



# HOW TO RUN A SUCCESSFUL PERM DESK

MARCH 2022



# RUNNING A PERMANENT RECRUITMENT BUSINESS

Permanent recruiting focuses on hiring highly qualified and talented employees eager to learn and grow with your clients' business.

Here is a one-stop resource you may refer to again and again. Perfect for adhering to regulations, executing a failsafe recruitment process, and employing the right candidates to last and build better client relationships in the long term.



# PERMANENT RECRUITMENT

Permanent recruitment is the most popular and conventional method of employment in the United Kingdom. Businesses are on the search to hire staff and keep them on as 'employees for life.'

Running a perm desk has advantages. Perm recruitment can be highly profitable if you get it right. Clients will hire the qualified employees they require to support operations and company goals. Therefore, if you have the expertise to find them, high-quality candidates, they are willing to pay you for them.

Hiring new permanent staff makes sense when your client wants to align skillsets within their organisation and enhance divisions. An arrangement of this type is indefinite unless one party breaches the permanent contract. To be more specific, your clients are solely responsible for permanent payroll and benefits.



# MAKE A BUSINESS PLAN

Don't do anything until you've prepared your business plan, just as you would with a temp agency or any other business. Essentially, the following points must be addressed:

**About yourself** – What qualifies you to manage a perm recruitment business and why you wish to do so? Do you have experience, contacts, qualifications, and the personal characteristics to succeed, and can you sell yourself.

**About your company** – There are many forms of recruitment, so you'll need to be clear about your recruitment company's goals. Which industries are you interested in working in? Is there a certain demographic you have a connection with and can target? You'll also need to describe your personnel strategy and, most importantly, how you intend to fund your business.



**Market research** - Here, you may go into further information about your target market and rivals – how will you stand out and attract business? Identify a geographic region that you'll first focus on - even if you don't have an office, to begin with. You'll most likely need to meet prospects and clients in person, so wisely choose your business location.

**Costs and business forecast** — In this section, you'll need to explain all of the costs your company could pay, from website development to office space and business insurance. You'll also need to provide a realistic company estimate that details how much profit you expect to generate in Year 1, Year 2, Year 3, and so on.



# STRUCTURE OF PERM RECRUITMENT PRICING

One of the essential considerations you'll have to make is how much to charge for your services. This should be a key component of your company plan.

Rates vary, but according to recent research, you can expect to charge perm fees of 15-20% of the role's annual pay for most jobs, with this rising to 25% for posts that are extremely difficult to fill.

This implies you work on a contingency basis - that is, you are only paid if the position is filled by a candidate you recommend. In this instance, you'll frequently be competing with other agencies.



# AGENDAS FOR PERMANENT CANDIDATES

Permanent workers are frequently looking to further their careers and improve. This produces a more symbiotic collaboration in the modern world of work than the old pattern of boss and servant.

Keep in mind that the talents necessary for certain professions are not always available on the market, particularly for high-level or specialised positions. Therefore, hiring may entail an experienced recruiter locating people at other companies looking for a better fit or a chance for additional career growth.

The other option is retained recruitment, in which you are solely tasked with finding candidates for a position. This entails a more in-depth approach and is often connected with higher-level positions. As a result, you could charge clients in the region of 30% on fees, while experienced specialists charge up to 50%.



You will also be expected to include a rebate in your fees, in which you will return a portion of the cost if the recruited applicant departs the position after a specified length of time. Again, the duration and proportion of returns vary per agency.

This difference in pricing reflects that recruiting might include various activities, ranging from producing job advertisements to interviewing individuals and even doing reference checks. The cost you charge as a recruiter is determined by how many of these duties you take on. You may want to be flexible with your rates to establish long-term commercial connections when you first start.



# CLIENT RETENTION

This may seem like common sense, but it is critical for a recruitment agency to break down and comprehend the benefits of good client retention.

There is no doubt that expanding your customer base is essential, and customer acquisition is typically a company's primary priority. However, bringing on new clients comes with hidden expenditures such as marketing, research, and manual hours, all of which will impact your bottom line.

If you do not invest in client retention, you throw money away. Selling to an established customer has a 60-70% chance of success. This percentage reduces to 5-20% for new clients.



# TIPS FOR RETAINING CLIENTS

## GET TO KNOW YOUR CLIENTS PERSONALLY

There are no two clients alike. Each company has its vision for its brand, which comes with its own set of demands and pain problems.

Cultivate a relationship where clients feel welcomed rather than like figures on a page. Don't disregard or hurry them; instead, schedule regular check-ins with them during your term. Maintain a professional demeanour while remaining approachable.

Clients who believe they are receiving individualised services are more likely to remain loyal and return. Knowing your clients on a deeper level, knowing who they are and what they want, and their professional problem areas can help you better discuss and retain them.



## KEEP IN TOUCH

Often, a strategy for connecting with clients begins and ends with prospecting and making the sale, but what happens after that? Reaching out frequently will demonstrate to clients that they are more than simply a cash source.

Get to know your clients on a more personal level. Keep in touch with them outside of business by sending birthday and holiday cards, taking them out to lunch, or simply inquiring how they are.

Adding a personal touch on top of offering exceptional prospects will ensure that your clients stay with you and maybe spread the word about your services in the market.



## ESTABLISH CLEAR EXPECTATIONS, THEN EXCEED THEM

This one is likewise related to successful communication. Setting clear and early expectations with your clients is critical to client retention. Request a list of your clients' expectations, and ensure that they include tangible and provable goals that can be met. You will quickly amaze your clients and maintain them if you follow through. For example, rather than telling clients what they require, listen to what they have to say and keep your half of the contract.

## BE PROACTIVE

Client loyalty and good customer service are inextricably linked, and outstanding customer service is achieved when you foresee a client's requirements or prospective difficulties. As if you could read people's minds. You should constantly strive to anticipate and prevent any difficulties in a client account. This can only be accomplished through developing a good connection with your customer, but it will be priceless to your company.

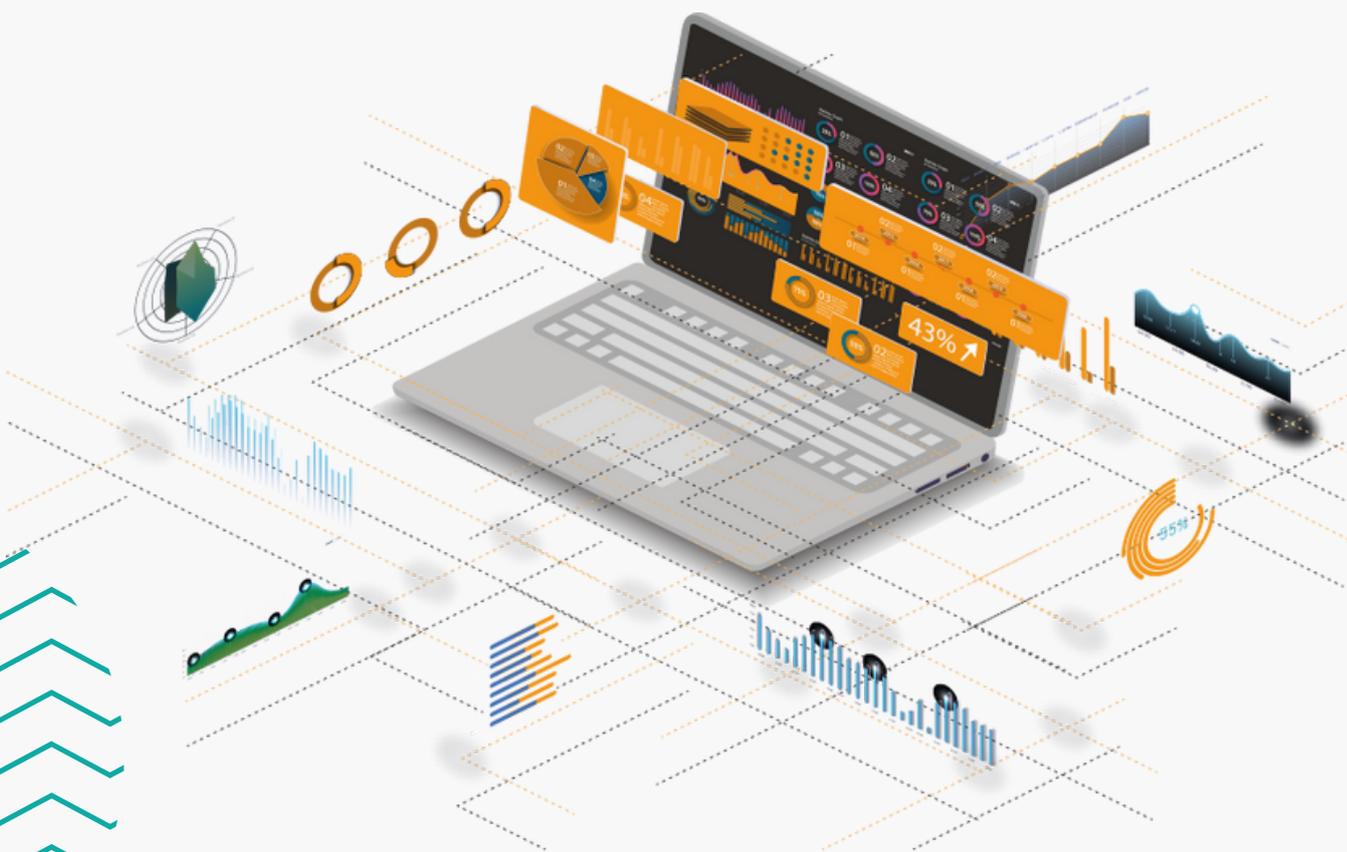


## SPECIALISE

Understand your distinct capabilities for expanding your knowledge in specialised market areas. Having well-trained employees in a specific sector will make your agency more appealing to clients. You will impress your clients if you can demonstrate a track record of successful training and coaching. For example, for your clients, become an expert in business development. Assist them in learning how to do other elements of their business flawlessly.

## AUTOMATE

Investing in an automated system for candidate monitoring, client data management, and infrastructure management will allow you to focus more on creating unique client relationships that will assure client retention. In addition, you will be happier and more productive if you spend less time on monotonous duties.



# ADAPT FROM THE START

Recruitment businesses, like any other business, can thrive by doing what larger rivals can't (or won't) do.

The secret to success is to be adaptable. Some recruiters choose to scrap the normal 9-5 shift and tailor their time to suite prospective candidates' schedules, working some evenings or even weekends.

This schedule allows time with prospects outside of business hours and the freedom to talk casually about what they are searching for. It's a terrific example of the kind of pioneering thinking you'll need to use to make your mark.



Depending on the type of people you're looking for, you may also need to explore technological solutions. Already, the job search has gone largely from laptop to mobile, and companies are attempting to redefine the recruiting process through the use of AI, video, and CVs that contain ratings and reviews. All of this has the potential to speed up the recruitment process significantly.

Further along in the process, the conventional process of the interview is being challenged — with alternative and complementary options, including soft skills tests, job tryouts, and even virtual reality.

A recruiter must stay on top of current and future developments. While you may not have the 'big guys' well-established reputations and brand recognition, you are in a unique position to innovate and run more effectively.



# OBTAINING FUNDING FOR YOUR RECRUITMENT AGENCY

Given the numerous expenditures, one of your first concerns should be to ensure that you can fund your recruitment business. In addition, cash flow is a prevalent concern for agencies due to the time lag between invoicing clients and receiving payment.

Along with seeking investment or a bank loan, look into recruitment finance. This is prevalent in recruitment and is an excellent technique to improve your cash flow. What's more, recruitment finance assists you with several back-office elements in your business, unlike traditional invoice factoring options.



# REGULATIONS & LAWS GOVERNING RECRUITMENT

The Employment Agencies Act 1973 is the primary legislation that governs the recruitment sector. Whether you are a permanent or temporary recruiter, you must be well-versed in this legislation. This infographic summarises the major aspects.

## EMPLOYMENT LEGISLATION KEY POINTS



Agencies can't charge job seekers for finding them work.



A written contract must be given to agency workers.



Pay for agency workers can't be withheld.



Candidates **MUST** be checked for their suitability to the role.



It must be made clear if a recruitment agency advertising a job.

In addition to the Employment Agencies Act 1973, there are a number of trade bodies that set guides and standards.

The [Recruitment and Employment Confederations \(REC\)](#) has developed the REC Code of Professional Practice, which strives to establish similar standards across the sector. This covers ten areas listed below:

- Respect for Laws
- Respect for honesty and transparency
- Respect for work relationships
- Respect for diversity
- Respect for safety
- Respect for professional knowledge
- Respect for certainty of engagement (ensuring that workers are fully informed of the pay and working conditions for the role they are being employed in)
- Respect for prompt and accurate payment
- Respect for ethical international recruitment
- Respect for confidentiality and privacy



# THE ANSWER IS SIMPLICITY

Running a permanent recruitment business requires time spent on servicing clients, finding the best candidates and winning new business.

The **Simplicity Permanent Solution** provides you with 100% funding, full back-office support and innovative technology that helps recruiters run more efficient, compliant and profitable businesses.

By removing financial constraints and time-consuming admin, our Perm solution will help you focus on what you do best - Recruitment!



## 100% FUNDING – ADVANCE ON PERM PLACEMENTS

You could spend months finding that perfect candidate, wait for them to be offered and then accept. A candidate's notice period could further prolong the time it takes to receive payment from the client. You would typically be raising your own invoices, with 14-day or even 30-day terms, and then more than likely receive payment between 30-40 days after.

With Simplicity, you never need to worry about your cash flow. You can access 100% advance on your perm placement within a few days of raising an invoice.

Plus, your risk is reduced by 90% - Each of your Clients will be credit checked and allocated a Credit Limit. This credit limit will then be protected by our credit insurance and in the unfortunate event of client insolvency, we would then claim back 90% from our insurers.



## FULL BACK OFFICE SUPPORT

The Simplicity Team offer a combination of unrivalled skills and experience that enables the growth of your business.

Our team provide a full back office support service as part of our perm solution and take care of your due diligence, invoicing and credit control, as well as provide you with the reporting and management information required to make those all-important business decisions.

## RECRUITMENT TECHNOLOGY

The GEMS Recruitment Workflow Technology comes as standard with all Simplicity Recruitment Solutions.

GEMS was specifically designed for recruiters and combine your front and back-office systems into one seamless process. Saving you time and money by taking away the administrative burden of using multiple systems to run your recruitment business.

Manage your clients, candidates, job bookings, invoicing and reports all from one system.



## UNIQUE 12 MONTH REBATE SCHEME

On top of all of that, you also have the option to take advantage of our unique 12 Month Rebate Scheme.

You can tell your client that if you make a placement with them, you will provide a 12-month rebate. This means they are protected against any potential financial losses they may incur should the candidate resign within the first 12 months.

Provided the Client pays to terms (30 days from date of invoice) and the candidate terminates their contract within the following time frame;

- If the Candidate leaves in the first month, you provide a replacement applicant free of charge.
- If the Candidate leaves in 2-6 months, we repay 40% of the invoice value to you, for you to pass on to your Client.
- If the Candidate leaves in 7-12 months, we repay 20% of the invoice value to you, for you to pass on to your Client.



## INTERESTED IN OUR PERMANENT RECRUITMENT SOLUTION?

Contact us on **01594 888518** or [sales@simplicityinbusiness.com](mailto:sales@simplicityinbusiness.com) to learn more about our permanent recruitment solution.



The Aspen Building  
Vantage Point  
Mitcheldean  
Gloucestershire  
GL17 0DD

✉ [sales@simplicityinbusiness.com](mailto:sales@simplicityinbusiness.com)

🌐 [www.simplicityinbusiness.com](http://www.simplicityinbusiness.com)

☎ 01594 888518



**REC**

Business  
Partner

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