



# Setting up your own **recruitment agency**

Thinking of setting up your own recruitment agency? Read our step-by-step guide to help you get on your feet.



# A step-by-step guide to setting up your own **Recruitment Agency**



## **Step 1. Choose a business name**

What better way to start than deciding upon a business name? This step is much more difficult than it sounds and can have a real effect on your success. Be sure to stay away from long and confusing names and pick something that will differentiate you from your competitors.



## **Step 2. Write a business plan**

It's important to write a business plan to ensure your company has a clear direction, objectives and strategy. Your business plan should include marketing and sales strategies and financial forecasts. There's lots of useful information on how to write a business plan online and you can also download a free business plan template from the Princes Trust website.



## **Step 3. Decide on the best legal structure for your business**

The three main legal structures for most business are sole trader, limited company or a partnership. You need to decide which is the most appropriate structure for your business, looking at the pros and cons of each. An accountant can give you advice on what's best for you based on your business plan.



## **Step 4. Sort out your workspace**

Many start-up recruitment agencies operate from home to cut costs, but it's hugely important to set up a dedicated workspace. Setting up a room or a quiet area to work from can really help with productivity and prevent distraction.



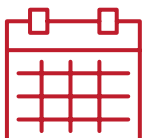
## **Step 5. Get your business kit in order**

Whether you're working from home or out of an office, you'll need to make sure you have the right equipment to get the job done. As a start-up you might have to beg, borrow and shop around for the best deals on IT equipment and office furniture. Don't forget you can claim for any expenditure on business equipment when you file your tax return!



## **Step 6. Set-up a business bank account**

Setting up a business bank account affords several advantages over simply using your own personal account. It makes it much easier to keep track of your income and outgoings and often means that you have access to a business banking manager who can offer valuable financial advice.



## **Step 7. Let HMRC know you're becoming self-employed**

You need to register as self-employed through HMRC to make sure you pay the right tax and National Insurance. You must register by 5 October in your business' second tax year or you may be fined. It's a really easy process and can all be done online in a matter of minutes.

# A step-by-step guide to setting up your own **Recruitment Agency** *cont.*



## Step 8. Get compliant

Make sure you get clued up on the relevant rules and regulations to ensure your new business is compliant with the law. There are several pieces of legislation that you will need to familiarise yourself with, including (but not limited to) Data Protection, Agency Worker Regulations and the Equality Act. You must also abide by the UK Code of Non-broadcasting Advertising, Sales Promotion and Direct Marketing set out by the Advertising Standards Authority, to ensure that every job you advertise is fair and non-discriminatory.



## Step 9. Sort out insurance cover

It is important to set up public liability insurance to protect yourself against any claims from a third party for injury or loss. Although not a legal requirement, the protection public liability insurance offers can be invaluable and often costs less than £100. A good place to start would be by checking comparison sites for a decent deal.



## Step 10. Get your business image in order

It's important to have a clear brand identity that will strengthen your image as a business and set you apart from your competitors. It's worth investing in the expertise of a designer to create a strong visual identity that you can use across a website, business cards, email signature and stationery.



## Step 11. Appoint an accountant or set-up your own simple book-keeping system

Before you send your first invoice, you should ensure that you've set up a simple bookkeeping system to keep track of income and expenditure. Keeping records as you go can prevent a huge headache when it's time to file your tax return. Alternatively, you could appoint an accountant to take away the burden and ensure accuracy in reporting.



## Step 12. Manage your cash flow

Keeping track of your cash flow will make sure there are never any nasty surprises when it comes to paying any contractors or other business expenses. A simple spreadsheet is usually adequate for this purpose and there are plenty of free templates to download online.



## Step 13. Organise your business communications

As a new start-up, you need to make sure that you are accessible to potential clients and job seekers across a range of communication channels. Be sure to spread your contact details and website far and wide and never under-estimate the power of social media.



## Step 14. Get your support in order

One of the biggest mistakes you can make as a start-up is trying to take on too much responsibility. You should begin by assessing your own skills and experience so that you can identify any gaps that you can fill by subcontracting. Start by asking around your network for anyone who can offer support in different fields – it's surprising how much expertise you can find in your own telephone contacts!



## Our Story

Back Office Support Services started helping recruitment agencies of all shapes and sizes prosper and grow way back in 1998.

In the 20 or so years since then, we've also prospered and grown – and now employ over 35 people in our Head Office in Congleton, Cheshire.

That success is down to building long-term relationships with clients who trust us to take care of their financial and legal support – not to mention an obsession with customer service that ensures an unrivalled accuracy that keeps contractors, temps and clients 100% happy.

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