

SHOULD YOU BE EXPLORING A SUBSCRIPTION-BASED RECRUITMENT SERVICE?

Louise Hannant, founder of the specialist PR, Marketing and Creative recruitment agency, Premier Resourcing, explains the subscription recruitment model.

70%

of UK employers battle with not enough candidates in the marketplace. For small businesses this issue is even sharper, with

81%

facing tough times hiring, a 2024 survey by the Recruitment and Employment Confederation (REC) shows.

These stats highlight that the need for businesses, particularly those scaling up or experiencing rapid growth, to make savvy changes to their recruitment strategies has never been stronger. Moving away from the traditional contingency-only method, we are seeing a rise in clients wanting to explore our subscription-based recruitment service, keen to understand its intricacies and value.

What is a subscription-based recruitment service?

Traditionally an employer pays a one-off fee to a recruiter once the placement has been made. For scaling companies or clients who know they need volume hires in the coming months, a subscription-based service offers a fixed monthly fee based on the number of roles required and the seniority of those roles.

From the start of the contract, the recruitment partner takes time to really understand the client's organisation and their employer brand, working with them to get the messaging, job descriptions and targeting spot on, before managing the detailed, extended search.

It's a proactive process, rather than a reactive one which only looks for talent when a vacancy becomes available.

Why are subscription-based recruitment services becoming increasingly popular?

When we start to outline the multiple benefits of a subscription, clients easily see it as a value proposition:

- » It streamlines the multi-hiring process, saving time and helping clients to scale.
- » It is also much cheaper, per hire, than the contingency method.
- » With no upfront costs, the equal monthly payments help when managing cash flow.
- » Employers benefit from a continuous talent pipeline, as passive candidates are engaged throughout the year, not just when a job is advertised.
- » Organisations experience improved employer branding and messaging, in turn helping to secure talent.
- » Clients receive services above and beyond contingent services. At Premier, this includes extensive market-mapping, bespoke salary benchmarking, and real-time access to shortlists and workflow via our employer portal.

How much does a subscription-based recruitment service cost?

The monthly subscription cost is based on the mean of the forecasted salaries, which means your fees stay the same for the duration of the contract. As recruitment consultancies typically offer preferential commission levels to subscription clients, it costs less than traditional contingency methods. Clients have the flexibility to add more roles at any time, adjusting the monthly subscription.

In this example, we compare Premier Resourcing's contingency and subscription methods for a client making these five hires within 12 months:

2 x £40,000 executive roles + 2 x £80,000 senior roles + 1 x £150,000 director role
Total combined salaries = £390,000



Subscription model costs:

15% subscription total consultancy fees = £58,500

Spread over 12 payments (£4,875 per month)



Contingency model costs:

25% contingency total consultancy fees = £97,500

Spread over 5 payments (2 of £10,000, 2 of £20,000 and 1 of £37,000)

Will my organisation benefit from a subscription-based recruitment service?

If you are looking to make three or more hires over the next twelve months, a subscription should be beneficial. As well as scaling companies, this method is also preferred for more established agencies and corporates as they increasingly understand the need to be more proactive in attracting talent.

Not just for Director or Senior roles, subscription-based recruitment is also ideal for multiple Executive or Account Manager hires, something we are seeing more of as PR and Marketing agencies are keen to secure passive candidates to help grow their teams. However, a subscription-based service isn't always the right solution. For clients needing support with a difficult to place role, or who have a single senior position, a retained search is likely to be a better option. Contingency continues to work for a quick, non-strategic hire when there are plenty of suitable candidates in the marketplace although consider exclusive contingency for less chaotic searches with increased success.

About Louise Hannant

With more than 20 years of expertise in PR, Marketing and Creative recruitment, Louise adds her Little Black Book of contacts – and her powers of persuasion – to ensure the most passive of candidates are targeted. Since setting up Premier Resourcing in 2010 she has grown the team to ten consultants but still ensures she oversees the priority accounts of Subscription and Retained clients.



For an introductory chat about how a subscription-based service can help your organisation thrive, talk to Louise:

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TOP TIPS

FOR CHOOSING A RECRUITMENT SERVICE

1. Work with a recruiter who offers a choice of services (e.g. Exclusive, Retained and Subscription) and who offers the option to flex with the demands of your business.
2. Ask about their successes and experience in your sector. Can they support this with testimonials or case studies?
3. Look out for value-adds like cooling off periods or extended guarantees.

