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# 50 recruitment firms growing up fast

**Colin Cottell** dissects *Recruiter's* and Catalyst Corporate Finance's league of the fastest growing privately held recruitment firms and highlights what other businesses can learn from these companies

**T**his year's Fast 50, *Recruiter's* ranking of the 50 fastest growing UK private recruitment businesses in the UK is testament to the enduring dynamism of the recruitment industry.

Even as the storm clouds of the looming recession gathered in the summer of 2008, many recruiters continued to make hay. And despite some recruiters being hit as the downturn began to cut a swathe through the industry from late 2008 on, many recruiters recorded impressive rates of growth.

The in-depth analysis, carried out by Catalyst Corporate Finance, based on recruitment businesses most up to date accounts, reveals a healthy average growth rate by revenue of 46%. This compares with 52% in the previous year.

"We are surprised and pleased by the resilience of the growth rate," says Tim Evans, head of recruitment M&A at Catalyst, and co-author of the Fast 50.

That said, Evans points out that for most recruiters, the accounting period on which the Fast 50 is based ended during 2008, although for the minority it is 2009. Consequently, he says, it does not reflect the full impact of the recession.

So what sets the Fast 50 companies apart from their many competitors?

According to Evans, there are some "very clear common denominators" that set the Fast 50 apart from the rest. "It's about good leadership, high quality consultants and robust systems rather than being about size, geographical location or sector," he says.

Recruiters in the Fast 50 also tend to go that proverbial extra mile for their clients, suggests Mark Kingston, senior researcher at Catalyst, and co-author of the Fast 50.

One example is oil & gas recruiter Orion Group, which opened an office in Kazakhstan. "This was a proactive step to respond to the changing needs of their global client base," says Kingston, and one that has proved successful.

Fast 50 recruiters themselves agree that a service ethos and differentiation from the competition are important reasons for their success.

Toby Kerr, managing director of IT recruiter Williams McKinley, which specialises in SAP [a type of software] (14th), attributes the company's growth performance to its "unusual approach".



**Tim Evans, co-author of the Recruitment Fast 50, Catalyst Corporate Finance**  
**Medium-term growth is a very different and serious achievement — the result of good sector knowledge**



**Mark Kingston, co-author of the Recruitment Fast 50, Catalyst Corporate Finance**  
**Recruiters in the Fast 50 also tend to go that proverbial extra mile for their clients**

"We are a service company rather than a sales organisation. Our growth is entirely organic based on reputation and referral. This allows us to focus on the quality of the work we do rather than waste time with cold calling. It's better for our consultants and better for our long-term relationships with clients because we are not foisting ourselves on people who don't want us," he says.

Kerr also extols the value of being a true specialist. "It's really important to understand the depth and the detail of the market. You can't understand 30 or 40 [IT] technologies, you can only understand one of them," he says.

Sean Zimdahl, chief executive of IT recruiter, Aston Carter (15th), says that what sets the company apart and has enabled it to grow its turnover from less than £10m to £100m plus within a decade is "our proven business model that we're successfully replicating in every new market we enter".

Zimdahl adds: "Ninety per cent of our staff are recruited at entry level, and each consultant specialises in a specific business or technical vertical — with a defined career path, their own personal learning and development plan, and the opportunity to become a shareholder in the business if they hit their targets.

"Everything at Aston Carter is about the individual. Every single office has been grown organically, all our opportunities have been created internally, and there are rewards and opportunities for performing staff."

Mark Swain, managing director of multi-sector recruiter Fusion People (18th), says the company's focus on passive rather than active candidates gives it a

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2010 Rank	2009 Rank	Company	Activity	Compound annual growth rate %	Latest year accounts	Revenues £000s	Website
1	3	FiveTen Group*	Multi-sector: accounting and finance, banking, management consultancy, creative, marketing and agency, HR, legal, IT, telecommunications	196.8%	2008	156,933	www.fivetengroup.com
2	-	Arion Recruitment	IT, engineering	128.4%	2008	6,378	www.arionrecruitment.co.uk
3	-	OR Education	Education	86.7%	2008	5,658	www.or-education.com
4	-	Templeton Recruitment	IT	78.1%	2008	8,157	www.templeton-recruitment.com
5	-	IT Skillfinder	IT	76.4%	2008	5,810	www.it-skillfinder.co.uk
6	1	Mentor IMC Group	Oil & gas	72.6%	2008	28,215	www.mentorinternational.com
7	2	Hobson Prior	Pharmaceutical, life sciences	66.8%	2008	10,267	www.hobsonprior.com
8	-	IT Human Resources	IT	66.7%	2009	24,183	www.ithr.co.uk
9	-	Direct Workforce	Transport, industrial	64.9%	2008	6,161	www.directworkforce.com
10	-	E-resourcing	IT	62.7%	2009	5,641	www.e-resourcing.co.uk
11	-	Provanis	IT	59.5%	2008	10,112	www.provanis.com
12	14	Eurostaff Group	ICT, finance, analytics, renewable energy	59.3%	2008	13,168	www.eurostaffgroup.com
13	10	Investigo	Multi-sector: banking, public sector, change solutions, commerce & industry	58.3%	2009	28,840	www.investigo.co.uk
14	-	Williams McKinley	IT (SAP)	53.3%	2009	8,538	www.williams-mckinley.com
15	18	Aston Carter	Finance & operations, consulting and commerce IT	48.6%	2008	115,000	www.astoncarter.co.uk
16	26	Morgan Law	Public & not-for-profit	46.0%	2008	24,239	www.morgan-law.com
17	49	Computer Aided Designers	Technical	45.4%	2008	21,016	-
18	19	Fusion People	Multi-sector: engineering, industrial, construction, non-professional services	45.3%	2008	44,660	www.fusionpeople.com
19	-	Petrolic Consultants	Oil & gas	44.0%	2008	17,208	www.petrolic.co.uk
20	-	Monarch Recruitment	IT, education, oil & gas	43.1%	2008	24,030	www.monarchrecruitment.co.uk
21	-	Maxxima	Healthcare, social care	41.0%	2008	20,887	www.maxxima-group.co.uk
22	-	Orion Group	Oil & gas, power, rail, aerospace, construction, IT & telecoms, mining	39.1%	2008	287,811	www.orionjobs.com
23	-	Michael Bailey Associates	IT, ICT	39.0%	2008	98,757	www.mbauk.com
24	-	Rice & Dore Associates	Finance	37.5%	2008	8,712	www.riceanddore.com
25	15	Diamond Resourcing	Multi-sector: secretarial & clerical, sales & marketing, healthcare, financial services, professional services, IT & telecoms	34.4%	2009	5,714	www.diamonddresourcing.com
26	-	LA International	IT	34.3%	2009	101,502	www.lainternational.co.uk
27	32	Driver Hire	Transport	33.7%	2008	13,442	www.driver-hire.co.uk
28	-	Heads Recruitment	Multi-sector: commercial, industrial, managerial, engineering, logistics	33.6%	2008	34,263	www.heads-uk.com
29	-	MAPP	IT	33.2%	2009	5,243	www.mapp.co.uk
30	-	Vital Recruitment	Food & drink, engineering, construction	33.1%	2009	20,466	www.vitalrecruitment.com
31	31	Technicad Recruitment	Engineering & technical	32.9%	2009	10,518	www.technicad.co.uk
32	16	Bostonair	Aviation, aerospace, power generation	31.8%	2008	15,678	www.bostonair.co.uk
33	-	Lexstra	IT	31.7%	2009	8,976	www.lexstra.co.uk
34	12	IRS Recruitment	Multi-sector: business services & office support, engineering, trade, craft & project services, project teams & international supply, search & selection	30.2%	2008	15,886	www.irs-recruitment.com
35	-	CBSbutler	Multi-sector: technical, ICT, aviation, HR, pharma, defence, sales & marketing, electronics	30.0%	2008	32,546	www.cbsbutler.com
36	20	Staffwise	Multi-sector: construction, engineering & industrial, non-professional services, IT & telecoms, secretarial & clerical	29.4%	2008	25,484	www.staffwise.co.uk
37	43	Venn Group	Financial services, professional services, IT & telecoms	28.2%	2008	97,285	www.venngroup.com
38	-	First Personnel	Driving, commercial, industrial	28.0%	2008	19,530	www.jobsatfirst.com
39	37	Extrastaff	Driving, industrial	27.7%	2008	10,253	www.extrastaff.com
40	-	Contract Connections	Professional services, IT	27.5%	2008	5,089	www.contract-connections.co.uk
41	50	Levy Associates	IT, healthcare	26.8%	2008	17,745	www.levynet.co.uk
42	41	Red Commerce	IT	26.5%	2009	51,540	www.redcommerce.com
43	-	Cititec	IT	25.7%	2008	27,707	www.cititec.com
44	39	Atlan Resource Solutions	Energy, engineering, HR, IT, public sector	25.3%	2009	37,906	www.atlanrs.com
45	35	Drivers Direct	Transport	24.7%	2008	9,171	www.driversdirect.co.uk
46	-	CarmichaelUK	Engineering, construction	24.5%	2009	18,894	www.carmichaeluk.com
47	-	Fircroft	Technical	24.3%	2008	43,895	www.fircroft.co.uk
48	-	RIG Radiography Recruit	Healthcare (radiographers)	23.9%	2008	14,815	www.rigradiography.co.uk
49	-	Smartsourcing	IT	23.5%	2008	16,016	www.smartsourcing.plc.uk
50	-	Tangent International	Telecom, IT	23.3%	2009	22,509	www.tangent-international.com

\* Comprises of the following brands: WH Marks Sattin, EMR, Ortus, Lawrence Simons, Greythorn, Antal Russia

competitive edge and drives growth. "It gives clients access to a wider selection of candidates and a better match than in-house recruiters and our competitors who often use job boards," he says. "As an agency you have to stand apart in the way you do your resourcing."

A noticeable aspect of this year's Fast 50 is the almost complete absence of companies which have grown through merger and acquisition (M&A) activity. Compared with 2009, when six companies engaged in M&A, only one recruiter (FiveTen Group) made acquisitions. That said it was this that helped propel FiveTen to the top of this year's rankings.

"The biggest factor in the reduction of M&A was the availability of debt and equity finance. Companies were also focused internally and looking to position themselves for the upturn," says Evans.

The number of Fast 50 companies backed by private equity has also dropped, says Evans. He suggests that one reason is that private equity-backed recruiters have been focused on paying off their debt in "very difficult market conditions".

Leadership is also a key factor, says Evans. In the tough business environment of the past 18 months, there has been more emphasis on the ability "to guide businesses through tricky waters" rather than pursue unbridled growth.

Diversification, both sectoral and geographical, also played an important role in driving growth among this year's Fast 50 companies.

Kingston says a good example is Eurostaff (12th), "which historically focused on the ICT and finance sectors, but has now diversified into serving the renewable energy and analytics industries".

Multi-sector recruiter Diamond Resourcing (25th) has also benefited from diversification.

Director Mark Diamond says that while parts of its business, notably financial services, bore the brunt of the downturn, this was more than compensated for by the growth of its healthcare business, Health Care Services.

Based in the East of England, the company has doubled the number of branches to eight, and health care now makes up 75% of the firm's £6m turnover business, he says.

Drivers Direct managing director Gethin Roberts says the company has switched some of its focus away from pure recruitment into training not only its own drivers, but also the drivers of some of its clients. Training now makes up around 10% of the firm's business, he says.

Paul Amani, managing director of Petrolic Consultants (19th), one of the strong representation of oil & gas recruiters, attributes the company's strong showing to a number of factors: high demand from clients for the personnel it supplies and diversification away from the relatively weak UK market into new markets, namely Japan and Qatar.

Overriding all of this is the company's focus on understanding both clients and candidates, enabling the company "to find a perfect match".

Swain adds that Fusion People's growth was boosted because demand from its clients in the Middle East for civil engineering professionals peaked in 2008.

While recruiters such as Petrolic have undoubtedly benefited from the buoyant energy markets of 2008, because of the time lag in providing accounts, next year's Fast 50 is likely to reflect the worst of the downturn.

However, Catalyst's Evans strikes an optimistic note,



**Toby Kerr, managing director, Williams McKinley**  
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**Gethin Roberts, managing director, Drivers Direct**  
We've switched some of our focus away from pure recruitment into training

saying that he expects an influx of new entrants to next year's table, "particularly where they bring a fresh approach to service delivery and the use of technology".

With 29 of the Fast 50 new entrants this year, Evans notes that achieving fast growth in one year can sometimes be achieved by acquisition or by operating in a niche with low competition.

However, he argues that the bigger challenge for recruiters is sustaining strong growth over a longer period.

"Medium-term growth is a very different and serious achievement, and is always the result of good sector knowledge, high service levels and the quality and motivation of the people involved," he says.

But whether recruiters are focused on the short or the longer term, and whatever the state of the economy, it's clear that growth opportunities will continue to exist.

## methodology

**The Recruiter-Catalyst Corporate Finance Recruitment 2010 Fast 50 ranks the fastest growing private recruitment businesses in the UK by sales.**

**Criteria for inclusion:** The Recruitment Fast 50 assesses temporary and/or permanent recruitment companies which are registered in the UK as private, independent and unquoted companies. This category includes private companies that are backed by private equity houses.

All companies considered for inclusion in the Fast 50 achieved a level of annual sales of £5m or above in at least one of the three financial years assessed.

**Exclusions:** Companies which have filed abbreviated accounts at Companies House without disclosing sales levels are excluded. Unaudited management accounts are not accepted due to the absence of independent validation.

Companies that have any shares or other financial instruments listed on a stock exchange, or where any of their shares are held by any UK or overseas quoted company, do not qualify for inclusion. Furthermore, businesses that serve the recruitment sector through the provision of IT, payroll, administrative or other services also do not qualify.

**Data-collection methods:** Companies have been identified through several research methods including the analysis of information from Companies House, financial databases, press coverage and other research.

Any firm which believes that it may not automatically be included in the 2011 Fast 50 due to the unavailability of public statutory accounts information but which believes it has a verifiable case for inclusion, is invited to contact Mark Kingston of Catalyst Corporate Finance. Email: [markkingston@catalystcf.co.uk](mailto:markkingston@catalystcf.co.uk)