

Using recruitment agencies to hire contractors

Clients looking to find and hire a contractor, or team of contractors, can benefit hugely from getting a recruitment agency working on their behalf. This is particularly true for client project managers who have never been involved in hiring contractors before. "The agent, the client and the contractor are all in a symbiotic relationship and if it runs smoothly, that works best for us all," says Ashley Cooper of agency [Parc Ellis](#).

The process of finding recruitment agencies is not difficult, says Ashley Cooper, who jokes: "If a client has not had a cold call from an agency at some point then they clearly don't have a phone."

He says there are many small things a client can do that will result in their getting much more out of their agency, and ultimately a much more productive contractor, or team of contractors. "But," he warns, "it's really important to do some homework before selecting an agency."

Selecting an agency

According to Cooper, putting together a shortlist of agencies is mostly common sense: "If you know what sort of contractor it is you want to hire, then look online and find the agencies advertising contracts like the one you want to advertise. Pick two or three and do some due diligence."

First, says Cooper, the agent must know what you're talking about: "You don't necessarily want an agent with a PhD in your sector, but there's no point talking to an agent who doesn't know anything at all about the field you want to recruit in." Cooper, for example, tends to focus on IT contractors, so ensures he is aware of the latest trends in IT, particularly at the enterprise level, which is where he tends to work.

He also points out that, if a client needs one contractor, there is a very good chance they will need more. "So by using an agency that knows your sector you are likely to have access to a stream of high quality specialist contractors."

"Next, you need an agent who is transparent. Relationships that go wrong tend to do so because one of the parties is not open," continues Cooper. "And transparency when it comes to [contract rates](#) is vital. No-one expects an agency not to have a margin, but hiding margins from clients and contractors nearly always backfires."

Finally, Cooper urges any new client project manager to make sure every agency they want to work with is totally up to speed with the latest legislation. "Agencies are there to protect their clients from a lot of bad things happening," he warns. "Make sure the agent has up-to-date contracts, understands the agency regulations and [opt-outs](#), [debt transfer provisions](#), [IR35](#) and other tax legislation, plus employment rights and legislation."

Briefing an agency

"There are a lot of things a client can do at the briefing stage that will ultimately determine how successful the agency will be at hiring the right contractor," explains Cooper. "It sounds obvious, but this can be a failure point of the whole process."

The client should start by determining the process and parameters of the contract. Things they should consider include:

Exactly what skills should the contractor have?

How will the contractor be using those skills?

What precisely does the client want the contractor to achieve, and by when?

The timeline – when does the contractor have to be in post, and what is the expected length of the project?

What's the selection process? Interviews – phone or face-to-face?

A key consideration is the skill specifications, says Cooper. "Don't ask the HR department for a job spec'. Not all, but most will simply come up with a generic skills profile that might match a permanent employee. This is no good for a contractor. Be very specific – what do you actually want the contractor to achieve and what skills exactly will they need to be able to do it?"

At this point, agents who don't have the technical sector knowledge can come unstuck, he comments. "On the other hand, a specialist agent is likely to have supplied many contractors for many similar projects, and so is likely to have the knowledge to ensure you not only get the spec' right in the first place, but also find the contractor or contractors to achieve your project aims."

The agency contractor search

Once armed with a detailed brief on exactly what skills the contractor should have, Cooper says most agencies will search their existing database and/or start marketing activities.

"Every agency has a contractor database they will search first, and if the client is lucky just the right contractor might be available or could be coming to the end of their current project. However, chances are most of the good ones will be in contract," he explains. "So that means the agent will go to the market to find the right contractor."

Going to the market usually means advertising on an online job board, but it could also mean print advertising in specialised trade media, various kinds of networking or attending or hosting a recruitment event.

As enquires start to come in from contractors, Cooper says that various processes, many designed to protect the client, start to kick in. At Parc Ellis, for example, these include:

Opt-out from the [Conduct of Employment Agencies and Employment Businesses Regulations 2003](#), commonly known as the conduct regulations designed to protect vulnerable agency workers, but less applicable for contractors

Identity checks, usually through passports and/or driving licenses

Confirmation of [contractor limited company](#) certificate of incorporation and company number

VAT registration certificate

Confirmation of company registered office address

Ensuring overseas nationals have the right to work in the UK.

"Only when we're satisfied and the boxes on our form are all ticked, does the contractor get to the next stage."

Presenting contractors to the client

According to Cooper, he would have established right at the start when taking the brief how contractors who might be suitable for hiring should be presented to the client, but in most cases it follows in a similar format.

"I'll have selected a shortlist by working through the CVs sent to me by email, and possibly done a first round of telephone interviews, if that was part of the brief," says Cooper. "I'll collate the contractor CVs and email them to the client with some commentary based on what I have read, and maybe what I have gleaned from a telephone interview."

The commentary might include information on rates, experience and any added-value information. The aim is to keep the number of contractors and questions about them to a minimum, with the objective of saving the client time and being as focused as possible.

Cooper says that sometimes he will coordinate interviews and even attend them if the client asks him to, but with other clients their HR department handles that part of the process.

"Very occasionally when we've had an urgent position to fill, we've compressed the entire process into a matter of days. "But," he warns, "this is a risk to the client as they are almost taking a punt, but we always try to take as much risk out of the process as possible."

Negotiation, contract award and follow-up

Contract negotiation isn't just working out a reasonable rate with contractors; the real battle can often be with the client's procurement department. "We frequently work with client procurement people who can't see they are not buying a commodity," says Cooper.

"The rates have been agreed with the client project manager, who holds the budget, and the contractor; but all too often procurement steps in to try to obtain a big discount, not realising that is not how it works when hiring contractors. The danger to the client at this point is that the contractor will simply walk, and accept another contract elsewhere – the best contractors are always in demand. So," he continues, "one of an agent's key roles is to make sure the deal happens, whatever gets thrown at them."

Once everything has been agreed by telephone and/or email, Cooper sends hard copies of the contracts out to the client and the contractor to get everyone's signature. However, it is important for both sides to realise that this is now a formality, as, in law, once agreement has been reached a contract is already in place, whether or not it has been signed.

"Our last task before the process starts again with renewals is usually a telephone follow-up after a few weeks with both the client and the contractor," says Cooper. "In some cases we will go on a site visit, to ensure everyone is happy with how the contract is running."

Renewals

Assuming there is a project need for the contractor's contract to be renewed, most go through smoothly. However, Cooper warns that it's when no-one knows what's happening that things go wrong, and a good agent should pre-empt this.

"About four weeks before the end of a contract, I'll call the client to find out what their plans are, and if a renewal is likely. I'll also call the contractor and sound them out," says Cooper. "Assuming all is well, I'll send out the paperwork quickly to ensure the contractor is not concerned and tempted to jump ship."

Cooper concludes: "A good agent should take as much risk and hassle out of the contractor hiring and management process as possible for their clients – that's what we do to earn our margin."

“
We frequently work with client procurement people who can't see they are not buying a commodity
”
Ashley Cooper, Parc Ellis

Published: Tuesday, November 24, 2009

© 2016 All rights reserved. *Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#).*



ABCe verified website - last audit confirmed *134,482 monthly unique visitors*

© Copyright 2016 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)