<<your company logo>>

<<your company name>>

staffing agency business plan

*<<Prepared by:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_>>*

*<<Date>>*

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**1. Executive Summary**

<< This section should not be completed until the business plan is written. It will highlight all milestones in the company’s development over the next five years. It should sum up the following areas: >>

* Purpose of the plan
* Product or service and its advantages
* Market opportunity
* Management team
* Track record, if any
* Financial projections
* Funding requirements

<< Financial projections should be summarized and highlighted. The following format is suggested as a guide: >>

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **Year 3** |
| **Sales** |  |  |  |
| **Gross Profit** |  |  |  |
| **Net Profit before Tax** |  |  |  |
| **Investment** |  |  |  |
| **Employment (In-house)** |  |  |  |

* << Remember that potential investors often make a provisional judgement based on the executive summary, and that their decision to read the main body of the business plan will depend on the information presented here. >>

**2. Company Description**

**Promoters and Shareholders**

<< Description of the people involved in starting the business:

* Promoters
* Management structure and areas of responsibility
* Shareholders names, no. of shares, % shareholding and cash investment to date

**Advisors**

<< Financial, legal, and other advisors should be listed, with names, addresses and contact details. >>

**Products and services**

<< Explain clearly what your product or service is and what it does.

* Types of Staffing and Types of Industries
* Benefits and Features
* Unique selling points
* Advantages to customers
* Disadvantages or weak points
* Growth Plans (geographic, skill category, staffing model)

**Long Term Aim of the Business**

<< State the long-term aim of the new business. >>

**Objectives**

<< State the specific milestones to be achieved by the company over the next five years (sales, type of customers, and type of staffing). >>

**SWOT Analysis**

<< Analyze the strengths and weaknesses of the business and service, the opportunities that exist in the marketplace, and the threats to the viability of the project. This is best done in a matrix diagram as follows, [or using a template](https://www.advancepartners.com/swot-analysis-template): >>

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| **Opportunities** | **Threats** |

**3. Market Analysis**

<< This section covers market research and competitor analysis. You should show that you have done the market research to justify the projections made in your business plan. It must demonstrate that there is a viable market and that you can beat the competition in the market for sales. There are [several resources available](http://www.advancepartners.com/market-research) for collecting staffing industry and market data.>>

**Target Market**

<< The market to which you are planning to service. Utilize resources including staffing industry associations, Chamber of Commerce, Bureau of Labor/Statistics, Job Boards, etc. Analyze the segments of this market as follows:

* Size of each market segment
* Is the segment growing or declining?
* Characteristics of potential customers in each segment
* Should you start as a niche or generalist? >>

**Total Market Valuation**

<< Show the total potential value of the market for this type of service, in all the targeted markets. >>

**Target Company revenue**

<< These figures are the basis for the sales figures in your financial projections and must be based on realistic assessments. Include average deal size, length of sales cycle, recurring revenues>>

**Market Trends**

<< Analyze what is happening in the market:

* Recent changes
* Future predictions
* Drivers such as demographic changes, economic and legislative factors
* Implications for your service
* Your plans to meet future demands and changes in the market >>

**Profile of Competitors**

<<Analysis of your competitors in the market:

* What are the competing services?
* Profile of key players (company size, turnover, profitability etc.) and their market share
* Advantages and disadvantages of the competitors’ offerings >>

**Competitive Advantage**

<< This is your assessment of why potential customers will choose to buy from you rather than the competitors listed above. Advantages may include:

* Unique features
* Price
* Better value to customers in terms of efficiency or ROI or cost/benefit ratios
* Include any independent validation or case studies
* Your companies knowledge of a particular niche >>

**Benefits to Clients**

<< This is what your product or service provides to potential customers in terms of their own business goals. Does your product or service enable them to:

* Increase efficiencies
* Save money?
* Save time?
* Maximize resources?
* Reduce downtime?
* Improve Customer Service, reduce churn, increase loyalty

What will using your staffing service actually do for the customer? >>

**4. Marketing/Sales Strategy**

<< This section sets out your strategies for reaching your target market, arousing their interest in your product or service, and actually delivering your service to them in sales. >>

**Key Messages**

<< Define the key messages that effectively and succinctly describe and differentiate your business: >>

* What is your Elevator Pitch?
* What is your Candidate Value Proposition?
* What is your Client Value Proposition?

**Marketing Strategy**

<< How you will position your service in the market and differentiate it from its competitors: >>

* Which segments of the market will be targeted first and why?
* How will this be developed to reach the full target market?
* How will you differentiate your service?
* What key benefits will be highlighted?
* What potential customers have you already targeted?
* What contacts can be used to generate market awareness and sales?
* Who will do the marketing: staff, agency?

**Revenue Sources**

<< What contributions to revenue and profit will your business have?

|  |  |
| --- | --- |
|  | % |
| * Contract/Temporary
 |  |
| * Contract to Hire
 |  |
| * Direct Hire
 |  |
| * Payrolling
 |  |
| * Other – be specific
 |  |

**Sales Strategy**

<< How you will sell your product or service to the target market.

* Directly
* Sales rep
* Website
* Social Media
* Revenue Sharing Partners

Analyze for each method the costs involved, whether it will reach the intended market efficiently, the control you would retain over the pricing and positioning, the logistics, and the overall integration with your marketing strategy. State the advantages of the methods you have chosen to sell your service. >>

**Pricing**

<< How you will set the price charged for your service. Considerations include:

* Competitors’ prices
* Level of competition in the market
* Perception of quality-price relationship by customers
* Cost components of direct labor
* The extent to which the buyer can control the price
* Overhead costs
* Unique access to niche candidate base

State how each service will be priced, referring to the income sources above. >>

**Marketing and Communications Strategy**

<< How you will promote your service in the marketplace.

* Advertising – where, when, how, to whom
* Public relations
* Direct marketing
* Website and internet marketing
* Social Media
* Exhibitions and conferences
* Professional Associations for the Staffing Industry
* Professional Associations in the Skills/Industries you wish to serve.
* Word of mouth >>

**5. Sales Pipeline**

Table as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Customer | Size of Deal | Date Contract expected | Probability % of Getting Sale |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**6. Recruiting Plan**

**Recruiting Roadmap**

<< Show the intended development of your candidate database. What is your message to the candidate pool and managing the pool-turning candidates in to employees?

Include:

* Who will be responsible for the recruiting methodology and delivery?
* Where will you house your database?
* What is your unique message to the market
* What outside services and or tools will you use to mine candidates?
* What is your referral program
* Intake Process
	+ New applicant flow
	+ Criteria for moving to interview
	+ Interview and assessment process
* How will you manage your talent network
* How do you stay in touch with your database >>

**7. Technology**

**Staffing Software**

<<Research software options and costs, as well as outsourcing providers and identify which will best fit the needs of your business. >>

* << There is a whole category of software designed solely for supporting staffing companies.  You may see this referred to as Enterprise Staffing Software, Integrated ATS (Applicant Tracking System) platform, or Integrated Recruiting software.  The key is that it houses your prospects, customers, candidates and employees and manages them in concert with each other.  A non-integrated ATS would only manage your candidate database.  Most integrated systems can be purchased by modules.  If you plan to outsource your payroll and billing you may not need to purchase the back office module***,*** or your service may include a front and back office software package.  Add-on modules may include online applications, social media integration, and online timekeeping.

Stand alone CRM or Resume Data Base Systems are also an option but are far less efficient than an integrated system.>>

**Accounting Software**

<< Identify how you will track financials. Either an automated accounting package or a monthly bookkeeping service.  QuickBooks is by far the most popular but there are options you can research. >>

**8. In-House Staffing/Operations**

<< This is where you will outline the intended structure of the company in terms of management, number of in-house employees, and the physical operational requirements to provide your service. >>

**Management (including Board) Organization Chart**

<< Include diagram of the way in which the management of the new venture will be organized. This should show the areas of responsibility of each employee to be taken on over the next three years. >>

**Staffing**

<< State what in-house employees will be taken on over the next three years, with which skills, in which areas of the business. >>

* Sample job descriptions (links?)
* Sample comp plans/ranges (links?)
* Cite ASA / SIA or link (links?)

**Training Plans**

<< Outline the planned employee and management development to be undertaken in order to maintain a competitive workforce. This should also tie in with the future market developments and any new product or service developments. >>

**Operations**

<< Outline the physical requirements of the business. >>

* Premises (Home office, executive suites, traditional office space) Keep in mind [these recommendations](http://www.advancepartners.com/choosing-a-location) when considering office options.
* Equipment (Computers, desks, etc)
* Costs involved (overhead)
* Suppliers
* Background Checks
* Insurance
* Professional Employer Organization (PEO)
* Tax Credit Support
* Others
* ACA requirements & strategy
* Model contracts

**9. Funding Requirements**

<< State here the total funding requirements of the business, and how those are intended to be provided. You will also need to state the approximate breakdown of how these funds are to be spent.

**Sources:**

* Owner funds
* Investor funds
* Bank lending / LOC
* Grants or loans from agencies, such as SBA
* Payroll Funding / Specialty Finance

**Required for:**

* Equipment
* Marketing
* Staffing
* Working capital / Temporary payroll >>

**10. Financial Projections**

I Key Assumptions

II Profit and Loss Accounts

III Balance Sheets

IV Cash flow

**Requirements for Preparation of Projections**

Sales Assumptions provided by hour, types of workers & geography and reconciled to pipeline

Understand the costs of direct labor

Expenditure categorized into Admin and Overheads and Promoters / key managers salaries

Identification of monthly and cumulative company operational deficits

Projections should identify separately Operational Cash Flow, cash required for temporary payroll and external Cash Injections

***I Key Assumptions***

<< This section reviews the key assumptions used in the financial projections. It is a guide to explain how key figures in the financial projections were arrived at. Included here should be items such as:

* Income sources
* Number of in-house employees projected for each year and their intended salaries
* Projected investment in equipment and materials
* Depreciation allowed for
* Expected rent and rates charges
* Creditor days expected and debtor days allowed (DSO)
* Expense calculations

This section should be brief and to the point. Further detail regarding these items can be placed in the Appendices. >>

***II Profit & Loss Accounts***

<< Attach here projected profit and loss accounts for the first three years of the company’s operations. >>

***III Balance Sheets***

<< Attach here projected balance sheets for the first three years of the company’s operations. >>

***IV Cash flow***

<< Attach here a monthly cash flow prediction for the first two years of the company’s operations. >>

**11. Appendices**

<< This section is used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices vary from business to business, but normally include some of the following:

* Owner/Key Management Profiles/Resumes
* Detailed market research findings
* Promotional literature
* Details of company website
* Letters of intent from customers >>