



BUSINESS PLAN · INDIA

Recruitment / Staffing Agency

Permanent & contingent hiring, sourcing & placement across sectors

HR-TECH

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Recruitment / Staffing Agency** in India — a firm that sources, screens and places candidates for employers across permanent and contingent roles, spanning IT, sales, finance, operations and other functions. Revenue comes from placement fees (a percentage of candidate CTC) plus, where offered, contract-staffing margins and recruitment-process services.

India's large, dynamic labour market and persistent hiring challenges — volume, speed, quality and niche skills — create steady demand for effective recruiters. A well-run agency with strong sourcing, screening and client relationships builds a repeatable, high-margin placement business with recurring client mandates.

The promoter — a recruitment professional — seeks total funding of **₹4.5 lakh** (₹1.75 lakh promoter + ₹2.75 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹26 lakh** revenue in Year 1 and **₹68 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A recruitment partner that fills roles fast with quality candidates — reliable sourcing, rigorous screening, and a smooth hiring experience for clients and candidates.

Vision: To be a trusted recruitment partner for growing employers in the region and chosen sectors.

Mission: Match the right people to the right roles quickly and well, building lasting client and candidate relationships.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as the team grows.
- **Private Limited** — for scaling and contract staffing at volume.

Positioning: permanent placement earns a one-time fee per hire; contract/temp staffing earns an ongoing margin but needs working capital (paying deployed staff before client settlement) and stronger compliance. This plan focuses on permanent placement with optional contract staffing as a growth line.

3. Promoter & Ownership

Led by a promoter with recruitment/sourcing experience and client relationships. Delivery uses recruiters/sourcers and a client-relationship lead, with sector focus for efficiency. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's hiring market is vast and continuous, with high churn, skill shortages in key areas, and employers valuing speed and quality. Agencies remain central to hiring despite job boards and in-house teams, especially for niche, mid/senior and volume roles. Sector and function focus wins mandates and repeat business.

Demand drivers

- **Continuous hiring & churn** across sectors.
- **Skill shortages** in tech and specialist roles.
- **Speed & quality** employers can't achieve alone.

- **Startup/SME growth** needing hiring support.
- **Contract/flexi staffing** demand.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Hiring demand across employers in India	Very large
SAM	Reachable employers in the firm's sectors/region	Large
SOM (Yr 1-3)	Placements per year	80 → 220

Target segments

- Startups and SMEs hiring across functions.
- IT/tech and specialist-skill roles.
- Sales, finance and operations roles.
- Employers needing volume or contract staffing.

5. Competition & Competitive Advantage

Landscape: other agencies, job boards, in-house TA teams, and freelance recruiters. The firm differentiates on sourcing quality, speed, screening rigour, sector expertise and client service.

The firm's edge

- **Quality sourcing & screening** — better shortlists.
- **Speed** — fast, reliable turnaround.
- **Sector/function focus** for depth.
- **Client & candidate experience** driving repeat/referral.
- **Technology** — ATS, sourcing tools, and pipelines.

6. Services & Pricing

Service	Model	Indicative fee
Permanent placement	% of annual CTC	8.33-16.67% (1-2 mo)
Niche/senior placement	% of CTC (higher)	Up to 20%+
Volume/bulk hiring	Per-hire / project	Negotiated
Contract/temp staffing	Monthly margin	% markup on cost
RPO / managed hiring	Retainer	Monthly
Recruitment consulting	Project	Engagement

Placement fees (a percentage of CTC) are the core; repeat mandates, RPO retainers and contract staffing add recurring revenue.

7. Go-to-Market — Marketing & Sales

- **Client acquisition:** direct outreach to hiring managers/HR; referrals.
- **Sector focus** for credibility and repeat mandates.
- **Candidate network & sourcing** as a differentiator.
- **LinkedIn & job-board presence.**
- **Service quality** driving repeat and referral business.

Sales approach

Win mandates → deliver quality shortlists fast → close placements → earn repeat mandates and RPO retainers. Sector depth and reliability compound the client base.

8. Operations Plan

- **Location:** a lean office or remote-first setup; recruiting is largely digital.
- **Process:** mandate intake → sourcing → screening & assessment → shortlist → interview coordination → offer & closure → post-join follow-up (replacement guarantee).
- **Technology:** an ATS, sourcing tools (job boards, LinkedIn), and a candidate database/CRM.
- **Quality:** rigorous screening; replacement guarantees; client and candidate experience.
- **Capacity:** recruiters handle multiple mandates; scale by adding recruiters and sectors.

Recruitment funnel

Stage	Activity	Metric
Mandate	Requirement intake	Open roles
Sourcing	Find candidates	Pipeline
Screening	Assess fit	Shortlist
Interview	Client process	Conversion
Closure	Offer & join	Placements

9. Regulatory, Licences & Compliance (India)

- **Business registration:** proprietorship/LLP or Pvt Ltd; PAN/TAN; GST (fees attract GST); professional tax and Shops & Establishments as applicable.
- **Contract staffing (if offered):** labour-law compliance (PF/ESI, contract labour, minimum wages) for deployed staff; licences where applicable.
- **Conduct:** ethical recruitment, no false representation, and candidate consent.
- **Data protection** aligned to the DPDP Act; secure handling of candidate data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
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Promoter / Delivery Lead	1	1	1
Recruiter / Sourcer	2	5	8
Client Relationship / BD	1	2	3
Admin	0	1	1
Total	4	9	13

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-1	Entity, ATS, sourcing tools, first clients
Launch	Month 1-3	First placements; delivery process set
Traction	Month 4-9	Repeat mandates; break-even nears; recruiters added
Scale	Year 2	Sector depth; RPO/contract line
Growth	Year 3	220 placements; recurring mandates

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	80,000
Computers & IT (4)	1,50,000
ATS & sourcing tools (job boards, LinkedIn)	70,000
Branding, website & marketing	45,000
Deposits & pre-operative	35,000
Working-capital buffer	70,000
Total project cost	4,50,000
Promoter contribution	1,75,000
Term loan (Mudra / CGTMSE)	2,75,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Permanent placement fees	20,00,000	36,00,000	46,00,000
Niche/senior & volume hiring	4,00,000	9,00,000	13,00,000

RPO / contract & consulting	2,00,000	6,00,000	9,00,000
Total revenue	26,00,000	51,00,000	68,00,000
Salaries & recruiter incentives	12,60,000	24,00,000	32,00,000
Rent & utilities	1,60,000	2,00,000	2,40,000
ATS, job boards & tools	2,40,000	3,40,000	4,20,000
Marketing & BD	1,60,000	2,40,000	3,00,000
Admin, travel & misc	1,80,000	2,60,000	3,40,000
Interest on term loan	30,000	22,000	12,000
Total expenses	20,30,000	34,62,000	45,12,000
Net profit (before tax)	5,70,000	16,38,000	22,88,000
Net margin	21.9%	32.1%	33.6%

12.3 Unit economics & break-even

- **Per placement:** fee = a percentage of CTC; average fee scales with role seniority and volume.
- **Recruiter productivity** (placements/recruiter/month) is the key driver.
- **Break-even:** a steady placement flow — reached around month 7-9.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	70,000	55,000	95,000	1,70,000
Collections	4,50,000	6,20,000	7,40,000	7,90,000
Operating outflows	4,45,000	5,60,000	6,45,000	7,00,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	55,000	95,000	1,70,000	2,40,000

Placement fees flow as roles close; the buffer covers the ramp and the gap between mandate and placement/collection.

12.5 Key Performance Indicators to Monitor

- **Volume:** placements/month; mandates; fill rate.
- **Speed & quality:** time-to-fill; offer-to-join ratio; replacement rate.
- **Economics:** fee per placement; placements per recruiter.
- **Retention:** repeat-client %; RPO/retainer conversions.

13. Funding Requirement & Bankability

Total ask: **₹2.75 lakh term loan** against ₹1.75 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹5.7 lakh against annual debt service of ~₹0.75 lakh gives a **DSCR above 3.0** — comfortably bankable, strengthening with placement volume.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, ATS & sourcing tools	2,20,000	49%
Office setup & deposits	1,15,000	26%
Branding & marketing	45,000	10%
Working-capital buffer	70,000	16%
Total	4,50,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Placement lumpiness	Broad mandate pipeline; RPO retainers; repeat clients
Candidate drop-off / replacements	Rigorous screening; replacement guarantees; engagement
Client payment delays	Clear terms; milestone/invoice discipline; diversified clients
Hiring-market cycles	Sector diversification; contract staffing; cost flexibility
Data/candidate confidentiality	Secure handling; consent; DPDP alignment

15. SWOT Analysis

Strengths High-margin placements; low capital; scalable; repeat mandates; sector depth.	Weaknesses Revenue lumpiness; recruiter-dependent; replacement risk.
Opportunities Continuous hiring; niche skills; RPO & contract staffing; sector focus.	Threats Job boards & in-house TA; market cycles; fee pressure.

16. Recommended AiSevak Tools for This Business

This agency would use AiSevak's HR-Tech vertical tools in delivery:

- **Hiring:** job-description, screening, interview-kit and assessment tools; offer & onboarding templates.
- **Client & compliance:** recruitment-agreement, background-verification and labour-compliance tools (for contract staffing).
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the agency.

17. Key Assumptions & Notes

- ~80 placements in Year 1 growing to ~220 by Year 3, plus RPO/contract lines.
- Placement fee = a percentage of CTC; average fee scales with role mix.

- Term-loan interest ~11% p.a., 5-year tenure; contract staffing needs added working capital.
- Figures exclude GST on fees (pass-through) and promoter remuneration (editable input).

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No signup needed to explore; each tool guides you step by step.

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