The number of clients billed in comparison to last year has fallen in the last two months, according to BDO Stoy Hayward’s review of the latest data outputs from Recruitment Industry Benchmarking (RIB).

A review of the analysis shows that the number of clients billed in December 2007 and January 2008 has reduced by 13% in comparison to last year. This is in contrast to an increase in turnover compared to the same period last year. But is this a cause for genuine concern or just pragmatic management to boost revenues from existing clients?

In a buoyant market with a surplus of candidate and client requirements, the technical and professional skill of the consultant may not be so fundamental to a successful recruitment process. The mix of skills within an organisation will be focused on delivery, business development and candidate care. It is often the case in smaller organisations that these roles are performed within one team, in contrast to larger organisations where there is scope for specific teams for the various roles.

Christopher Clark, corporate finance director at BDO Stoy Hayward, said: “While each method has its advantages, the overall ability to generate business from existing and new clients is fundamental to the successful development of the business. In an increasingly tough economic climate those organisations that have developed a ‘hunter instinct’ in their consultant base are more likely to succeed.”

The dip in the number of clients billed is in contrast to year-on-year increases in the revenue line. The year-on-year growth in revenue is still positive, but for the past nine months has fluctuated between 7% and 14%. This is in contrast to February and August 2006, where revenue hovered between 15% and 23%.

The trend then declined at the end of 2006, before reversing at the start of 2007, with an overall upward curve.

The findings are in contrast to other economic data, such as Manpower’s Employment Outlook Survey, which predicted that UK jobs growth will slow in the quarter to June 2008 as employers move to reduce hiring plans for the third consecutive quarter. The lack of confidence in employment prospects is associated with concerns by the City and financial institutions over prospects for 2008. Other sectors are still positive and Manpower’s survey highlights that employers’ hiring confidence in the construction industry is still positive.

Clark commented: “Against a backdrop of uncertainty in the economy, concerns are still very sector-specific and not being experienced across all industries and sectors. “The skills gap in specific regions and industries is still driving business for recruitment consultancies. Those who are able to fill long-standing vacancies and have access to finding candidates from overseas will continue to grow their business.”

Recruitment Industry Benchmarking (RIB) provides its members with monthly up-to-date analysis of their performance on key industry measurements, enabling them to measure, manage and improve their business performance.