[Your business name] — Business Plan

Recruitment agency in [Your city] · Startup plan

Executive summary

[Your business name] is a new recruitment agency in [Your city] offering contingency recruiting for permanent hires; retained search for senior and hard-to-fill roles; contract and temp-to-hire staffing; and recruiting projects for companies hiring several people at once. The model is one clear specialty, a signed fee agreement before any candidate is sent, fees paid when the hire starts, and repeat clients and referrals as the growth engine.

Startup budget: $29,650 across 9 items, with funding still to be decided.

Twelve months from now, success looks like this: [What success looks like twelve months from now]

Products and services

[Your business name]'s core service is contingency recruiting for permanent hires. Every search starts with a signed fee agreement and a written brief, every candidate is screened against the brief before a résumé reaches the client, and every placement carries a replacement guarantee.

- Contingency recruiting for permanent hires
- Retained search for senior and hard-to-fill roles
- Contract and temp-to-hire staffing
- Recruiting projects for companies hiring several people at once

Market analysis

The customers are growing companies without an in-house recruiter, hiring managers with a role job ads haven't filled, and teams that need contract staff for a project or a leave — and on the other side, the candidates in the specialty who trust the agency with their next move.

- Growing small and mid-sized companies with no in-house recruiter
- Hiring managers with a hard-to-fill role that job ads haven't filled
- Companies that need contract or temporary staff for a project, a busy season or a leave
- HR teams that need extra recruiting help during a hiring surge

Marketing strategy

Most clients will come through word of mouth — referrals from hiring managers and from candidates who were placed well — and direct outreach on LinkedIn and by phone, with Google confirming credibility when someone checks: a clear specialty, placement results and reviews on the Google Business Profile. A website with forms for employers and candidates turns that into job orders and applications.

- Referrals from hiring managers and candidates you've placed — the main source of repeat work
- LinkedIn: your specialty in the headline, regular posts and direct messages to hiring managers
- Business-development calls and emails to companies hiring in your specialty
- Google Business Profile and Google — “recruitment agency” or “staffing agency” plus your city or specialty
- A website with your specialty, placement results, and forms for employers and candidates

Operations plan

The owner sells and recruits in year one — business development in the morning, candidate calls in the afternoon — reviews the pipeline every week, and runs contract workers through a payroll-funding partner until the agency can carry payroll itself.

- One specialty — a type of role in an industry you know — so clients and candidates remember what you do
- A signed fee agreement before any résumé goes to a client: the fee, payment terms, the guarantee and what happens if they hire your candidate later
- An applicant-tracking system that logs every candidate, submission and interview
- Job ads that show a pay range where state or city law requires one, and screening on skills alone — anti-discrimination law covers agencies as well as employers
- Contract workers run through a payroll-funding or employer-of-record partner until the agency can carry payroll itself
- A weekly pipeline review: open roles, candidates in play and the fee each could bring

Startup costs

What it will take to open the doors, with funding still to be decided.

Startup costs

ITEM	AMOUNT
Working capital: living costs until the first fees arrive (three to six months)	$20,000
Recruiting tools: an applicant-tracking system, a LinkedIn Recruiter seat and job-board credits (first year)	$4,150
Professional liability (E&O) and general liability insurance (first year)	$1,650
Employment lawyer: client fee agreement, candidate terms and guarantee policy	$1,500
Laptop, second monitor and a good headset	$1,500
Business registration, LLC and EIN	$300
Website and Google Business Profile	$0
Invoicing, scheduling and client CRM (first year)	$0
Logo, business cards and a professional headshot	$550
Total	**$29,650**

Typical range to start a recruitment agency in the US: $14,300–$48,500. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website and Google Business Profile: Your Zarla plan includes the website with your specialty, a request form for employers and an application form for candidates, and walks you through your Google Business Profile — a designer typically charges $2,000 or more to build one. Invoicing, scheduling and client CRM (first year): Your Zarla plan includes invoicing, online booking and customer management for your client companies — you'll still need an applicant-tracking system for candidates.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a recruitment agency in the US. Overhead is low; what needs planning is the months between opening and the first fee landing — and, once you place contract workers, the payroll you meet before the client pays.

Typical monthly operating costs for a recruitment agency: $460–$6,250 a month, before the owner's own pay.

Add a monthly sales target and the plan will show how long it takes to recover the startup budget.

Typical monthly operating costs

COST	TYPICAL RANGE
Applicant-tracking system, LinkedIn Recruiter seat and job-board postings	$200–$800
Invoicing, scheduling and client CRM (included with Zarla)	$0–$100
Professional liability and general liability insurance	$60–$250
Marketing, networking events and association dues	$100–$600
Background checks and skills assessments (often billed to the client)	$0–$300
Phone, internet, bookkeeping and accounting	$100–$400
Coworking or office	$0–$800
Part-time sourcer or recruiting coordinator (once you hire)	$0–$3,000

US ranges for a small operation; replace with your own figures as you learn them. Lines marked (included with Zarla) are what those tools cost separately — with Zarla they are part of one monthly plan.

Risks and honest downsides

Every recruitment agency plan should say out loud what can go wrong. For [Your business name], the real risks are:

- Contingency work is unpaid until someone starts — a client can fill the role internally, pull it or hire through another agency after weeks of your work
- Hiring is one of the first budgets cut in a slowdown, so a full pipeline can empty in a quarter
- A hire who leaves inside the guarantee period means a free replacement search or a refund
- One client that's most of your fees is a business built on one hiring manager
- Contract staffing means meeting payroll every week while clients pay in 30 to 60 days — growth without a funding partner or a credit line can run out of cash

Licenses, permits and insurance

What [Your business name] needs before it can legally trade in the US. Rules vary by state and city — confirm each item with your local licensing office and an accountant.

- State employment-agency license or bond where required — The rules differ by state and usually turn on who pays the fee. California requires agencies that charge job seekers a fee to file a surety bond with the Secretary of State. New York licenses employment agencies (the state labor department, or the city's consumer-protection department inside New York City) but exempts an agency that places only commercial, clerical, executive, administrative or professional staff and never charges the candidate — from the license, not the law. Some states also license healthcare and nurse staffing agencies separately. Check your state labor department before you place anyone.
- Business registration and EIN — Most recruiters form an LLC; register a DBA if the agency trades under another name.
- General business license — Some US cities and counties require one even for a home-based agency — check locally.
- Employer registrations if contract workers are on your payroll — Once the agency employs the people it places, it needs a state unemployment-insurance account, payroll-tax withholding, I-9 checks and workers' compensation insurance, which nearly every state requires for employees. Illinois also requires agencies that supply day and temporary laborers — work that isn't professional or clerical — to register with its Department of Labor. A payroll-funding or employer-of-record partner can carry all of this until you're ready.
- No recruiter certification required — No US state requires a recruiter to hold a professional certification; the National Association of Personnel Services' CPC and the American Staffing Association's CSP are optional credentials some clients look for. A few states do license the individual agents at agencies that charge job seekers — New Jersey, for one.

Milestones: the next 30 days

The first month's to-do list for [Your business name], in order:

- Choose one specialty to recruit for, ideally the field you already know
- Check your state's employment-agency rules, then register the business, get an EIN and open a business bank account
- Have an employment lawyer draft your client fee agreement: the fee, payment terms, the replacement guarantee and what happens if a client hires your candidate later
- Get professional liability and general liability quotes, and set up an applicant-tracking system
- Set up a free Google Business Profile, sharpen your LinkedIn profile and put your website live
- List 50 companies hiring in your specialty and call ten hiring managers a day
- Build a bench of 30 strong candidates before the first job order lands
- Make your first placement, then ask the client and the candidate for a Google review

Appendix: what a lender will ask for

This plan tells the story and shows the numbers. If you take it to a bank, expect to be asked for these documents as well:

- Two years of personal tax returns and a personal financial statement
- A month-by-month 12-month cash-flow projection that shows the gap between a search starting and its fee arriving
- Signed client fee agreements, open job orders and the fee each could bring
- Your recruiting track record: past placements, billings and references
- Proof of insurance, business registration and any state agency license or bond
- For contract staffing: your payroll-funding or factoring agreement and each client's payment terms
- Your credit report and anything you can offer as collateral

Template: replace every [bracketed] line and every estimate with your own figures. Written with Zarla's free business plan generator — zarla.com/business-plan-generator writes it from five questions.