

Recruitment Agency Health Check

Ten questions, about three minutes. Tick one answer per question and add up the points on the right. Maximum score: 30.

1 Out of every 10 CVs you send to clients, how many get an interview?

- | | | | |
|------------------------------------|----------|--|----------|
| ☐ 7 or more | 3 | ☐ 5 or 6 | 2 |
| ☐ 3 or 4 | 1 | ☐ Fewer than 3, or I don't know | 0 |

2 Out of every 8 accepted offers, how many people actually start?

- | | | | |
|---------------------------------|----------|--|----------|
| ☐ 7 or 8 | 3 | ☐ 6 | 2 |
| ☐ 5 | 1 | ☐ Fewer than 5, or I don't know | 0 |

3 What's your net profit margin, after all costs and before tax?

- | | | | |
|--------------------------------------|----------|--|----------|
| ☐ 25% or more | 3 | ☐ 15% to 24% | 2 |
| ☐ 5% to 14% | 1 | ☐ Under 5%, or I don't know | 0 |

4 Do you know what each desk contributes, after its own costs?

- | | | | |
|---|----------|--|----------|
| ☐ Yes, every desk, every month | 3 | ☐ Roughly, for most desks | 2 |
| ☐ I only know total profit | 1 | ☐ No | 0 |

5 How many months of fixed costs do you have in the bank, not counting tax money?

- | | | | |
|---|----------|--|----------|
| ☐ 6 months or more | 3 | ☐ 3 to 5 months | 2 |
| ☐ 1 to 2 months | 1 | ☐ Less than a month | 0 |

6 Where does the money for your tax bills sit?

- | | | | |
|--|----------|--|----------|
| ☐ In a separate account, moved as soon as it's owed | 3 | ☐ In a separate account, topped up now and then | 2 |
| ☐ In the main account. I know roughly how much | 1 | ☐ I find out when the bill arrives | 0 |

7 How is commission paid?

- | | | | |
|--|----------|--|----------|
| ☐ On cash received, with a threshold and clawback | 3 | ☐ On cash received, but no threshold or no clawback | 2 |
| ☐ On invoices raised | 1 | ☐ It varies, or it's negotiated person by person | 0 |

8 Before someone starts, do you agree what good looks like for their first 90 days?

- | | | | |
|---|----------|---|----------|
| ☐ Yes, in writing, reviewed every week | 3 | ☐ Yes, but only verbally | 2 |
| ☐ A rough idea | 1 | ☐ No | 0 |

9 Do your markets connect, sharing clients, candidates or skills?

- | | | | |
|---|----------|---|----------|
| ☐ All of them do | 3 | ☐ Most of them do | 2 |
| ☐ A couple don't | 1 | ☐ We cover lots of unrelated markets | 0 |

10 If you took a month off tomorrow, what would happen to the business?

- | | | | |
|--|----------|---|----------|
| ☐ It would keep growing | 3 | ☐ It would hold steady | 2 |
| ☐ It would dip | 1 | ☐ It would stall | 0 |

Your total

____ / 30

What your score means

25-30 In good shape

Your foundations are strong. The gains from here come from focus, leadership and protecting margin as you grow.

17-24 Solid, with a few leaks

The business works, but a few leaks are costing you money or time. Fix the lowest-scoring areas below first.

9-16 Worth a proper look

There's a good business here, but some of the basics need attention before you push for growth. Start with cash and conversion.

0-8 Time for a reset

Don't panic. Most founders have been here, me included. Pick the two lowest areas below and work on nothing else for the next 90 days.

What good looks like, and what to do

	Benchmark	If you scored 2 or less
1	7 in 10	If fewer than 7 in 10 of your CVs get an interview, you're either sending the wrong people or you don't fully understand the brief. Qualify the job harder before you search, and send fewer, better CVs.
2	7 in 8	Most lost placements are counter-offers you could have seen coming. Ask on the first call, not the last: what happens when your boss offers you more money to stay?
3	20%+ (AJ aims for 30%)	Growth that drops your margin below 20% is usually growth you'll regret. Look at salaries against billings, commission design and shared costs before you look at revenue.
4	About 40% on perm, 15% on contract	Work it out desk by desk: revenue, minus fixed costs (salary, software, share of rent), minus commission and employer's NI, minus corporation tax, divided by revenue. It usually shows you the busy desk that isn't making money.
5	3 to 6 months	A cash buffer stops bad months forcing bad decisions. Build towards 3 to 6 months of fixed costs before you hire or expand, and forecast 13 weeks ahead every Monday.
6	Separate account, moved the same day	Move VAT, corporation tax and dividend tax into a separate account as soon as they're owed, and don't touch it. The cashflow tracker in the free toolkit does the maths.
7	Cash received, threshold, clawback	Pay on cash received, not invoices raised. Have a threshold before commission starts and clawback for placements that fall through. Keep it simple enough to calculate yourself, and never change it mid-year.
8	Written 30/60/90 plan, weekly review	Since January 2027, unfair dismissal rights start after six months. Agree activity and outcomes in writing before day one, review weekly, and have honest conversations in month two, not month five.
9	Every market connects	Before adding a market, ask whether it shares your clients, candidates or skills. If it shares none of them, it's a new business, not a new desk. Ask "should we?", not "can we?"
10	It holds steady or grows	You're only as good as your business on your day off. Write down the processes that live in your head, hire leaders who are better than you at the day-to-day, and hand over one thing this month.

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