



THE DOWNFALL OF FINANCIAL AND PROPERTY SERVICES FIRMS PROVIDES FERTILE GROUND FOR A SPECIALIST RECRUITER. REPORT: KATE BURGESS

Diversification: From left, Nick Redpath, Oliver Redpath and Katie Ingram

● While most people in the industry ran for cover when high-flyers Centro and MFS collapsed, specialist property recruiters Judd Farris saw an immediate upswing in candidate quality.

"If anything, we've had better quality candidates coming through because of the softening," founder Katie Ingram says. "A couple of big property groups have gone under. You would have seen them in the media, but we were getting calls three or four weeks before that."

The local operation of British recruitment start-up Judd Farris is in its fourth year. It has come a long way since first appearing, ranked 16, on the 2007 *BRW Fast Starters* list. Turnover shot up by 78.4 per cent in the 2006-07 financial year and is forecast to reach \$24.5 million by June. It now has six offices and 86 staff.

Ingram's business partner, Nick Redpath, says the United Kingdom connection and a rising presence in Asia – it has offices in Hong Kong, Shanghai and Singapore – allows it to weather the skills shortage and softer global markets.

"In terms of the skills shortage, we really have used our global network to our advantage," he says. "From a client's perspective, when they're trying to source talent from us we exhaust our options in the local market but we can also tap into national and international networks."

Ingram says the business has been forced to adapt to a concurrent softening in the market

for candidates. "It's also a learning curve for some of our consultants. Some haven't ever recruited in a market that's softened slightly, so we've been incorporating new tools so that they can go out and try new angles, ringing clients so that if something does come up, they're the first port of call. It creates barriers to entry for other people trying to get to those clients."

Building up the business in difficult times will reap rewards when the market picks up again, Ingram says. It has also helped Judd Farris diversify its revenue sources. "A lot of the larger companies are probably holding tight on various areas of spending," she says. "We have definitely got a broader base of clients and that's because we had to find the feeds from somewhere. A softening of the market can help a recruitment firm grow in the long term because when the market becomes more active again suddenly you've got 20 per cent more clients than the same time last year. If it hadn't softened, maybe the consultants wouldn't have had the initiative to go out and find them."

Diversifying sources of income is a big priority for Ingram, Redpath and his younger brother, Oliver, who worked with Ingram in the original Judd Farris team in the UK.

Initially, Judd Farris specialised in property owners and institutions, placing candidates in roles within agencies, property trusts and fund

managers. It then expanded into construction, design and facilities management, hiring Melissa Shaw and Clive Brown. "What some new businesses didn't focus on which we really did was cash flow," Ingram says. "In recruitment, you have to be aware of that because you can't invoice the client until people start. That's made us a little more finicky in terms of when we're going to take people on, and when we decided to diversify the company."

Ingram says it is essential for start-ups to take an active role in the accounting side. "They don't understand that in the actual management of the business you can be successful but not make money. You need to keep track of the cash flow."

Judd Farris was set up with bank finance and an inter-company loan from its UK parent, which was paid off within six months. Ingram says recruiters are required to carry temp salaries on their books for at least a month until the client picks up the tab.

"We did have to go to a discounted invoice company who gave us a bridging loan. As you grow a temp book, your [revenue] might grow, but you have cash-flow issues. It's easier to forecast on the permanent side because you can look at your invoices outstanding and work out when you are getting your money. On the temp side, you're outlaying the money for contractors yourselves."

In a move to better position the business for global expansion, the three directors sold out to New York-listed professional services giant MPS last August. Next on their agenda is the lucrative construction market in Dubai. **BRW**

8 JUDD FARRIS RECRUITMENT

2007 RANK: 16

FOUNDERS: Katie Ingram, Nick Redpath, Oliver Redpath

TURNOVER: \$13.97 million

THREE SECRETS OF SUCCESS:

- Stay close to the accounting side – focus on cash flows.
- Match consultants to client/industry personalities.
- Build core business before diversifying.