital may be plentiful but conviction still has to be earned.

A Good Business May Not be Enough

For most of the founders I speak to, preparing a company for sale tends to centre on improving the business itself.

Increasing EBITDA, strengthening the leadership team, reducing client concentration, developing recurring revenues, improving financial reporting, and building a differentiated position in an attractive market. All of these things matter but succession planning has another dimension that receives considerably less attention: relative attractiveness.

An acquirer rarely assesses a business in isolation. Investment committees and private equity firms are constantly comparing opportunities and expected returns, while strategic buyers must decide where best to allocate finite capital and management capacity. Across the process, businesses are being assessed not only on their individual merits, but against competing opportunities for attention, investment and resource.

This means a business can become objectively better while becoming relatively less distinctive.

If a future succession window brings more mature recruitment businesses to market simultaneously, differentiation could become increasingly important. Two firms may have comparable EBITDA, growth and sector exposure, yet attract very different levels of interest because one has deeper leadership, better-quality earnings, greater international potential, stronger technology, clearer succession or a more defensible niche. Seller competition is rarely discussed as openly as buyer competition. But both exist. >



The Strongest Businesses Create Their Exit Before They Need One

This is where succession preparation becomes strategically important. PwC's guidance on business succession advises owners considering succession to begin planning well in advance, suggesting that the process will often need to start at least three years before the transition itself.

I would argue that for founder-led recruitment businesses, the mindset should begin earlier still.

Not because every founder should be preparing immediately for a sale, but because the work that creates an attractive acquisition target is largely the same work that creates a stronger independent business.

Building leadership beneath the founder creates resilience, while stronger management information supports better decision-making and reduced client concentration lowers risk. Developing future equity participants can strengthen retention, while better governance and more diversified revenues create greater accountability and strategic flexibility. None of these decisions commits a founder to an exit; rather, they create the freedom to choose one when the time is right.

That distinction becomes critical when markets move quickly. A founder who begins preparing after deciding they want to sell may discover that readiness takes considerably longer than expected. A founder who has built an institution capable of operating independently has considerably more freedom to respond when buyers, valuations and personal circumstances align.

Waiting for the Perfect Moment Carries Risk

Founders are understandably reluctant to sell too early. There is always the prospect of another year of growth, a new market to enter, a key management hire to make or another EBITDA milestone that could produce a higher valuation. Often, waiting proves to be the right decision. But it is not a neutral one.

Every year introduces variables outside the founder's control: economic cycles, taxation, buyer appetite, financing costs, technology disruption, sector sentiment and, potentially, the number of comparable businesses seeking capital at exactly the same time.

The recruitment M&A market is currently demonstrating that good assets can attract considerable interest. RSM's latest recruitment M&A analysis describes buyers as well capitalised but increasingly focused on businesses displaying operational resilience, specialist capability and technology-enabled growth, while also emphasising the importance of sellers being thoroughly prepared for buyer scrutiny. >

That combination should matter to founders. The question is not simply whether there will be buyers in 2030 as there almost certainly will be. The more important question is how many other founders will be trying to attract those buyers at the same time and what will make one business impossible to overlook.

Succession is Ultimately about Optionality

I don't believe founders should attempt to predict the perfect year in which to sell their business, there are simply too many variables. The better objective is to build a business sufficiently prepared that the founder does not need to predict it.

A well-prepared recruitment business has choices. It can remain independent, appoint a successor, introduce external capital or pursue acquisitions, while options such as a minority sale, management buyout or employee ownership can provide alternative routes for succession. And, when conditions are right, it can enter a competitive sale process from a position of strength.

A poorly prepared business has considerably fewer choices. The 2030 succession window may ultimately prove to be broad rather than narrow. Founder exits will inevitably occur across many years, different recruitment specialisms will experience different investment cycles and exceptional businesses will always create competition amongst buyers.

But the underlying strategic issue remains. An entire generation of recruitment entrepreneurs built businesses during the industry's expansion over the past three decades. As those businesses mature, succession will increasingly move from a distant personal consideration to an immediate commercial one.

Founders cannot control how many other shareholders decide to sell at the same time. They can control whether their business is ready before they do and in the next succession cycle, that may be the difference between choosing the moment and having the market choose it for you. ■





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RECRUITER BURNOUT

Cheryl Anderson, President and founder of Anderson Recruiting Consultants (ARC), discusses why consultants leave and what owners can do.



Most firm owners assume their top biller leaves over money. Rarely is money the real reason. What actually pushes a top producer out is quieter than that: their desk gets loaded with too many low-probability searches, too many rescue jobs, and too little of the work that made them great in the first place. This is recruiter burnout, and it builds for months before anyone hands in notice. >



I've been recruiting recruiters since 1998, and I've placed more than 2,000 of them myself since 2003. I've watched this exact scenario play out at firm after firm. Most of it is fixable, if you catch it in time.

What Recruiter Burnout Looks Like on a Top Biller's Desk

It rarely looks like laziness or slowing down. It looks like a producer who's still working just as hard, sometimes harder, for less to show for it.

Firms lean on their best people because they can trust them with the tough assignments: the search that's been sitting for three months, the client nobody else can stand, or the desk that needs saving after an unexpected departure. That trust is real. It's also how your top producer ends up carrying the hardest work in the building while easier, cleaner searches get passed to someone else.

Recent industry benchmarking research backs up what this looks like from the outside. Across a year of activity data from 330 agencies, the smallest firms increased business development calls by roughly 40 per cent, while placements per head didn't move at all. The effort went up. The output didn't. That gap is what desk overload feels like on the inside: more activity demanded, the same or worse results to show for it, and no one asking why.

How Margin Pressure in 2026 Makes Burnout Worse

When margins tighten, the instinct is to push harder on the people already producing, not to hire more of them. This is the fastest way to cause burnout among your best consultants.

I often see comp plans tweaked in ways that reduce what a consultant earns for the same level of production, right when they're being asked to take on more work. Those two things combined will break a top producer every single time. If someone is putting in more effort and bringing in revenue, they need to see it in their paycheck. Asking them to work harder just to hold onto the same income is a raw deal, and your best people always have options elsewhere.

The Founder Behaviour That Costs More Than Any Comp Gap

The single most expensive thing a founder does is letting a top producer stop feeling valued. A bad comp plan costs less.

The number one thing I hear from recruiters who've left is that they no longer felt valued, challenged, or fairly rewarded for what they produced. They're expected to hit their numbers every month, and over time the recognition and the "warm fuzzies" from leadership disappear. Production starts to feel expected instead of appreciated. >



A few other founder-level failures show up just as often. A firm promises something around pay, accounts, or a title and doesn't follow through, and trust breaks. Searches or accounts get handed out without a clear reason, and a producer starts to believe someone else is getting the easy wins while they're expected to create everything themselves. A proven producer suddenly gets managed around activity instead of results, after they've already shown they know how to produce, and autonomy erodes. Someone stops learning, and growth stalls. Successful recruiters are competitive and entrepreneurial. Once they feel they've plateaued, with nothing new to build or achieve, they get receptive to whatever comes next, whether that's a bigger client, equity or profit participation, or the chance to build something new inside the company.

Leadership or culture changes can do the same damage when a top producer isn't brought into the conversation early: new ownership, a restructuring, or a strategy pivot that changes the environment they originally signed up for. Your best people are usually the closest ones in the building to the clients and candidates. Their read on a change is worth asking for before you make it, not after.

None of this shows up on a P&L. It shows up in a resignation letter that catches a founder by surprise, when it shouldn't.

Two Questions to Ask a Top Consultant Every Quarter

What could cause you to leave us? What would make you want to stay here for the next five years? I'd ask both a few times a year.

Retention starts long before someone hands in notice. By the time a top producer tells you they're leaving, they've usually been thinking about it for months. Gallup's research on this is blunt: 52 per cent of people who leave a job voluntarily say their manager could have prevented it, and 51 per cent say no one talked to them about how they were doing in the three months before they quit. This is an asking problem. Firm owners who ask before the resignation get the cheapest fix available.

Warning Signs Before a Consultant Resigns

Outside of anything a consultant tells you directly, the first sign is disengagement. Someone who used to be vocal gets quiet. They stop pitching ideas, stop pushing back in meetings, stop caring out loud about things they used to have strong opinions on.

The energy shifts even when the numbers don't. They might still hit their targets, but the job has become something they do instead of something they're invested in. They stop talking about next quarter or long-term plans, and they pull back from coworkers: fewer lunches, less joking around, less showing up to things that aren't required. >

Watch for the consultant who stops fighting for things. A frustrated producer complains because they still care. When someone who used to push back suddenly goes quiet about it, that's often a sign they've already decided nothing is going to change. A lost deal or a great placement stops generating the same reaction it once did.

A few more tells worth watching for: LinkedIn activity picks up out of nowhere, profile updates, more connecting with industry contacts. Questions shift toward compensation plans, outstanding commissions, PTO, or non-competes. Schedules change too: more private calls, longer lunches, appointments that don't get explained.

None of these on their own mean someone's leaving. Together, they're usually the clearest signal you'll get before the resignation lands on your desk.

The Short Version

Recruiter burnout among top performers is rarely about money first. It's about a desk quietly loaded with the wrong work, a founder who stopped making them feel valued, and a firm that never asked the questions that would have surfaced the problem a year early.

A full desk and an overloaded desk look the same from the outside. Learn to tell them apart. Protect the autonomy your best people have earned. Ask the two questions before you need the answers to them. Waiting for the resignation is the expensive way to learn what you could have already known. ■



FIT FOR PURPOSE

Miles Lloyd, co-founder and strategy and growth partner at NorthStar People calls on recruiters to reimagine their value proposition for 2027 and beyond.





As we approach another milestone year-end, recruitment agency owners and leaders across the industry are stepping back to reflect on their performance. What worked? What stalled? What made money, and what burned valuable hours for zero return? >



While reflection is natural at this time of year, the more urgent question for owners is strategic: Why are you doing what you've always done, and will those same habits actually allow you to get where you want to be in 2027 and beyond?

For far too many SME and micro-agency leaders, the candid answer is no. Most recruitment businesses remain trapped in a vicious cycle built on an unsustainable foundation: an industry-average 66% contingent recruitment waste.

Across perm, temp, and contract sectors, many businesses are operating at fill rates of just one-in-four or one-in-five vacancies. Even for agencies whose teams fill half their contingent workload, a metric many consider successful, that still represents a 50% collective failure rate. Working on an approach where you are only paid for 20% to 50% of the effort you expend is commercially unsustainable.

At NorthStar People, much of our work with agency leaders focuses on breaking this exact loop. If we continue peddling at a million miles an hour doing what we've always done, we will keep getting the same inefficient results. To build a business that thrives in 2027 and beyond, you must step off the transactional treadmill, rethink your core model, and fundamentally reimagine your value proposition.

You're only getting paid for a fifth of the work you do

Getting fit for purpose isn't about doing more work on a hope; it is about driving genuine profit to the bottom line by systematically stripping out operational waste. In a pure contingent model, all the commercial risk sits squarely on the recruitment agency's shoulders. When you carry 100% of the delivery risk, you ought to charge accordingly.

Yet, too many owners panic in challenging markets and race to the bottom, discounting their contingent fees to secure volume they may never fill. This is a fatal mistake.

Instead of slashing rates on contingent work, you should hold contingent fees high to reflect the massive risk you carry, while introducing alternative products at lower fee percentages where client commitment is guaranteed.

This is not to say contingent recruitment is dead, nor should you abandon it. Contingent work remains a vital door-opener, a fast way to demonstrate capability, and a proven method for building initial trust. But how on earth can a business work with a client three years down the line and still be doing the exact same thing they did on day one? Getting a job, filling a job, charging a fee, and issuing a rebate?

It is time to have mature, adult conversations with clients about why pure contingent recruitment doesn't deliver optimal results for either party. By educating clients on better alternatives, you move relationships away from transactional supply and into genuine partnership-based engagements.

What is your agency actually worth to a buyer?

For owners motivated by long-term wealth creation rather than executive ego, rethinking your value proposition isn't just an operational tweak. It is the single biggest driver of your company's exit valuation.

Unless you are a hyper-niche, large-scale specialist with a massive contract ledger, a pure contingent permanent agency carries very little structural value. When your revenue resets to zero on the first of every month, buyers see immense risk. Consequently, contingent agencies often struggle to command even a 1x EBIT valuation multiplier if someone is willing to acquire them at all. >



However, as you move up the value proposition ladder, a transformation framework we regularly guide agency owners through at NorthStar People, your business model fundamentally alters your enterprise value:

- Contingent Supply: Minimal multiplier (~1x EBIT). High volatility, zero revenue predictability, heavy client concentration risk.
- Subscription & Project RPO: Expanding multipliers (~3x–5x EBIT). Secured forward-looking pipelines and committed client cash flow.
- Embedded, MSP, SoW, Partial or Full RPO: Rarefied multipliers (~6x–10x+ EBIT). High barriers to entry, deeply embedded operational integration, and long-term contracted recurring revenue.

The ultimate win of shifting away from contingent dependency is building a business that throws off predictable, recurring profit. Instead of starting every month wondering where fees will come from to hit targets, you create a business with a long commercial runway, genuine stability, and an enterprise value of true significance when it comes time to exit.

How to earn more while the client pays less

When you restructure your value proposition around commitment, a fascinating dynamic occurs: you increase your agency's profitability and enterprise valuation while simultaneously reducing the overall cost of hiring for the client.

By securing upfront client commitment, you eliminate the unbilled waste that eats your margins. You can then pass those efficiencies back to the client in lower fee percentages, while delivering a higher standard of service, superior candidate quality, and a faster time-to-hire.

The four ways off the contingent treadmill

Instead of forcing every client into a standard 360-degree end-to-end recruitment process, forward-thinking owners are taking a structured approach to alternative offerings:

- Embedded & Fractional TA Services: Moving away from standard placement fees to time-based engagements. Whether delivering fractional talent acquisition support or a fully embedded talent function, this model changes the commercial dynamic entirely. Underpinned by clear service level agreements, you are compensated for dedicated capability and expertise rather than working on speculative outcomes.
- Subscription Models: Packaging up a predictable volume of vacancies and hiring opportunities over an extended period. This model secures long-term client commitment while giving the business guaranteed recurring revenue, enabling you to add significantly more value while lowering the client's overall cost per hire.
- RPO Hiring Solutions: Shifting permanent recruitment into structured, high-value framework agreements. This includes Modular RPO (unbundling parts of the hiring process), Project RPO (delivering dedicated volume projects over fixed timelines), Partial RPO (managing specific swim-lanes or departments), and Full RPO (taking complete, inside-out ownership of the end-to-end permanent talent pipeline).
- Flexible Temp & Contract Provisions: Extending committed models into contingent workforces by offering Vendor Management Solutions (VMS), Managed Service Provision (MSP), and Statement of Work (SoW) frameworks. >

These structures realign commercial incentives. When we help clients at NorthStar People bolt these capabilities directly into their proposition, it solves genuine pain points across the entire employment lifecycle. You generate margin on services that require minimal delivery overhead from your core recruiters, while positioning your firm as an indispensable, end-to-end talent advisory partner.

Five moves to make before 2027, not just think about

For many owners, these ideas aren't entirely new. You may have thought about subscription models, experimented with a retainer pitch, or dipped a toe into offering unbundled services. But when the pressure builds at month-end, the gravitational pull of hitting the short-term number forces teams back into old habits, reverting to type, picking up low-margin contingent job orders, and grinding through the waste.

Breaking that loop requires deliberate, strategic effort at this key juncture of the year:

1. Audit Your Current Fill-Rate Waste: Be honest about your numbers. How many jobs did your team work on this year versus how many yielded a fee? Calculate the true cost of unbilled hours across your desk.
2. Re-evaluate Client Relationships: Identify which client relationships are mature enough to evolve beyond contingent transactions into committed, modular, or retained solutions.
3. Hold Your Price on Contingent: Stop discounting risk-heavy contingent work. Hold high contingent rates while creating lower-percentage products for committed clients.
4. Package Your Experience: Stop selling 'recruitment'. Start productising your delivery into clear, tiered offerings that address time-to-hire, quality-of-hire, and employer brand experience.
5. Focus on Future Equity: Evaluate your service mix through an investor's lens. Shift your ratio toward contracted, recurring revenue models that build real valuation multiples.

Getting fit for purpose for 2027 and beyond isn't about working harder at a broken model; it's about working smarter with a refined value proposition. By moving away from total contingent success-based reliance and step-changing into committed, value-driven partnerships, you can build a recruitment business that isn't just surviving the day-to-day grind, but creating substantial equity and leading the market into the future.

If you want to pressure-test where your own value proposition sits, and what it would take to move it up a rung before 2027, that is the conversation we have with owners every week. No pitch, just a clearer view of where your business is heading. ■



THE PUBLIC SECTOR

Liam Young, Senior Consultant, Tile Hill says the Government plans for devolution will succeed or fail on its people.



England's devolution agenda will change where decisions are made, how investment is directed and how public services work together. But its success rests on a more immediate question: where will the people come from to lead and deliver it? That challenge creates an urgent role for the recruitment industry, both in helping public sector organisations take on new responsibilities and in protecting the capacity of those already under pressure. >



The Government's Rewiring the State Cabinet Statement, published in July, sets out the scale of the ambition. It proposes transferring powers and resources from Whitehall to regional and local leaders, expanding strategic authorities across England, and giving mayors greater influence over skills, employment support, transport and housing. It also envisages closer alignment of public services and greater local control over revenue. These proposals reach well beyond changing council boundaries. They concern how the state operates and the relationships through which it delivers.

September's review and pause of local government reorganisation, with Surrey unaffected, adds uncertainty about council structures without pausing the wider devolution agenda or the day-to-day work of local government. Councils must continue delivering services while preparing for a changing relationship with regional and national government. For recruiters, the important point is that structural uncertainty and workforce pressure are now unfolding at the same time.

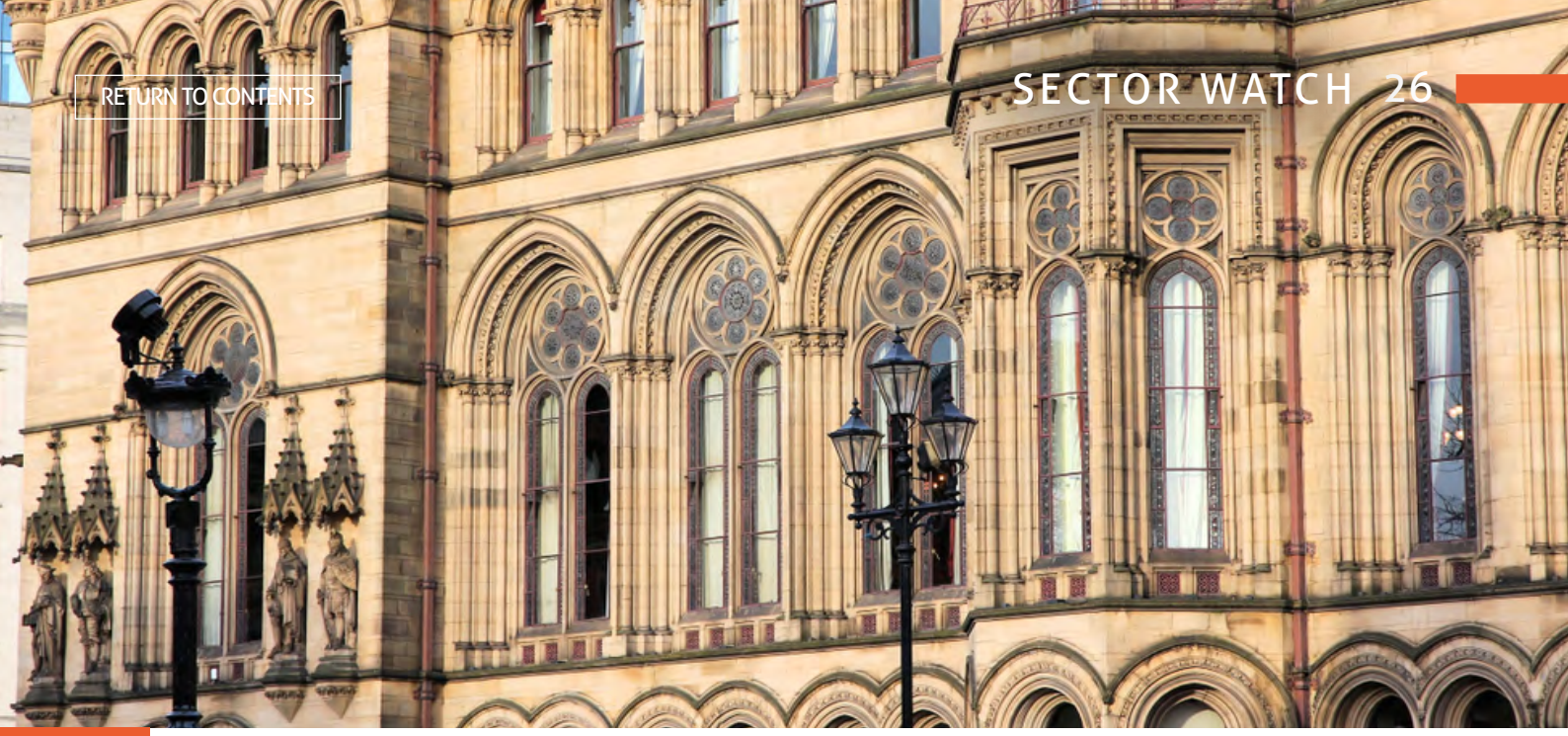
I see a substantial opportunity in this shift. Leaders could have greater scope to connect decisions about housing, transport, employment, and investment around the needs of a place. For talented people motivated by public service, that is an attractive prospect. But additional powers do not automatically produce the expertise to exercise them. An organisation can acquire new responsibilities much faster than it can develop the people, systems, and partnerships needed to discharge them well.

The Uncertainty Persists

Our latest research shows that workforce uncertainty was already shaping senior leaders' decisions before September's announcement. In June and July, we surveyed 170 senior officers across unitary, county and district councils. Three quarters said local government reorganisation had affected their career plans; almost a third had explored or applied for another role in the preceding three months, and 44 per cent had held informal career conversations outside their organisation.

These findings predate September's announcement and cannot measure reactions to it. Nor does a survey of council officers describe the whole public sector workforce. It does, however, show that a crucial part of the system was already experiencing movement and uncertainty. Almost half of respondents reported increased turnover as a result of reorganisation. Meanwhile, around a quarter reported delayed permanent recruitment. People were weighing their futures while some employers were postponing decisions about theirs.

The implications extend beyond individual councils. Strategic authorities depend on capable local partners to turn regional ambition into delivery. A housing programme needs planning expertise, viable development arrangements, and infrastructure coordination. An employment initiative needs relationships with businesses, colleges, and services supporting people into work. If experienced people leave the organisations providing those foundations, the effects can travel well beyond the team carrying the vacancy. Workforce stability matters to the credibility of the wider reform programme. >



The strategic challenge, then, is to strengthen the public sector's workforce for devolution: retaining critical capability, moving expertise to where it can have the greatest impact and building a stronger pipeline for the responsibilities ahead.

Impact on Recruitment

For recruitment businesses, this changes the brief before it changes the search. When a client seeks a director, we should establish what decisions that person will control, which outcomes depend on other organisations, what expertise already exists around them and where the gaps lie. A familiar job title may now conceal a substantially different mandate. The strongest briefs will make those relationships, dependencies and responsibilities explicit, helping candidates assess both the opportunity and the conditions for success.

It also changes what we should look for in leaders. Technical competence remains essential, but delivery across several organisations requires the ability to build agreement without having direct authority over everyone involved. We need to understand how candidates have reconciled competing priorities, maintained accountability and secured action from partners. Calling somebody collaborative tells us very little. Evidence of what they achieved when partners wanted different things tells us considerably more.

The talent search will need to become broader too. Experience in central government, housing, health, infrastructure, or economic development may have increasing relevance to regional and local roles. Rewiring the State itself envisages new career paths between central government and the wider public sector. I welcome that prospect, while recognising that transferable experience needs careful assessment. Understanding political accountability, working with elected members, and delivering through local relationships cannot simply be assumed from seniority elsewhere.

There is a risk, though, that expanding institutions compete for the same limited pool of experienced people. Moving a strong leader into an emerging authority can be an excellent appointment while leaving a serious gap behind. Our contribution should include helping employers develop successors and use secondments thoughtfully. A sustainable market needs to increase the supply of capable people alongside improving how they move between organisations.

Interim expertise can provide the capacity reform demands before permanent structures and teams are fully established. Our survey found that 55 per cent of senior leaders had increased their reliance on interims over the previous year. The strongest assignments will be designed around both immediate outcomes and what remains afterwards: stronger teams, transferred knowledge and systems the organisation can sustain. Where the leadership requirement is enduring, permanent appointments remain equally important. >

Meeting the Change

For me, the most valuable conversations happen before a vacancy becomes a recruitment instruction. Working closely with senior leaders allows us to explore how their organisations are changing and how their own ambitions fit within that. Someone considering a move may want greater influence, a new challenge or a more sustainable workload. Understanding that distinction helps us give better advice. Sometimes the best outcome is a move across the public sector; sometimes it is renewed commitment to the role they already hold.

We should be able to convey the opportunity with conviction. More than half of our respondents felt excited about the career possibilities offered by reorganisation, even amid the uncertainty. There is meaningful work here for people who want to shape places and improve lives. Presenting that work honestly means being specific about the mandate, resources and support available, as well as the ambition. Candidates deserve a credible account of what they can achieve.

I believe this is a moment for recruitment firms to prove the depth of their sector knowledge. Understanding policy direction is not enough: we must also understand the realities of local delivery and the choices senior people are making about their careers. Devolution will depend on whether organisations can retain critical capability, attract leaders with the right transferable experience and build the next generation behind them. Our industry's role is not simply to move talent around the system, but to help strengthen the system's capacity to deliver.

For the full survey findings behind this piece (including how senior leaders are approaching retention, resourcing and career planning through reorganisation and devolution), download LGR & Devolution: From Anticipation to Opportunity. ■



SCALING SUSTAINABLY

The Global Recruiter's Editor, Simon Kent, hosts a round table discussing how recruitment businesses can make more of the resources they already have.



JobAdder

Is it possible to grow a recruitment business without making any financial investment? Can your company do more, your consultants earn more, you clients and candidates get more value from your offering with you using what you already have? This was the premise of a virtual round table discussion held by The Global Recruiter in association with JobAdder. In on the chat were: >



Nick Ogden, Director, Castlefield Recruitment
Beth Rowley, Director, Castle Recruitment
Tray Durrant, Managing Director, Bain and Gray
Simon Topps, Founder, Addition
Kate Stratford, Head of Operations, Ellwood Atfield
James Payne, Chief Revenue Officer, JobAdder
Paul Sangster, Head of Sales EMEA, JobAdder
Simon Kent, Editor, The Global Recruiter
Gary King, Publisher, The Global Recruiter

What became clear from the initial part of the conversation is that the economy is not the only challenge holding recruitment companies back from growing or doing more business. Sure, recent months and even years might have seen a subdued market but there are a myriad of questions surrounding the central challenge of how to be more efficient or add greater value in finding and delivering talent.

One area that can complicate the process of recruitment as much as help it is - perhaps unsurprisingly - technology. As AI use continues to grow, the options for businesses to create their own solutions and tools has increased, however this has sometimes complicated the situation for businesses rather than introduced efficiencies.

A more complex technology landscape can slow down the actual business of finding and placing talent with consultants confused over what solutions they should use. In addition the more options there are for consultants, the less likely it is that there will be consistency in the way technology is used and data handled by a recruitment business.

As one person on the call put it, there are currently ‘too many chefs, as well as too many ingredients’ in recruitment technology, making it challenging and confusing to identify what can actually work for a business and how a solution can be created and implemented.

This can contribute to a second issue for recruitment companies - inconsistency in processes and workflow. Many of those in the discussion had observed how their consultants frequently stick to their own personal practices in finding and placing talent, regardless of how the business requires the work to be done. This inconsistency results in many inefficiencies - data not being logged properly, contacts and conversations being lost, and ultimately the value of the technology designed to underpin the recruitment process, being compromised.

While there are instances of correct data filing and process following being incentivised, it was felt that promoting the idea of better tech use and processes was better achieved through promoting the idea that good performance is more than through high billing alone. By shifting the needle on this point it becomes possible to build a better culture across a recruitment company which also paves the way for more consistent success among consultants. >



Some on the call explained that inconsistency in processes was sometimes perpetuated by high billers within the company. Their impressive performance sometimes made it difficult for businesses to insist that they toe the line on how they work for fear that the business could lose that revenue or indeed that they may lose those staff entirely.

While some in the discussion argued that not complying was grounds enough for getting rid of a consultant, others reported that through education and explanation, some leading consultants changed their ways to follow the required processes and even became advocates for this. The key here was to ensure the individuals concerned could understand the wider business benefits of following the process rather than going it alone.

Sometimes getting that realisation was about highlighting the business' values and culture. If a consultant 'does their own thing' rather than following the expected processes it is likely that they will not be supporting or living by the company's values. This could be damaging for the business in the long run, regardless of the financial benefit achieved by the individual consultant.

The underlying themes explored in this discussion were drawn from The Recruitment Growth Reset report from JobAdder. In it, five focus areas have been identified as presenting opportunities for recruitment companies to do more in their business without making extra financial investment. These include getting value out of the business' existing technology and tapping into the talents of high-billers in order to shift the business from simply relying on these people for significant revenue, to sharing their techniques and skills among other consultants in order to move everyone's performance forwards.

Interestingly challenges to both processes and technology can be seen to be focussed in attitudes toward a recruitment company's CRM. This solution, sat in the middle of a business, has arguably been overshadowed by LinkedIn use with consultants depending on the online resource for candidate search. However, while appreciating the value of LinkedIn, many involved in the discussion suggested that supporting the CRM technically and promoting its use among consultants could bring added value to a recruitment company. Through recording the details of transactions between the company and clients and candidates and making these details readily available across the business, the company could realise greater value from this resource.

Meanwhile, AI based technology - for example tech that can listen to phone calls and save appropriate notes within a recruitment company's system - was very much in favour here for automating the process of recording valuable interactions.

Another way recruitment companies are trying to realise more value from their own technology is to ensure their central database is 'live' - up to date, used by and useful to consultants. One way of doing this has been to create communications and events for passive candidates on the system in order to keep them aware of the recruitment company and therefore ready to turn to the business when they feel the need to move their career forward.

Such engagement can include in-person networking and panel events, or sharing market research with interested individuals. In both cases this means the recruitment business keeps the value of their contacts even if they are not directly working with them at the time. >

To some extent the central issue for recruiters who want to get more out of their businesses is not to try and make their consultants work harder, but to make them work differently. By assessing technology use, processes followed and the related skills that exist within the workforce, it is possible to effectively audit what's going on within the business and therefore identify areas that can be changed for the better.

"What became clear throughout our discussion is that recruitment leaders are increasingly feeling overwhelmed by an overcrowded tech landscape," noted JobAdder's Paul Sangster. "With so many unproven tools hitting the market, consultants are caught between too many options, leading to fragmented processes and inconsistent CRM data. While some agencies remain on the fence, others are keenly embracing change by realising that sustainable growth doesn't always require fresh financial investment, it starts with squeezing far more value out of the core systems and talent they already have.

"A critical layer to this conversation that leaders must keep top of mind is the true long-term ROI of AI," he continued. "Right now, AI adoption is booming because entry costs are artificially low and the immediate productivity gains are obvious, particularly when automating administrative overhead like call notes and data entry. However, as the market matures and pricing models inevitably pivot toward token-based consumption, agencies could see these operational expenses skyrocket.

"To future-proof their operations, recruitment businesses need to audit their tech stacks today. It's about building a strong, unified data foundation around your CRM and driving process adoption across all billers." Sangster concluded: "This way, when technology costs evolve, your team will already be operating at peak efficiency rather than relying on expensive point solutions to paper over operational cracks."

Download The Recruitment Growth Reset report from JobAdder here. ■





OUTSOURCING



Simon Kent, Editor,
The Global Recruiter

“With support services managed elsewhere the recruitment business can concentrate on what it does best - delivering a high qualityservice”

OUTSOURCING

Efficiency is always attractive and the idea of being able to do anything more cost effectively is worth a look. However, outsourcing relationships can go further than delivering on cost alone. Handled correctly, they can generate value in other ways - raising the bar for the business, candidates and clients - as the task is carried out by external specialists.

With support services managed elsewhere the recruitment business can concentrate on what it does best - delivering a high quality service - rather than getting bogged down in the day-to-day activities required to keep everything ticking over.

Across the next quarter’s issues we’ll be examining outsourcing activities from a variety of angles and across diverse areas. Each time we’ll highlight where direct and indirect benefits can be gained.

With a new year around the corner, now could be the ideal time to review your business’ work and consider whether there are some things that your business would simply be better off without.



RECRUITMENT'S GROWTH FORMULA IS BEING TESTED

Dan Brogan, Managing Director, 3R

For decades, recruitment businesses have followed a familiar formula for growth: win more clients, hire more people, add more processes, invest in more systems, and repeat.

To be clear, there's nothing inherently wrong with that model. Good recruitment leaders have always balanced the relationship between people, process and technology. But for many agencies, growth has become synonymous with building a larger operation and carrying a growing fixed cost base alongside increasing revenue.

The question is whether that formula is still fit for purpose

Today's recruitment market looks very different. We have become accustomed to economic uncertainty, hiring fluctuations and markets that can change direction in a matter of months.

Competition between agencies has never been fiercer, with more businesses competing for the same opportunities while clients demand greater speed, quality and value.

At the same time, AI is forcing every leadership team to rethink where automation fits, where human expertise adds value, and how work should flow through the business.

Against that backdrop, growth can no longer come at any cost.

Recruitment leaders are under pressure to protect margins, improve cash flow, embrace technology intelligently and build businesses that can withstand volatility without losing momentum. Increasingly, the question isn't simply how to grow, but how to grow efficiently.

That's what this series is about

We're not here to argue that traditional models are broken, nor to claim outsourcing is a silver bullet. Instead, we want to challenge some of the assumptions that shape how recruitment businesses operate and encourage leaders to look differently at what's possible.

Over the coming editions, we'll explore the often-overlooked benefits of a more flexible operating model, from creating capacity and control, to building confidence, credibility and agility.

Because in a market increasingly rewarding adaptability over size, the businesses that thrive may not be those with the biggest teams, but those built to respond, evolve and scale smarter. ■

OUTSOURCING TECH VALUE

Simon Kent assesses the value of outsourcing technology and its impact on diverse aspects of a recruitment business.



It may sometimes seem otherwise, but recruitment isn't all about technology. Admittedly, even before AI started dominating conversations from the consultant's desk to the c-suite table, technology was seen as a way to get ahead in recruitment. Find the ideal database, the ultimate CRM, ATS, cloud solution, social media tool, and your business would fly. There may be an element of truth in this, but at the end of the day, technology is just a tool and it's what you do with it and how it works for your business that's actually important. >



As such, the argument for outsourcing technology becomes clear. Recruitment businesses want the best solution, the ideal process for their businesses but they don't necessarily want the responsibility for ensuring it works. These are, after all, recruitment companies, not technology businesses.

"Technology outsourcing can be a really effective option for recruitment businesses, particularly when they need access to specialist skills without the cost of building a large in-house team," says APSCo UK MD, Samantha Hurley. "It offers flexibility, can help manage costs and enables businesses to scale resources up or down in line with demand, whether that's to support growth, deliver a specific project or respond to changing market conditions.

"It can also free up internal teams to focus on their core strengths," she adds, "allowing the business to spend more time on delivering value to clients and candidates rather than managing complex technology requirements."

Matt Collingwood's business, VIQU IT, have outsourced all their IT for almost a decade. One key for the company has been the ability to use a local provider - they're based in Birmingham - as this gives them access to immediate and personal help. If a laptop needs replacing or fixing there's someone on hand.

"Outsourcing hasn't meant giving up control," asserts Collingwood. "We agreed KPIs and monitor them through regular review meetings. When problems recur, they provide root cause analysis so they can be fixed properly. We retain access to the domains we own and have taken steps to protect our company brands."

Indeed, with company data in the cloud, compliance and security figures significantly on VIQU's demands from their outsource partner. A recent incident showed the value of the arrangement: "Despite our cyber awareness training - also set up by our MSP - a colleague's account was compromised," explains Collingwood. "At 06:05, our managed service provider detected it and locked down the colleague's laptop and email account. They reset passwords, scanned the hardware and had everything safely back online by 09:10 that same day. We simply don't have the in-house expertise or round-the-clock capacity to monitor and respond to incidents like that." >



According to Dmitry Zaytsev, Founder and CEO of digital talent platform Dandelion Civilization, technology presents one of the clearest areas where outsourcing makes sense for recruitment agencies. Value, he says, is (usually) not generated by the company owning every technical function internally. “Recruiters create value through market knowledge, client relationships, candidate judgement and successful placements,” he says. “If consultants or managers are spending significant time dealing with system maintenance, integrations, access issues, reporting or workflow problems, that is usually a poor use of their time.”

As Zaytsev notes, outsourcing arrangements can be flexed in order to match the agency’s structure and requirements. A smaller agency might use established cloud platforms and outsource implementation, support and system administration, for example. A growing agency may need a specialist partner to manage its ATS or CRM, integrations, automation and reporting. Larger businesses may use external technical teams or fractional technology leadership to manage a more complex group of systems without building every capability internally.

“The decision should depend on what the agency actually needs,” he says. “I would look at the complexity of the technology, how sensitive the data is, how quickly problems need to be resolved, how much internal expertise already exists and how dependent the agency would become on one provider.

“A useful rule is that the more closely a system affects candidate experience, client experience or important business decisions, the more control and visibility the agency should retain,” adds Dmitry. “You can outsource the operation of technology without outsourcing responsibility for what that technology does.”

David Vilchez, Founder & CEO, Medical Staff Talent, provides a confidential medical executive search service for Royal Households and UHNW families in Saudi Arabia, the UAE and Qatar. The company is just him, and he says it works because everything that is process rather than judgement has been handed to a specialist platform or provider.

Vilchez says both technology and candidate verification are taken care of for him, creating a smooth pathway for candidates, but one over which he retains control. A single stack provides applicant tracking, CRM, email, forms, marketing automation and social scheduling: “Automated routines inside it do the work a resourcer and an administrator would once have done,” he says. Three times a day, candidates whose records have gone stale are asked to confirm their availability, and their profiles are updated as a result. Each morning, expired job-board listings are republished and duplicate candidate records are merged. Content is drafted and scheduled weeks ahead. “Nothing reaches a client without my review,” says Vilchez, “but none of it takes my morning either.”

One thing Vilchez never outsources, however, is relationships. He takes every client brief, deals with every candidate, interviews them and ultimately decides who is placed where. >

"The test I use is simple," he says. "If a mistake in a task would be noticed by the client, it stays with me, if it would only be noticed by me, it can be outsourced."

The efficiency and process gain is real, but the bigger gain is focus. A small agency that outsources its back office competes on judgement, and that is a unique aspect of a recruitment business and something a larger agency cannot scale.

With every outsourced arrangement it is imperative organisations do not rush into agreements without carefully considering the implications of the resulting structure. Naturally suppliers need to be vetted but recruitment companies also need to think about the structure of their business as a result of the arrangement. "As with any external partnership, it's important to make sure the agreement works for the needs of the business, both now and in the future," comments Sam Hurley. "Taking the time to review service levels and notice periods can help ensure the arrangement remains flexible as requirements evolve."

"The strongest outsourcing arrangement is not simply the cheapest provider," says Dmitry Zaytsev, "It is the one that removes technical work from recruiters while giving the agency clear ownership of its data, processes and service standards."

Outsourcing technology can mean outsourcing risk and reducing costs, but it should also mean increasing the value recruiters can achieve from running their businesses. ■



What if the biggest benefit of outsourcing wasn't a cost saving?

By Dan Brogan, Managing Director, 3R

When outsourcing enters the conversation, the focus almost always lands on cost.

For many businesses, it also brings concerns around control, flexibility and quality. Handing a business-critical process to a third party can feel like introducing risk, not reducing it. Yet the reality is often the opposite.

When done well, outsourcing doesn't remove control. It creates it. It doesn't reduce flexibility. It enables it. And it doesn't compromise quality. It can improve it.

The financial benefits are easy to measure. The operational benefits are often harder to quantify, but they are frequently the factors that have the greatest influence on long-term performance and sustainable growth.

The power of operational structure

One of the most overlooked advantages of outsourcing is the structure it brings.

An experienced outsourcing partner introduces standardised processes, clear ownership and consistent ways of working. This often brings structure to areas of the recruitment business that have fragmented over time, creating greater visibility, consistency and control.

That structure creates a baseline.

When everyone follows the same process, businesses gain a clearer understanding of what "normal" looks like. Performance becomes easier to measure, inefficiencies easier to spot and improvements easier to make.

And contrary to popular belief, structure doesn't reduce flexibility. It creates the capacity for it.

When routine activities are operating efficiently, attention can be focused on the exceptions, opportunities and challenges that genuinely require a different approach.

Better processes create better outcomes

Consistency drives quality.

When responsibilities are clearly defined and processes are repeatable, people spend less time figuring out who owns what and more time focusing on delivering value.

This creates a more reliable operating model. Teams know what is expected of them, accountability becomes clearer and leaders have greater confidence in the information they use to make decisions.

It's also easier to identify bottlenecks, spot risks earlier and address issues before they become larger problems.

Ultimately, quality becomes less dependent on individual effort and more embedded within the way the business operates.



What does this mean in practice?

For recruitment agencies, the impact can be significant:

- Greater consistency in service delivery
- Improved visibility of data and performance
- Clearer accountability across teams and partners
- More capacity for consultants to focus on revenue-generating activities
- Faster identification of operational risks and inefficiencies
- Greater ability to scale without adding unnecessary complexity

Most importantly, it creates a combination that's increasingly difficult to replicate: simplicity, consistency, reliability and flexibility where it genuinely matters.

For clients and contractors, that means a more dependable experience. For agency leaders, it creates a genuine competitive advantage.

Conclusion

So, what if the biggest benefit of outsourcing wasn't a cost saving? It may be the structure, visibility and control that outsourcing creates.

Because while cost savings remain valuable, they are often the outcome of something more fundamental: better processes, clearer accountability and a stronger operating model.

Businesses that combine consistency with the capacity to respond flexibly to changing demands are often the ones best positioned to grow, scale and outperform their competitors over the long term.

And when those foundations are in place, the financial benefits tend to take care of themselves.

AN EXTENSION OF THE TEAM

Tim Hathaway, Managing Director of recruitment, consulting and learning business IC8, discusses his company's outsourcing arrangements.



Q: What services have you outsourced?

A: We work with 3R across both our UK and US businesses, providing specialist back-office support covering contractor payroll, timesheet processing, invoicing and associated financial administration. >



What makes the relationship different is that 3R feels like an extension of our own team. We've worked together for around two years, building a relationship based on openness, trust and a shared commitment to doing things properly.

Like any strong partnership, we've navigated challenges, learned from them and continued to improve the way we work together. For us, it's much more than outsourcing a service. It's having a trusted team alongside us.

Q: What was your rationale for outsourcing?

A: Our priority has always been to build a business where our people can focus on what they do best: finding exceptional talent, supporting our contractors and delivering for our clients.

Contract recruitment comes with complex financial and administrative requirements, particularly when operating internationally. We wanted a specialist partner with the expertise, infrastructure and capacity to support that side of the business as we grew.

Working with 3R gives us that support, alongside the financial flexibility to pursue opportunities and scale our operations without compromising the service we provide.

Q: How does outsourcing fit with your business strategy?

A: IC8 has always been a people-focused business. Our reputation is built on understanding our clients, finding the right people for their projects and continuing to look after those people long after they've been placed.

Behind that, we need strong, reliable processes that deliver the same high standards our clients and contractors expect from us.

3R shares our commitment to service and provides specialist support that complements our own team. As we've expanded our operations across the UK and USA, having trusted partners who understand our business and our ambitions has been an important part of that journey. >

Q: How does your relationship with 3R work in terms of reviews, check-ins and updates?

A: We have regular operational updates and ongoing communication with the teams supporting both our UK and US businesses, alongside more strategic conversations about how we can continue to improve and develop the partnership.

But what really makes the relationship work is the people. We meet regularly with Kim De'ath and Dan Brogan and those conversations are always open, constructive and forward-looking.

We've also built great relationships across the wider 3R team, including senior leadership. There's a genuine willingness to pick up the phone, share ideas and work together to find solutions.

We've never felt like just another customer. There's a real sense of shared responsibility and mutual respect, which is exactly what you want from a long-term business partner. ■





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