



The Recruiting Business

One placement can pay \$15,000-25,000. If you know an industry and can work a phone, recruiting turns your network into the highest-ticket service business on this list.

\$500-1,500

START LEAN

45-90 days

FIRST DOLLAR

80-90%

TYPICAL MARGIN

Is this your business?

A recruiting practice gets paid to solve the most expensive problem in business: the empty seat. Contingency recruiters earn 15-25% of a placed candidate's first-year salary, which means a single \$100,000 placement bills \$20,000. Solo recruiters who know one industry deeply, often from a career inside it, regularly clear \$200,000-400,000 a year from a home office with little more than a phone, an ATS, and relentless follow-up. The catch: you only eat what you close.

\$500-1,500

LEAN STARTUP COST

\$3,000-7,000

STANDARD BUILD

45-90 days

TIME TO FIRST DOLLAR

80-90%

TYPICAL GROSS MARGIN

Yes, fully

SOLO-FRIENDLY

Yes, entirely

HOME-BASED

BUILT FOR THESE FOUNDER TYPES

THE CONNECTOR

THE ADVISOR

4/5 difficulty

THE HONEST FIT TEST

This is a sales job with a human product that changes its mind. You need resilience against deals dying at the finish line, comfort making 20+ calls a day, and an industry where you genuinely know who is good. If commission-only psychology breaks you, or you cannot deliver hard news to both sides of a deal, choose a steadier playbook. If you love the chase, almost nothing pays better.

Who pays, and why now.

Companies pay recruiters because vacancy is more expensive than the fee. An empty engineering, sales, or nursing seat costs a company thousands of dollars a week in lost output, and internal HR teams are built to process applicants, not to hunt the employed ones who are not applying. The US staffing and recruiting industry runs well over \$200 billion a year, and the permanent-placement slice that solos compete in is built on exactly one asset: knowing who is good and who is looking before anyone else does.

The structural truth of the trade is that niches beat networks of any other kind. The recruiter who places 'anyone' competes with everyone and knows no one. The recruiter who only places controllers in manufacturing, or nurses in long-term care, or superintendents in commercial construction learns the names, salaries, and ambitions of an entire talent market within a year. Clients pay 20-25% fees to the specialist who delivers three strong candidates in a week, while generalists scrape for 15% deals against five competitors on the same search.

For the mid-career professional, this is the purest 'your career is the inventory' play after consulting: ten years inside an industry means you already speak the language, know the players, and can judge candidates the way no generalist agency can. Sales managers become sales recruiters, nurses become healthcare recruiters, engineers recruit engineers. Your old colleagues are your first candidate pool, your old vendors and competitors are your first clients, and your judgment is the product the fee pays for.

The insider mechanics most outsiders never see: split networks. Platforms like TopEchelon and NPWorldwide let independent recruiters trade halves of deals: one side brings the job order, the other brings the candidate, and the fee splits 50/50. For a new solo, splits mean you can earn from day one with only one side of the marketplace built, and a \$20,000 fee split in half is still a \$10,000 month. The other mechanic is the guarantee: nearly every contingency deal carries a 60-90 day replacement guarantee, which is why your contract language and candidate quality are the same thing as your bank balance.

WHO BUYS	WHAT THEY PAY	WHAT THEY ACTUALLY WANT
Small and mid-size companies	15-25% of first-year salary	Seats filled fast without an internal recruiting team or job-board roulette
PE-backed and growth companies	20-25%, repeat searches	Proven operators delivered quietly and quickly during builds and turnarounds
Hospitals and healthcare operators	\$8,000-25,000 per clinical placement	Licensed, vetted clinicians in chronically empty seats
Construction and industrial firms	18-25% per placement	Superintendents, estimators, and trades leadership nobody can find on Indeed
Other recruiters (splits)	50% of the fee	Your candidate for their job order, or your job order for their candidate

ONE PLACEMENT AT A \$90-100K SALARY, 20-25% FEE

\$18,000-25,000

The unit economics that make this trade different: a solo recruiter closing two placements a month at mid-market salaries is running a half-million-dollar practice from a spare bedroom. The same math is why the misses hurt: zero placements is zero revenue, no matter how busy the month felt.

Every dollar, before you spend it.

The tools are modest and the inventory is free: it is the people you already know and the hours you spend on the phone. Spend on the database, the sourcing tools, and the contract, then protect six months of living costs, because the first fee is typically 60-90 days out even when you do everything right.

THE LEAN BUILD · START HERE	WHY IT EARNS ITS PLACE	COST
LLC + EIN + business bank account	Clients sign fee agreements with entities. THE LAUNCHPAD Module Three walks it	\$50-500
State licensing check (critical)	Some states regulate employment agencies and fee-charging placement. Verify before your first agreement (see legal)	\$0-500
LinkedIn Recruiter Lite	The standard sourcing tool; the full seat can wait until revenue	\$170/mo
ATS/CRM (Crelate, Loxo, or similar)	Candidates, clients, and every conversation tracked from day one; the database IS the business	\$100-150/mo
Fee agreement + guarantee terms	Attorney-drafted contingency agreement with replacement-guarantee language	\$300-800
Phone, VoIP + email outreach stack	A real business line and a sequencing tool for outreach at volume	\$30-80/mo
Domain, email, one-page site	Niche, roles you fill, placed-candidate proof as it accumulates	\$60-150
Lean total		\$500-1,500 plus a living-cost runway

THE STANDARD BUILD · ADD AFTER FIRST REVENUE	WHAT IT UNLOCKS	COST
Split network membership	TopEchelon or NPWorldwide: trade halves of deals while your desk matures	\$130-300/mo
Job board + sourcing data	Indeed sponsored slots, ZoomInfo or contact-data tools for client outreach	\$200-500/mo
E&O insurance	Negligent-referral and contract-dispute protection; some clients require it	\$40-80/mo
Recruiter training (Pinnacle, RecruiterU, or similar)	Desk methodology shortens the expensive trial-and-error year	\$500-2,000

THE RULE

Your real startup cost is runway, not tools. The recruiting cash cycle (search, offer, start date, invoice, net-30) means even a perfect first quarter pays in the second one. Six months of personal expenses in the bank is the difference between working your niche patiently and taking bad searches out of fear.

Clean from day one.

Recruiting's legal landscape has two live wires most new recruiters never check: state employment-agency licensing and the enforceability of your fee agreement. Both are boring paperwork right up until a \$22,000 invoice depends on them.

- Check your state's employment-agency law first:** A number of states regulate placement businesses, and the rules differ sharply by model: fee-to-employer recruiting is often exempt where fee-to-applicant agencies are licensed and bonded. New York, New Jersey, Illinois, and others have specific statutes. One call to your state's labor department before your first agreement settles it.
- Never charge candidates:** Beyond ethics, charging applicants triggers the strictest licensing regimes in most states and poisons your candidate pool. Your fee comes from the employer, full stop, and saying so early builds candidate trust.
- Attorney-drafted fee agreement, signed before resumes move:** Fee percentage, what triggers it (candidate hired within 12 months of referral), guarantee terms, and payment timing. The classic catastrophe is sending a resume on a handshake, watching the hire happen quietly, and owning an unenforceable invoice.
- Replacement guarantee terms you can survive:** Market standard is a 60-90 day replacement (you re-run the search free if the hire leaves), not a refund. Guarantee refunds sparingly if ever, and pro-rate anything you do guarantee. This clause decides whether one bad hire erases one fee or three.
- Discrimination law applies to you:** Title VII, ADEA, and state equivalents govern recruiters, not just employers. A client asking for 'young energy' or 'no visa candidates' is asking you to share their liability. Decline in writing; the email protects you.
- Candidate data handling:** Resumes, salaries, and job-search status are sensitive by definition. Present candidates only with their permission, every time: blasting resumes uninvited is both a legal exposure and the fastest reputation kill in the industry.
- Independent-contractor and references hygiene:** Keep reference checks factual and documented, and avoid promising outcomes to either side. Your notes in the ATS are your defense file if a placement goes sideways.

INSURANCE, SPECIFICALLY

E&O insurance (\$40-80 a month) covers the negligent-referral claim: the placed bookkeeper who embezzles, the credential you reasonably checked that was forged. Larger clients increasingly require it in vendor onboarding, so carrying it early removes a deal obstacle. If you ever expand into temp or contract staffing, the insurance picture changes completely: you become the employer of record, with payroll, workers' comp, and unemployment obligations. Do not drift into contract staffing casually.

WATCH FOR

The handshake search. A hiring manager says 'send me who you have' before the fee agreement is signed, and every instinct says cooperate. Do not. The unsigned client who hires your candidate has stolen nothing, legally, in most cases: timestamped agreements and documented candidate presentations are what make your fee real. Signed agreement, then resumes. No exceptions survive contact with a \$20,000 invoice.

Requirements vary by state and city. Verify with your state, city clerk, and a licensed professional. Education, not legal advice.

Three doors. Real numbers.

Recruiting fees follow industry convention, which makes pricing less about invention and more about discipline: hold the percentage, define the trigger, and choose engagement structures that match how badly the client wants the seat filled.

	RECOMMEND	
<p>DOOR ONE</p> <p>The Contingency Search</p> <p>20-25% of first-year salary</p> <ul style="list-style-type: none"> ◆ Paid only on a successful start ◆ 3-5 vetted candidates, not a resume flood ◆ 90-day replacement guarantee ◆ Invoice on start date, net 30 	<p>DOOR TWO</p> <p>The Engaged Search</p> <p>22-28% most-booked for real seats</p> <ul style="list-style-type: none"> ◆ Small upfront engagement fee, credited to the final invoice ◆ Your committed top-priority search ◆ Weekly pipeline reports to the hiring manager ◆ Market salary intel included ◆ Replacement guarantee extended to 120 days 	<p>DOOR THREE</p> <p>The Talent Partner</p> <p>\$4,000-8,000 per month retainer</p> <ul style="list-style-type: none"> ◆ Ongoing multi-seat hiring for growth clients ◆ Reduced per-placement fee (12-15%) on top ◆ Pipeline building before seats open ◆ Employer-brand and salary benchmarking ◆ Quarterly hiring-plan sessions

PRICING NOTES FOR THIS BUSINESS

- Hold 20% as your contingency floor in a specialist niche; the 15% recruiter is signaling commodity and attracting clients who treat searches accordingly.
- The engagement fee (\$2,000-5,000 credited at close) is the single best filter in the trade: clients with skin in the game return calls, share feedback, and close candidates.
- Fee trigger language matters more than the percentage: 'any candidate we introduce, hired in any role, within 12 months' is the standard that survives games.
- Splits are half a fee for half the work: price nothing differently, just register the deal in the network and document who owns which side.

THE UPSELL THAT PAYS THE RENT

The retainer conversion. After two successful placements with a growing client, propose the Talent Partner arrangement: a monthly retainer plus reduced placement fees in exchange for first-priority access to you. The client saves per hire, you gain the thing contingency never gives you (predictable monthly revenue), and competitors are structurally locked out of your account.

Names, not strategies.

Your first ten clients and your first hundred candidates are the same group of people: the industry you came from. Work outward from your own credibility, and remember the desk math: job orders are easier to find than placeable candidates, so build both sides from week one.

1 Your former industry, both sides

Old employers, competitors, vendors, and customers all hire the roles you know. Your announcement is not 'I am a recruiter now,' it is 'I know every good [role] in this market, and I know who is quietly looking.' That sentence is the entire business.

2 The MPC play (most placeable candidate)

Find one outstanding, genuinely available candidate, get their permission, and market them (anonymized) to ten target companies: 'I represent a controller who cut close time from 12 days to 5.' Companies respond to a specific person where they ignore a pitch, and every response is a job-order conversation.

3 Hiring managers with posts going stale

Job listings reposted past 30 days are public admissions of pain. Call the hiring manager (not HR first): 'I saw the [role] has been open a while. I know three people who could do it. Want to hear about them?' Aged requisitions are your warmest cold call.

4 A split network

Join TopEchelon or NPAworldwide in month one. Other recruiters' job orders monetize your candidate network immediately, and their candidates fill your first solo job orders. Half fees while you build are whole groceries.

5 Your candidate pool's grapevine

Every candidate interview ends with two questions: 'who is the best [role] you have ever worked with?' and 'who do you know hiring right now?' Candidates know openings before they are posted and talent before it moves. The desk that asks, compounds.

6 Local PE firms and growth companies

A portfolio company in a hiring sprint may run five searches at once. One operating-partner relationship, earned with a single fast placement, can fill your desk for a year.

THE EXACT ASK

"Hi [name], it is [name]: I spent [number] years in [industry] at [company], and I now run a recruiting practice focused entirely on [role/niche]. I am not a resume-blaster; I know this market's people personally. Right now I am working with a [role] who [specific accomplishment], and they are quietly open. Even if the timing is wrong, can I ask: what seat, if it stays empty another quarter, costs you the most? That is the one I would want to fill for you."

THE FOUNDING-CUSTOMER DEAL

First three clients: 18% instead of your standard 22%, with the full 90-day guarantee, in exchange for a signed fee agreement this week, direct hiring-manager access, feedback within 48 hours on every candidate, and a testimonial at the first successful start. You are not discounting; you are buying speed, access, and proof, which are worth more than four points in year one.

Owned, earned, then paid.

Recruiting marketing is reputation logistics: being the name that surfaces when a seat opens or a star gets restless. That is built on a visible niche, constant useful presence where your market talks, and the compounding asset nobody sees: your database and the notes inside it.

CHANNEL, RANKED	WHY IT WORKS HERE	THE FIRST MOVE
Phone and direct outreach	Recruiting is sold and delivered by conversation; everything else just earns the call	20 meaningful conversations a day: candidates, clients, references, market intel
LinkedIn (niche authority)	Both sides of your market live there and check you before replying	Three posts weekly: market salary intel, role spotlights, placement stories (anonymized)
MPC campaigns	A specific great candidate opens doors a capability pitch never will	One anonymized MPC mailer to 10 target companies every other week
Niche salary and market reports	Original data makes hiring managers cite you internally; citation becomes preference	Publish a simple annual salary guide for your niche from your own desk data
Referral cultivation, both sides	Placed candidates become hiring managers; happy clients change companies and re-buy	90-day check-in with every placement; ask every closed deal for one introduction

FIVE CONTENT PIECES THAT WIN THIS NICHE

- What [role] actually pays in [market] this year: real numbers from real offers
- Why your [role] posting has been up for 60 days, and what the good ones want instead
- The counteroffer trap: why accepting one fails within a year, with the patterns I see
- Anatomy of a great [niche] hire: what the resumes never show
- I talk to 50 [role]s a month: here is what is actually making them leave

THE REVIEW MACHINE

Your reviews live on LinkedIn and in reference calls between hiring managers. At every successful start, ask both sides while the win is fresh: the client for a recommendation naming the speed and the quality, the candidate for one describing how they were treated. A recruiter whose profile carries twenty paired recommendations (client and candidate, same deals) walks into every fee negotiation pre-trusted.

One unit, one month, no fog.

Two honest snapshots: the anatomy of one placement fee, and a realistic established-desk month. Read the second table knowing recruiting months are lumpy: the discipline is judging your desk by the quarter and your activity by the day.

ONE UNIT: ONE PLACEMENT (\$95,000 SALARY AT 22%)	AMOUNT
Placement fee invoiced	\$20,900
Sourcing tools share (search cost)	-\$450
Guarantee reserve (5%)	-\$1,045
Overhead share	-\$300
Gross profit (~35 desk hours)	\$19,105
Tax reserve (30%)	-\$5,732
Yours, per placement	\$13,373

A WORKING MONTH: ESTABLISHED SOLO DESK (AVG MONTH, YEAR TWO)	AMOUNT
Placements (1.5 avg, blended fees)	\$28,000
Split-network deals (0.5 x half fee)	\$5,000
Tools (LinkedIn, ATS, data, phone)	-\$650
Split network + association dues	-\$250
Insurance, misc	-\$120
Guarantee reserve (5% of fees)	-\$1,650
Pre-tax profit	\$30,330
Tax reserve (30%)	-\$9,099
Owner take-home	\$21,231

BREAK-EVEN

First placement

One placement repays a year of tooling. The honest breakeven is temporal, not financial: 60-90 days from first call to first invoice even on a good desk, which is why the runway, the split network, and daily activity metrics are what actually carry a new recruiter to the first fee.

Illustrative figures at typical market rates; your market, prices, and costs will differ. Run YOUR numbers in the One-Page P&L from THE LAUNCHPAD, Module Six. Remember the 25-30% tax reserve on every dollar of profit.

Pre-decided, so motivation is never consulted.

WEEK ONE: FOUNDATIONS

- State employment-agency rules verified with the labor department
- LLC filed, EIN issued, business bank account open
- Niche defined: one role family in one industry
- Fee agreement attorney-drafted with guarantee terms
- ATS/CRM configured; LinkedIn Recruiter Lite live

WEEK TWO: DOORS OPEN

- 100-name market map built: companies, hiring managers, candidates
- Announcement made to your entire former-industry network
- Split network application submitted
- First 50 candidate conversations begun (market intel mode)
- One MPC identified and permission secured

WEEK THREE: MOMENTUM

- MPC campaign mailed to 10 target companies
- Aged job postings called: 10 hiring managers reached
- First fee agreements signed (founding terms)
- First search running with a real shortlist forming
- Daily metrics tracked: conversations, submittals, agreements

WEEK FOUR: THE SYSTEM

- First candidates submitted with 48-hour feedback loops
- Second search or first split deal in motion
- LinkedIn cadence running: market intel posts weekly
- Pipeline review: 2+ active searches, 3+ signed agreements
- Quarter-one desk plan written from month-one data

DAY 30 VERDICT

Green light: 2+ signed fee agreements, one search with candidates in process, 100+ real conversations logged. A placement this early is luck; a full pipeline is skill. Yellow: conversations happening but no signed agreements: you are pitching capability instead of candidates, run the MPC play harder. Red: under 60 conversations all month: recruiting is a phone volume business before it is anything else, and no niche or tool fixes a silent desk.

How this business fails, and how it grows.

THE FIVE KILLERS

- ✗ **Working without a signed fee agreement**
The resume sent on goodwill becomes the hire you cannot invoice. Agreement first, candidates second, every client, no matter how friendly the hiring manager sounds. This single discipline separates professionals from victims in this trade.

- ✗ **Chasing every job order**
A desk crowded with ten lukewarm contingency searches closes nothing. Qualify hard: real urgency, realistic salary, hiring-manager access, and feedback speed. Three committed searches beat ten 'send me who you have' shrugs.

- ✗ **Believing the deal at offer stage**
Counteroffers, cold feet, and slow paperwork kill a third of done deals. Pre-close the counteroffer from interview one ('what happens when they offer you more to stay?'), keep both sides warm weekly, and never stop sourcing until the start date.

- ✗ **Ignoring the candidate side of reputation**
Recruiters who ghost candidates poison their own pool: today's ignored applicant is next year's hiring manager with budget. Close the loop with everyone, even rejections. The desk is a small town and it remembers.

- ✗ **Spending the fee before the guarantee clears**
A 90-day guarantee means a \$20,000 invoice is provisional for a quarter. Reserve 5-10% of every fee, bank the runway, and judge the desk on rolling quarters, not the best month you ever had.

THREE SCALE PATHS

- 1 **The boutique search firm**
Hire commission recruiters onto your niche desk: you feed them searches your reputation generates, they split fees 40-60 with the house. Three productive desks is a million-dollar firm, and the database you have been building is the asset they all run on.

- 2 **The retained climb**
Move upmarket into retained executive search: a third of the fee upfront, a third at shortlist, a third at placement, on \$150,000+ roles. Fewer searches, deeper work, fees of \$40,000-75,000, and a calendar you finally control.

- 3 **The contract-staffing engine**
Add temp and contract placements where every hour worked pays you a margin: recurring revenue that smooths the contingency lumps. Requires payroll funding, workers' comp, and employer-of-record infrastructure (or a back-office partner), so enter deliberately. Firms with contract books sell for real multiples; pure contingency desks sell for almost nothing.

YOUR FIRST HIRE

A part-time sourcer (often offshore, \$15-25 an hour) who builds candidate lists, cleans the ATS, and books your screening calls once you are running three-plus simultaneous searches. Every sourcing hour they absorb returns a phone hour to you, and phone hours are the only thing on your desk that turns into fees. Hire for process and persistence; you keep every conversation that involves judgment.

THE STAIRCASE CONTINUES

The playbook is the map. The machine is waiting.

Everything this playbook describes, Epic Advisory Group can build with you: the brand, the cinematic website, the entity, the engine. Describe your idea to the Launch Engine and see your business real in about sixty seconds, free.

- The Launch Engine: your idea, built free, in about a minute
- THE ASCENT: Founder Edition: the eight-module course
- Launch-in-a-Box: entity, brand, site, and first campaign, one flat price
- Growth, capital readiness, and the path to the public markets

"There is no right age. There is only the decision."



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