

THE NEXT STEP

HOW AMBITIOUS BUSINESSES CAN
ACHIEVE THEIR POTENTIAL



LIVING THE DIFFERENCE

Interview with Martin Evans, Robin Poddar
James Tompsett, Founder Directors
Psixty Recruitment

COMMISSIONED BY



SPECIALIST ACCOUNTING SOLUTIONS

ADVISORY AND FINANCIAL OUTSOURCING FOR SMEs AND GROWTH BUSINESSES

A report commissioned by SAS Specialist Accounting Solutions considers the biggest challenge for any independently-owned company which has the potential to go further.

The ability of the owners to scale the business.

In their own words, directors talk about the issues they are having to address and how they want to achieve their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.

It was only going to be a matter of time before three work colleagues decided to leave and ‘go it alone’.

“For the same reason most people leave their job to start their own business,” explains Martin Evans. “We had worked together for over ten years so we knew we could do it better, and we would have the financial reward of doing things the right way.

“We also knew first-hand that recruitment agencies were stereotypical, but to say communicating a USP in a saturated market is difficult is the best example of understatement I can come up with. Recruitment is a sector where there is no barrier to entry, with no capital outlay required to start up in business, and every consultancy will claim to be different from the others when actually the opposite is the case.”

Ironically what makes Psixty, the agency specialising in sales and marketing professionals he set up with Robin Poddar and James Tompsett, different are qualities which probably every competitor would lay claim to.

“Our DNA is about honesty and integrity, but if you just think about it, that should be a fundamental, not a differentiator,” says Evans. “Before





Martin Evans

we set up Psixty, at agencies we had worked for, the MD was happy if 25% of placements were achieved because that meant he had hit the revenue target. Our view was that meant 75% of the clients had been let down.

“So you could say Psixty was set up on the back of frustration. When we started, James and I had two children and mortgages so the gameplan at the outset was to earn a decent salary and enjoy what we were doing. We didn’t have visions of becoming the next Manpower, but we did want to see how far we could grow the business without taking a hit to our values or way of working. We’d often talked about starting our own business, although it was tongue in cheek initially. But while we set up Psixty without delusions of grandeur, we didn’t envisage it as just being the three of us sitting in an office and plugging away by ourselves. So not once since we started the business has there been a morning when I have thought oh, here we go again.”

Robin Poddar



“We each bring a slightly different attribute to the business, covering selling, finance, and technical,” explains Poddar. “It didn’t happen by design but we’ve gained real value from it. And it means we can sanity check each other all the time. With three of us we can ‘verticalise’ the business without it being fragmented, and we have a broader platform which should improve scalability.”

“Before we even knew what we should call the business we got in touch with a design agency,” Tompsett recalls. “They’re the professionals when it comes to creativity and I remember how well they structured our meeting and the weird questions they asked, such as if you were to describe your business as a holiday destination, what would it be? We told them we didn’t want our new venture to be a numbers game, and three minutes later they said that’s your strapline– ‘It’s not a numbers game’.”



James Tompsett

Actually, it's rather more than a catchy soundbite. "Most recruitment agencies will have KPIs, but 99.9% them are based on the number of calls made, the time on the phone, the number of interviews arranged," says Tompsett. "But as soon as you start putting that kind of pressure on the numbers, quality falls away. It means a consultant can be tempted to put a candidate forward who isn't quite right for the job, although the client won't be offended by them, so it enables the consultant to meet their target. That means KPIs are legitimising wrong behaviours. We have one KPI – a consultant's monthly revenue number. That results in us having a mature working environment which isn't about grinding through each day. For us, it's the equivalent of a builder putting up a home as if it's the one they are going to live in."

Rather than having one interview with a candidate, Psixty have two structured sessions before putting them forward for a vacancy. "So when we introduce someone to a client, we know they are going to be

the right fit,” says Poddar. “Why two interviews? It would be a pretty poor salesperson or marketer who couldn’t present themselves in the best possible light at a first meeting,” he suggests.

“We have the same approach with a new client,” Evans explains. “We meet them face-to-face or on screen so we can understand what they want to achieve, why the position came about. We talk to their top performers, speak to their main customers to see why people buy from them. We look at Glassdoor reviews of what employees past and present think of them. We turn away as many new business opportunities as those we recruit for. For us this isn’t about being a land grab.”

It took a while before the efficacy of this approach dawned on them. “In 2019 we had a meeting with an external consultant who pointed out to us that our blow-out rate was a mere three per cent. In other words, only three per cent of candidates who were taken on by a client left at the end of their probation period,” says Tompsett.

A consequence of the discovery was that Psixty decided to focus on higher end appointments, with the additional lure for clients being that the rebate period for placements which didn’t work out was raised from ten weeks to six months.

One of the reasons for the low attrition rate is that Psixty don’t exit left after a placement. “We help with on-boarding, training, and keep in touch with the person we placed during their probation period,” says Poddar.

“Before we started the business we sat down and talked about what we would describe as ‘good’,” continues Evans. “We drew up a nine-



step service for the client, including writing the job specification with them so it isn't a cut and paste job by someone the successful candidate wouldn't actually report to.

“Stakeholder management is vital for a successful appointment, because often the sales director, CEO, and HR can be looking for a different skillset in a candidate, so we need to get them all in the room at the same time to get agreement on exactly what they are looking for.”

How though, does a business with three owner-managers agree on how it should move forward?

“We always said three of us meant we would be able to have a vote if we couldn't agree on something,” says Tompsett, “but we've realised that would only happen if egos get in the way. Three is easier than two in order to be able to step back and objectively look at a situation.

“I certainly wouldn't want all the responsibility to be just on my own shoulders. With three owners in the business, we can ask each other for help and not take it personally that we needed to. Nobody feels exposed. That extends throughout the business if you have an open culture. ‘What would you do here?’ is a question I would be happy to ask anyone here.

“An owner-managed business works well until it gets to the point where the owner-manager is out of their comfort zone and does nothing about it, or brings in someone but doesn’t let go of the reins. I’ve seen it happen at a company I worked for. But you have to be prepared to take advice from someone who knows more than you do. Fair play if one of the reasons why someone sets up in business is that they don’t want to be told what to do, but being bullish only gets you to a certain level. I’m not too proud if in time someone is able to do my management role on a day-to-day basis better than me. I’d quite happily move aside and carry on with the actual recruitment work which I enjoy.”

And according to Evans, ‘enjoy’ is the operative word. He recalls: “When we started the business we never considered requirements such as the need to chase money, because credit control hadn’t been part of our remit as employees. We were shocked at how much it can take out of your day, even with watertight terms and conditions.”

“What’s important,” adds Tompsett, “is to celebrate your wins but at the same time stay sensible about what you pay yourself in the good times. What gives me a real sense of pride is that since they have been at Psixty, all but one of our employees are now on the property ladder.”

psixty-recruitment.co.uk

About Specialist Accounting Solutions

‘We strive to give our clients the most reliable, accurate and insightful financial information’, says founder Sean Hackemann. ‘Our passion is to help businesses fully understand the numbers which in turn helps them create, grow and sustain great businesses’.

Specialising in advisory, virtual FD and financial outsourcing services, Specialist Accounting Solutions Ltd works with ambitious entrepreneurs and management teams, supporting them to achieve their goals.

Financial Outsourcing Services:

- Virtual FD/ part-time FD/ head of finance
- Fully and partially outsourced solutions
- Monthly management accounts with detailed financial analysis
- Bookkeeping
- Dealing with financial compliance

Advisory Services:

- Financial modelling
- Business valuations
- Raising capital
- Acquisitions and disposals
- Finance reviews and reports

Specialist Accounting Solutions Ltd

T: 0118 911 3777

E: info@teamsas.co.uk

W: www.teamsas.co.uk

A: The Blade, Abbey Square, Reading, RG1 3BE

Report researched and published for Specialist Accounting Solutions Ltd
by **DECISION magazine**
www.decisionmagazine.co.uk