

A 5-step guide to navigating uncertainty

Through 2023 and beyond



Recruitment
& Employment
Confederation

Who is this guide for?

Are you a new business owner?
Or is this your first experience of
uncertain times since opening your
business?

If you answered 'YES' to either of these
questions, this guide is for you.

Introduction

Uncertainty is difficult to deal with for both employees and businesses. With uncertainty, it is imperative to ensure steps are taken to ease the strain on business operations, as well as provide transparency to staff.

In this guide we outline the 5 steps businesses can take to aid with navigating uncertain times.



What's included?

Step 1: Create an action plan

Step 2: Protect your cashflow and review your cost base

Step 3: Be the expert advisor to your customers

Step 4: Look after your people

Step 5: Identify new growth opportunities

Conclusion

How the REC can help

Step 1: Create an action plan for your business

When navigating uncertain times it is best to start with developing a plan to guide you through this period.

1. Conduct **scenario planning** – how will your responses differ depending on how the market changes?
2. **Determine what is just a bump in the road** or a hole you need to avoid – it may be you need a new business plan to react appropriately.
3. **Monitor the market closely** - you can use up-to-the-minute REC research, including [Report on Jobs](#), [Jobs Outlook](#), [Labour Market Tracker](#).
4. **Review your metrics** and your performance against previous results.
5. Continually **review your business performance** and keep doing so throughout this period of uncertainty.
6. **Talk to your managers** about the role of KPIs in your business and how to use them; what is most important to your business model?
7. Ask your finance team to **produce quarterly or monthly cash flow** reports.
8. **Keep focused on any outstanding invoices**; keep a tight rein on your debtor days.
9. **Talk to your consultants** about the market and what their clients are saying, so you can quickly spot changes before the data comes through.
10. **Outline what measures you are going to take** and have an update

meeting every week to ensure the plan is understood and executed.

The plan should be developed by your management team with input from all your colleagues. **Get everybody in your organisation involved.**



Step 2: Protect your cashflow and manage debts

Uncertainty may result in a reduction in sales and potentially a lower revenue line. Debt management is therefore key to riding out any possible downturn.

Companies with an elevated level of debt are vulnerable during the downturn.

- If you are able reduce any debt when times are good, take the opportunity.
- It is the case that the more debt you have the more cash you will require to make the interest payments and therefore may get into financial difficulty.
- Look for expenditure savings early. Controlling any cuts will give you the opportunity to return to your pre-downturn revenue performance more quickly.
- Take a hard look at your business and what it needs to trade out of the situation.
- If you have any finance arrangements in place, speak to your internal team and any external [finance/accountancy](#) providers. Check the small print, check the terms of your agreements and the fees you are paying.
- Keep abreast of the best finance deals on the market.
- Produce a budget - operational and financial - and stick to it.

Finally but most importantly, remember to check all your clients for their credit rating.

It is good practice and will help to protect you from any future debt worries that may rise.



Review your cost base

Headcount

Headcount is still one of the biggest costs to any recruitment organisation and should be the last area you look to save costs.

It may be a suitable time to review your business model - more service delivery consultants, more candidate consultants or more sales consultants - whichever model you are working, check your KPIs against your delivery.

You may deploy a headcount freeze. It may be the case that you do not recruit further team members until further notice. Surprisingly, this tactic calms your colleagues as they feel the management team are taking the necessary measures.

Premises

Are your current premises adequate for your requirements? Are you able to talk to your landlord regarding your current rent? Would they look at an extension of the current rent or better still a rent review and a longer lease?

Advertising

We all recognise the current high job boards pricing structure. It goes without saying you will need look around for the best deals and use other avenues to find candidates.

Furniture, fixtures and fittings

It is always prudent to halt any capex in tough times, whether that is cars, CRMs, or the latest AI interface – but keep future plans under development for when times improve. Innovation and flexibility is what is required from your staff.

Terms and Conditions and Fee Structure

In an unstable market, you may be persuaded by your client to reduce your fees. Do not. Stick to your guns. Ensure your terms and conditions are up-to-date, and your fee structures are clear.

Manage your debtors

Make sure your debtors are up-to-date with payments and in line with your financial controllers requirements. Beware of any poor payers and remember to keep checking their credit rating (especially before trading).

Step 3: Be the expert advisor to your customers

Know your local situation

Talk to your local employers and create alliances. People will still recruit and they will still need experienced, qualified people.

Learn what candidates want

Candidates are looking for [more from their prospective employers](#) than just a nine to five existence.

Candidates do not just want a job. They want career opportunities, development, and increasingly since the pandemic, the option to work from home or hybrid working, depending on the role.

Gauge the talent landscape

Update your knowledge about [Equality, Diversity and Inclusion \(EDI\)](#), and the different talent pools you can tap into to fill the skills gaps in your recruitment niche. The REC has produced a number of practical guides to support members on this journey. (Up to you if you list out certain ones as links here - I think there are a good few - [Guide to Recruiting Older Workers](#), [neurodiverse talent](#), [Transgender legal briefing](#)...)

Advise your clients on boosting their EVP

Clients must accept that their job opportunities may not be as attractive an option for potential workers in a market where there is stiff competition for talent.

Educate clients on ways to improve their Employee Value Proposition (EVP) by thinking about:

- Deploying more inclusive recruitment practices
- The importance of recruiting from a more diverse talent pool
- Non-monetary incentives to attract and retain talent, and more
- How they talk about their company's story, their values and why this is a great place to work.

Conduct salary benchmarking surveys and give your clients the information they need to make the right recruitment decisions.

Offer something new and unique to your clients and strengthen your ties with them. [REC's data](#) can help.

Organise job fairs and take the role of career advisor

- Organise a job fair for your local clients and invite candidates to come and meet your clients.
- Meet employees from various organisations and ask why they joined the employer and what attracted them to the organisation.
- Attract candidates by letting them talk to the decision makers at the event.

- Offer your candidate careers counselling and help them find their next role.
- Reach out to your local JobCentre Plus or find out more about [Restart](#) from [Alice](#) or [Chantell](#) at the REC.



Step 4: Look after your people

Communication with your team is critical during any kind of turbulence or uncertainty. Having an open dialogue will enable everyone to feel empowered to voice their concerns and reduce the level of speculation that can occur during times like this.

During uncertainty here are a few key points to remember when retaining and looking after your people:

- Your colleagues are your biggest asset, make sure they understand the company's position.
- Offer mental health and wellbeing support to your team - there are free resources on the [REC website](#) you can use.
- Keep the team in the loop and outline what measures you intend to take.
- Ensure that you continue any 1:1 or coaching sessions. Use this opportunity to ensure your colleagues do not have any concerns or worries.
- Ask them how they are feeling about the current situation, do they have any concerns and try and trade as normal; keep to your values.
- Continue with training your team, use your senior people to support this especially important activity. (Further reading: [Employee engagement guides](#))

- Provide additional resources that will continue employee growth. Sharing insightful [podcast](#), [educational webinars](#) and [valuable reports](#) will support you during this time.
- Remember development is for everybody in your organisation.
- Hold monthly meetings for the whole office, preferably run by the MD. Update the team and explain what the [job outlook](#) looks like.
- Ensure that new starters are onboarded correctly and allocated a buddy who they can talk to during the probation process.
- If you have them, make sure everybody knows who the mental first aiders are.
- Try and make the environment as normal as possible.
- Reward colleagues who have gone over and beyond this week - perhaps with an early finish.
- Take advantage of different talent pools (EDI) and the talent they can bring to the organisation.
- Offer your colleagues flexi time, or core hours or working from home whatever fits with your organisation.
- Encourage your team to take REC development courses.

Step 5: Identify new growth opportunities

An uncertain time can be a good time to work on innovative ideas for your business.

- Do not stand still; [look at ways of expanding your business](#). It could be new markets, new service offerings or a completely new venture, all of which will give you more opportunity.
- Develop a niche sector, gain a reputation from the market, commit headcount to the venture - head it up if necessary.
- Operate in different sectors - vary your revenue streams to maximise your opportunity.
- Remember to capitalise on your current client and candidate base which you have built up over the years. It is not all about new customers or candidates; your existing, and loyal, customer base is already there but needs nurturing.
- Consider if you can offer all services of recruitment: temporary, permanent, fixed contract, interim, search, RPO, etc.
- Springboard into another market/geography using current premises and digital technology as a base.
- Establish a new business team to target new areas.
- Give a colleague the responsibility of following up on tender opportunities.

Conclusion

Recruiters are agile creatures

Your service offering to your clients is key! You can always trim your overheads, but you certainly do not want to do anything which will affect the fabric of your business or the service delivery to your clients.

For recruiters and talent acquisition professionals with the right service offer – this is our moment.

Who else can meet and address client needs when those clients are changing their businesses fast in tough times?

When they still need to hire, but the market is tight and new skills demands abound, who else can bring professional focus and insight to areas like retention?

From healthcare and technology to logistics, the narrative about our value to the economy is changing for the better. Read more in [Recruitment and Recovery](#).

The path we face is difficult. Recruiters will need to step up and deliver as professionals, but the opportunities to make a difference are huge.

About the REC

We're making great work happen.

We are here to drive standards and empower recruiters to be brilliant. We're striving to ensure that every candidate is given the best chance of success through good recruitment.

Here's how the REC can help:



Business consultancy and mentoring



Market-leading research and insights



A community of experienced recruiters



Practical business support



Industry-recognised training

Talk to us today.... info@rec.uk.com / / 020 7009 2100

Thank you for reading

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