

THE RECRUITMENT INTELLIGENCE BRIEF

The Future of Recruitment Agencies

Building resilience, new revenue streams, and smarter recruitment infrastructure

The recruitment industry is entering a decade of massive transformation. Economic volatility, AI-driven candidate tools, and rapidly increasing platform costs are forcing agencies to rethink how they operate. Agencies that adapt their business models will thrive. Agencies that remain dependent on traditional models may struggle. This newsletter explores four developments that recruitment leaders should be paying attention to.



1. Why Recruitment Agencies Need More Revenue Streams

Large global staffing firms understood this decades ago. Companies such as **Adecco**, **Randstad**, and **Manpower** built their organizations around multiple revenue pillars. They created what could be described as an “**all-seasons service portfolio**.” This strategy ensures that when one market slows down, other revenue streams stabilize the business. Take Adecco as an example. Besides temporary staffing, they operate across multiple services:

- Permanent recruitment
- Temporary staffing
- Outplacement services (LHH)
- Outsourcing (Akkodis)
- Payroll administration outsourcing

Because of this diversification, revenue remains more stable even during economic downturns.

The risk of relying on a single revenue stream

Many privately owned recruitment agencies still rely primarily on **one revenue source**, often permanent placement or temporary staffing. In strong economic cycles this works well.

However, the model becomes extremely vulnerable when:

- the economy slows down
- hiring freezes occur
- a niche market collapses
- or technology disrupts the recruitment workflow

Agencies operating in **very narrow niches** face even greater risk. When the niche performs well, profits exceed industry benchmarks. But when the niche struggles, the business can deteriorate quickly. AI developments will likely **increase competitive pressure**, particularly for agencies operating in highly specialized niches.

The emerging recruitment revenue model

Modern recruitment technology platforms now allow agencies to operate with **multiple revenue streams simultaneously**. Some of the most robust revenue lines include:

1. Permanent Staffing
2. Temporary Staffing
3. Outplacement
4. Embedded Recruitment / RPO
5. Redeployment of introduced candidates (TalentScan models)
6. CV database monetization
7. Premium corporate subscriptions
8. Jobseeker subscriptions
9. Outsourcing services
10. Payroll outsourcing



Agencies adopting a **multi-revenue model** can significantly reduce their exposure to economic cycles while creating stronger long-term profitability. For many agencies, the challenge is no longer whether diversification is needed — but **how to implement it efficiently**. Visit www.recruitmentrevenueplatform.com for detailed information.

2. Why Agencies Are Launching Their Own Job Portals

Another trend gaining traction is agencies launching **their own niche job portals**. This development is partly driven by the increasing costs and limitations of large job platforms.

Many recruiters report that:

- job boards are becoming increasingly expensive
- workflows remain outdated
- application processes require too much manual input
- communication between candidates and recruiters is often restricted

At the same time, expectations from candidates and recruiters are changing rapidly. Jobseekers want to **apply for jobs within seconds**, not fill in lengthy forms. Recruiters want **direct access to relevant candidates** without complicated workflows.

The opportunity of niche job portals

For recruitment agencies, launching a job portal can serve multiple strategic purposes:

- strengthening their niche positioning
- building a long-term candidate community
- creating additional revenue streams

A well-designed job portal can generate income from:

- jobseeker subscriptions
- employer subscriptions

For agencies that successfully build traffic and community around a niche portal, the additional revenue can become meaningful over time (think about 25K to 50K monthly). In addition to revenue generation, job portals also allow agencies to **control their own recruitment ecosystem**, instead of relying entirely on third-party platforms.

For an example how your job portal could look like: www.jobsi.io (for jobseekers).

3. Recruitment Revenue Platforms vs Traditional ATS

For decades, the **Applicant Tracking System (ATS)** has been the central technology used by recruitment agencies. However, industry discussions increasingly question whether the traditional ATS model is sufficient for the future of recruitment. The main limitation is structural. Most ATS systems are designed to support **one core process: recruitment workflow management**.



They support:

- candidate tracking
- vacancy management
- recruiter workflow

But they rarely support **multiple revenue models simultaneously**.

Why this matters

If agencies aim to build **6–10 revenue streams**, technology must support more than just recruitment workflow.

This is where the concept of a **Recruitment Revenue Platform (RRP)** is emerging. Rather than focusing only on candidate tracking, an RRP is designed to support:

- recruitment services
- talent communities
- candidate subscriptions
- corporate subscriptions
- CV database monetization
- job portals
- redeployment models

The challenge for established agencies

Switching technology platforms is rarely easy. For agencies with **10+ recruiters or multiple offices**, migrating from an ATS to an entirely new system can be disruptive. A more practical approach some agencies adopt is **adding new revenue-layer platforms alongside their existing ATS**, allowing them to expand services without interrupting current operations. This allows agencies to gradually build additional revenue lines while maintaining their current recruitment workflows. An example of how easy this is: www.staa.agency

4. AI-Generated CVs Are Changing Candidate Screening

Another development that is already reshaping recruitment processes is the widespread use of **AI-assisted CV writing tools**. Candidates increasingly use AI to optimize their CVs to match job descriptions.

This has clear advantages:

- CVs become better structured
- candidates present their experience more clearly
- job applications appear more professional

However, this also creates a new challenge. When AI tools optimize CVs against vacancy requirements, **almost every CV begins to look perfect.**

The consequence for recruiters

Traditional **desk screening of CVs** becomes far less effective. If every CV looks perfectly aligned with the job description, it becomes harder to distinguish between:

- truly strong candidates
- and candidates whose profiles are simply well optimized by AI tools

This means recruitment teams may need to invest **more time in interviews and deeper candidate assessment.**

The role of AI in screening

Interestingly, AI is also being used to solve this new challenge. Advanced screening systems are now able to analyze candidates beyond the visible CV formatting and identify deeper alignment between:

- candidate capabilities
- experience patterns
- role requirements

In practice, this means recruitment teams can still identify the **most promising candidates**, even when all CVs appear highly optimized. In other words: **smarter AI can help recruiters navigate AI-enhanced applications.** Visit: www.staa.agency

The Next Decade of Recruitment

Recruitment agencies are entering a period where **business model innovation will become just as important as recruitment expertise.**

Agencies that adapt will likely focus on:

- multiple revenue streams
- niche community building
- owning parts of their recruitment ecosystem
- technology that supports diversified recruitment services
- smarter AI-assisted candidate screening



The industry has always evolved with economic cycles and technological change. The difference now is the **speed at which these changes are happening**. For agency owners and recruitment professionals, the key question is no longer whether change will occur — but **how quickly they are prepared to adapt**.

If you have questions or input? >

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Useful links:

www.recruitmentrevenueplatform.com

www.staa.agency

www.newtalentbase.com

www.ScaleMyAgency.eu

www.jobsi.io

www.thejobberpartnership.com



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