

# Taking your recruitment business to the USA

Rose Adedeji & Laurie Spicer  
Foothold America



FOOTHOLD  
AMERICA

THE EASY WAY TO THE USA

# In a nutshell...

Foothold America provides **PEOPLE** services to international companies testing, expanding, and scaling in the US market.

- **Recruitment**
- **Turn-key hiring model**
- **Bespoke hiring model**
- **US entity setup**
- **Utilise specialist partner network for holistic solution**



Rose Adedeji  
rose@footholdamerica.com



Laurie Spicer  
laurie@footholdamerica.com

# Building Your People Roadmap

1. The US recruitment sector landscape
2. When to go / Where to go to the US?
3. Do it well, be prepared – examples of success
4. Common pitfalls
5. Moving your staff to the US vs hiring locally
6. Hiring models
7. Budgets

# The US recruitment landscape

## USA

- 25,000 staffing/recruitment companies (American Staffing association)
- \$32bn (Ibis world, 2023)
- Average growth of 3.6% year on year
- Higher fees received vs UK (25%+)
- 16 million temp/contractors hires in a year...

### Sectors:

- 36% Industrial
- 24% office-Clerical and Administrative
- 21% Professional / Managerial
- 11% Engineering, IT and Scientific
- 8% Health care
- 45% of hiring managers have open positions they can't fill (StaffingHub)

## UK

- 27,000 recruitment agencies
- £18.3 bn (Ibis world, 2023)
- Average growth of 4.4% year on year
- Decline in government expenditure = decline in need to recruit
- Saturated market = drives down fees
- Is Brexit a hinderance?

# When to go? Where to go?

## Critical factors of Success. Be prepared.

- Build revenue in homeland country to prove opportunity  
*(US tax filings still may be required from transacting from UK business)*
- **Prepare, Prepare, Prepare!** – Tax, Immigration, Commercial terms, Managing your incorporation effectively
- Decide if you can hire **local staff vs moving employees** to the US
- **Time and Budget** – Be realistic of time/resources required and investment required to set up
- **Location** – Do you really need to be in the metro-hubs? Is being close to your client base essential? Not always the case to build your business in a location for tax efficiencies

# Typical journey once decision made

## Incorporating & moving employees



**Duration: Six to Eight Months**

## Trade from homeland country & hire local staff



**Duration: Less than a Month**

# Case Study

- Life science recruitment business in UK – Incorporated in 2016
- Built up US revenue from UK – 50% of revenues coming from US clients in a space of 2.5 years.
- UK employees worked during US time zones
- 2022 - Proven record – time to get closer to client base and drive more revenue. Decision made to move staff to US (E2 visa)
- Support received from tax attorney, immigration advisor
- Incorporated in US. 3 UK employees moved to US 2022 then hired locally

# Common Pitfalls

- Inadequate budget research especially around the cost of employment.
- Assuming you have to set up a US entity first.
- Not giving adequate time for immigration and other government processing.
- Assuming the entire US is the same.
- Assuming you have to go to the best-known cities or industry hubs.
- **Minimizing cultural differences that exist despite a common language.**
- Thinking you have to go to a lawyer for everything because the US is litigious.

It's a journey!

# Thinking of sending UK employees - Immigration?

## Benefits

- Deep knowledge of UK corporate culture and processes
- Support imbedding corporate culture and processes to the US team
- No outside recruitment fees to hire
- Existing strong employee/employer relationship

## Considerations

- Significant cost → mobility & immigration
- Time to manage immigration process – 4-6 months!
- Infrastructure cost → US entity, accountancy & legal fees
- Time for employee to adjust and learn the US ways

# Are you considering hiring US employees?

## Benefits

- Deep knowledge of US market
- Americans like to buy from Americans
- Deep knowledge of US culture
- Unlock existing network
- Can hire more quickly (via EOR)

## Considerations

- Isolation of US team members
- Corporate culture not translating
- Risk of hiring wrong person

# Hiring Models

- EOR – Employer of record
- Direct Hire
- Other Options



# Employer of Record - Foothold America's Employee Management Service

A turn-key, cost-effective solution that saves money and time.

- Test the waters without major investment into the market
- Need to hire quickly? No Problem
- No need to have a US entity
- Reduces risk of market exit ( if needed)

# Direct Hire - Foothold America's People Partnership Service

We help you build, manage and maintain your HR Infrastructure

- Send UK citizens to work for your US subsidiary
- Cost beneficial for large teams or small teams with rapid growth projection
- Full control over benefits package, 401K and Providers
- Bespoke model to provide as much HR support as needed

## 1099 Contractors

- X Risk of misclassification
- X Fines & back pay
- X Insurance risk
- X Low control

Click [here](#) to find out what the IRS says

## Professional Employer Organisation ( PEO)

- US entity required
- May require min Employee Count
- Less control over Benefits
- More expensive as the headcount grows

# Other Benefits & Work Culture Trends

- 401(k)
- Dental insurance
- Vision insurance
- Life insurance
- Short & long-term disability
- Generous vacation
- Paid parental leave
- Gym membership
- Flexible hours
- Remote work
- Work-life balance
- Diversity, equity & inclusion
- Social responsibility
- Professional development opportunities
- Attention to mental health

# Employee Budget Projection

We can prepare one for you!

Recurring Costs			
Annual Salary	\$ 135,000	\$ 135,000	\$ 135,000
Assumptions	Employee health insurance. 401k contribution of 4%.	Employee/spouse health insurance. 401k contribution of 4%	Family health insurance. 401k contribution of 4%
State	WI	WI	WI
Medicare portion of FICA	\$ 1,958	\$ 1,958	\$ 1,958
Employer FICA (Soc sec only)	\$ 8,370	\$ 8,370	\$ 8,370
Highly compensated >\$200k	\$ -	\$ -	\$ -
Employer FUTA	\$ 420	\$ 420	\$ 420
State Unemployment (varies, avg is shown)	\$ 500	\$ 500	\$ 500
Workers Comp (varies, avg is shown)	\$ 350	\$ 350	\$ 350
Medical, dental, vision*	\$ 7,910	\$ 14,930	\$ 18,950
401k 4% match max	\$ 5,400	\$ 5,400	\$ 5,400
\$50k life insurance	\$ 60	\$ 60	\$ 60
Short & long-term disability (varies, avg shown)	\$ 500	\$ 500	\$ 500
Provider fees	\$ 13,200	\$ 13,200	\$ 13,200
<b>Estimated total cost per annum</b>	<b>\$ 173,668</b>	<b>\$ 180,688</b>	<b>\$ 184,708</b>

Typically add 35% on top of salary offering to estimate your total cost to hire

# Example of Year 1 set up costs – Incorporating in US/ relocating staff

	<u>1st Year</u>
<b>One off Costs for People Partnership Service (PPS)</b>	
US entity Set up -	Annual
Foothold Fees	\$ 2,500.00
Government Pass on fees	\$ 500.00
<b>Other fees</b>	
Tax & Accountancy (annual estimate)	\$ 10,000.00
Commercial Insurances (census to be completed)	\$ -
Commercial terms - Attorney support to create (t&cs to transact via your US entity)	\$ 5,000.00
Immigration Attorney support and Immigration applications*NB - if E visa (investment spend of circa \$70-100k)	\$ 12,000.00
<b>People Partnership Service - 1 hire (Estimated salary of \$80,000)</b>	
Set up Fee	\$ 5,000.00
Provider set up fees (Payroll, Benefits, 401k) - Estimate	\$ 2,500.00
Onboarding fee (one time per employee = \$1500)	\$ 1,500.00
Employee Background checks (one time per employee = \$225)	\$ 225.00
<b>Monthly fees</b>	
Monthly Foothold Mgt fee 1-2 employees - \$1500 monthly	\$ 18,000.00
Payroll provider \$300 +\$20/employee/	\$ 3,840.00
401k provider \$15/employee/month	\$ 180.00
<b>Salaries</b>	
Sample \$80,000 - base	\$ 80,000.00
<b>Employment taxes</b>	
Medicare portion of FICA	\$ 1,160.00
Employer FICA (Soc sec only)	\$ 4,960.00
Highly compensated >\$200k	\$ -
Employer FUTA	\$ 420.00
State Unemployment (varies, avg is shown)	\$ 500.00
Workers Comp (varies, avg is shown)	\$ 350.00
<b>401k</b>	
401k 4% match	\$ 6,400.00
*401k is based on gross salary - calculation above is on base salary only	

# Q&A Session



## Next Steps

Let's chat! We can offer more guidance and further insight in 1-2-1 calls.

[rose@footholdamerica.com](mailto:rose@footholdamerica.com)

[laurie@footholdamerica.com](mailto:laurie@footholdamerica.com)



Rose Adedeji  
[rose@footholdamerica.com](mailto:rose@footholdamerica.com)



Laurie Spicer  
[laurie@footholdamerica.com](mailto:laurie@footholdamerica.com)