

GOING INDEPENDENT

The Recruiter's Playbook for Building a Freelance Placement Business

A complete, no-fluff framework for going from corporate recruiter to running your own book of business — on the side, or full time.

By John Gaona

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How to Use This Guide

This guide is built to be used, not just read. It's organized in the order you'll actually need it: foundation decisions first, then the mechanics of building the business, then growth and the mistakes that take other people out.

Three parts, plus an appendix:

- **Part One: The Foundation** — the decisions you make before you take a single client: your niche, your setup, your pricing.
- **Part Two: Building the Business** — pipeline, tools, landing your first client, and delivering well enough to get referred.
- **Part Three: Growing It** — when and how to go full time, the mistakes that kill most independents in year one, and a day-by-day plan for your first 30 days.
- **Appendix** — a contract skeleton, outreach scripts, objection-handling language, and a client onboarding checklist. Steal all of it.

Start with the self-assessment on the next page. It only takes a few minutes, and it'll tell you whether you're building proof on the side or ready to move faster — which changes how you should read everything that follows.

Self-Assessment: Are You Ready?

Score yourself honestly. This isn't a pass/fail test — it tells you which path to start on.

For each statement, score yourself: **2 = Yes**, **1 = Somewhat**, **0 = No**. Add up your total out of 20.

1. I have a niche (industry, role type, or geography) I could describe to a stranger in one sentence.
2. I have at least 3 people in my network who would take my call this week if I told them I'd gone independent.
3. I've personally owned a commercial outcome before — closing a deal, hitting a number, not just doing the work behind it.
4. I have 3-6 months of expenses saved, separate from what I need for normal life.
5. I have a clear, honest answer for why a client would choose me over a big staffing agency.
6. I'm comfortable having a direct conversation about money — quoting a fee, negotiating, asking for payment.
7. I could go 60 days with zero income from this without real financial stress.
8. I already have some warm interest — a past colleague, a lead, someone who's mentioned needing help hiring.
9. I'm doing this as a planned addition to my income, not because I have no other option.
10. I can consistently commit at least 5 hours a week to this, even while employed elsewhere.

Score Yourself

- **0-8: Not yet, and that's fine.** Spend 90 days building proof — pick your niche, save toward your runway, and start working Circle 1 of your network (Section 6) before committing further. Revisit this assessment after.
- **9-14: You're Side Hustle ready.** Keep your job, start building in the margins. Sections 3 through 9 are written for you to act on immediately, part-time.
- **15-20: You may have real signal for a Full Build.** Don't skip the three checkpoints in Section 2 before you jump — a high score here means you're capable, not that the timing is automatically right.

Whatever your score, keep it. Come back to this page in 90 days and re-score yourself — watching that number move is the clearest evidence you're actually making progress, separate from how any one week feels.

Part One: The Foundation

The decisions that need to be right before anything else works.

1. Why Go Independent

Every recruiter who's spent real time in corporate TA has had the same thought at some point: I do this same work, I just don't keep any of the upside. You source, you screen, you manage stakeholders, you close candidates — and the fee, the relationship, the leverage all sit somewhere above you. Going independent is the decision to stop renting out your skill set and start owning it.

That's the real case for it. Not "be your own boss" in the vague sense, but something more specific: you set the rate, you choose the clients, and when you get good at this, the ceiling disappears. A staff recruiter's upside is a raise. An independent recruiter's upside is whatever they can build.

Here's the part most people skip past, though: this is a business, not a better job. Nobody is going to teach you the things corporate TA never required of you — pricing your services, writing a contract, chasing an invoice, managing your own pipeline of clients instead of candidates, surviving the months where nothing closes. The recruiting skills that made you good at this job (sourcing, screening, closing) are maybe 40% of what makes someone successful running this independently. The other 60% is small-business operating skill you'll have to build from zero, often while still doing the recruiting part.

That's not a reason not to do it. It's a reason to go in with your eyes open, which is the entire point of this guide.

2. Two Paths: Side Hustle vs. Full Build

There isn't one way to do this, and deciding which path you're on early saves you a lot of wasted motion.

The Side Hustle Path

You keep your current job and build this in the margins — evenings, weekends, lunch breaks. You're not trying to replace your income yet; you're trying to prove the model works and build a track record before you need it to pay your bills. This is the lower-risk path, and for most people, it's the right starting point. You take on one client at a time, you're deliberately slow, and you treat every placement as evidence you can point to later.

The Full Build Path

You're going all-in, usually because you have a defined exit point already — a layoff, a planned resignation, a runway you've built. This path moves faster, but the math has to work first. Before you jump, you want all three of these true at once, not just one:

- A minimum of 3-6 months of expenses saved, covering both personal bills and basic business costs.
- At least one warm client or signed deal already in motion — never jump on hope alone.

- A pipeline of leads beyond that one client (one client leaving is how this fails in month two).

The honest signal that you're ready to move from side hustle to full build isn't a feeling, it's a pattern: you're turning down side hustle work because you don't have hours for it, and you have more inbound interest than you can service part-time. That's the version of "ready" that holds up when things get hard.

This guide works for both paths. Where something only matters for one, it's called out — but the foundation underneath (pricing, contracts, pipeline, delivery) is identical either way.

3. Pick Your Lane

The recruiters who struggle independently almost always have the same problem: they're trying to be a generalist in a market that pays for specialists. "I recruit for anything" sounds flexible, but to a prospective client it sounds like "I don't know your world." Niching down isn't a limitation — it's what lets you charge more, close faster, and get referred.

There are three ways to define your lane, and you can combine them:

- **By industry** — healthcare, manufacturing, energy, SaaS, financial services. Usually the strongest lane if you have real experience in that world already, because you walk in already speaking the client's language and knowing their pain points.
- **By role/function** — sales, technical/engineering, executive, skilled trades, finance & accounting. Works well if your background is functional rather than industry-specific.
- **By geography** — a specific metro or region, often paired with one of the above. Matters more for blue-collar, healthcare, and trades roles where candidates won't relocate, less for remote-friendly knowledge work.

Pick the lane closest to what you already know. Your corporate experience is your unfair advantage here — don't throw it away chasing a "hotter" market you don't actually understand yet. You can always expand later once you have traction.

Choosing Your Service Model

- **Contingency** — paid only when you place someone, typically a percentage of first-year base salary. No placement, no fee. Lowest barrier to entry for clients and for you, which makes it the easiest model to start with.
- **Retained** — the client pays a portion upfront (often split into thirds: signing, midpoint, placement) regardless of outcome. Standard for harder searches — executive, highly specialized, confidential.
- **Fractional / Embedded** — a flat monthly rate for ongoing recruiting support, acting as the client's outsourced TA function for a set number of hours or reqs per month. The path to recurring revenue instead of one-off fees.
- **RPO (Recruitment Process Outsourcing)** — taking over the client's entire hiring function or a large chunk of it, usually for companies scaling fast. Highest commitment and revenue, not where most people start.

Almost everyone should start in contingency, in a lane they already know, and graduate into retained or fractional work once they've built trust with a handful of clients. Don't try to sell

fractional or RPO engagements before you have any track record to point to — nobody pays a stranger a monthly retainer.

4. Business Setup Basics

None of this needs to be complicated, and you shouldn't let it become a procrastination excuse. Here's what actually matters before you take your first client.

Entity Structure

An LLC is worth setting up before you start invoicing real money — it separates your personal assets from business liability and looks more credible to clients than "Jane Smith, individual." It's typically a same-day or same-week process through your state, costs a relatively small filing fee, and you don't need a lawyer to do it. A sole proprietorship lets you start immediately with zero setup, but you're personally on the hook for everything, so treat it only as a short bridge while the LLC paperwork processes.

EIN and Business Banking

Get an EIN from the IRS (free, takes minutes online) and open a dedicated business checking account. Do not run business income through your personal account — it makes taxes a nightmare and erases the liability protection the LLC is supposed to give you.

Contracts

You need a signed recruiting services agreement before you do any work for a client, full stop. At minimum it needs to spell out:

- Fee structure and percentage (or flat rate)
- What triggers the fee (signed offer accepted, start date, or end of a guarantee period — be specific)
- The guarantee period (typically 60-90 days — if the candidate leaves or is terminated within that window, you either refund or replace free)
- Payment terms (net 15 or net 30 is standard)
- A non-circumvention clause (the client can't go around you and hire a candidate you introduced without paying you)
- Exclusivity terms, if any (are you their only recruiter on this req, or one of several)

A full contract skeleton is in the Appendix — don't write one from scratch.

Invoicing and Insurance

Use simple invoicing software rather than a Word doc you email — it looks more professional and makes tracking payment status far easier once you have more than one client. Errors & Omissions (E&O) insurance isn't required to start, but it's worth adding once you're placing people regularly — it protects you if a client claims your placement caused them financial harm. Most policies for solo recruiters run a few hundred dollars a year.

That's the whole list. None of it should take more than a week to set up, and you shouldn't let any single piece become the reason you haven't started.

5. Pricing & Fee Structures

Pricing is where new independent recruiters lose the most money, almost always by underpricing out of fear that they'll lose the deal otherwise. Here's how to think about it properly.

Contingency Pricing

The market standard runs 15-25% of the candidate's first-year base salary for most professional roles, climbing to 25-33% for executive or highly specialized searches. Don't quote off a job description alone — get on a call with the client first, understand the real difficulty of the role (how long has it been open, why hasn't it been filled, how competitive is the comp), and price accordingly. A role that's been open for eight months because the client is underpaying the market is not a 15% fee; it's a 25% fee, because you're the one solving a problem they couldn't solve themselves.

Retained Pricing

Structure as a percentage of the total expected fee, split into milestones — commonly a third at signing, a third at a midpoint (like presenting a slate of candidates), and the final third at placement. This gets you paid for your time even if the search takes longer than expected, which is the entire point of retained work.

Fractional / Embedded Pricing

Quote as a flat monthly rate, scoped to a defined number of hours, reqs, or deliverables per month — for example, "\$4,000/month for up to 5 active requisitions." Avoid open-ended "as much as you need" arrangements; clients will quietly expand scope on you if there's no defined boundary.

Hourly / Project Pricing

Less common, but useful for sourcing-only engagements or short, defined projects. This should never be your default model — it ties your income directly to hours worked with no leverage.

The single most important pricing habit: never quote a fee on the first call. Qualify the role, understand the client's urgency and budget, and follow up with a written proposal. Quoting on the spot signals desperation and leaves money on the table almost every time.

Part Two: Building the Business

Pipeline, tools, your first client, and delivering well enough to get referred.

6. Building Pipeline With No Marketing Budget

You don't need ad spend to build pipeline. You need to work your network correctly, which most people do backwards — they jump straight to cold outreach to strangers when there's a much warmer, much faster path sitting right in front of them.

Think in three concentric circles, and work them in this order.

Circle 1: People Who Already Trust You

Former colleagues, hiring managers you've placed candidates for, HR leaders you've worked alongside, past candidates now in leadership roles. These people already know your work is good — you don't have to prove anything, just tell them you're available. This circle alone is where most people land their first 2-3 clients.

Circle 2: People Who Know People Who Know You

This is referral territory — ask the people in Circle 1 directly for introductions rather than waiting for them to think of you. "Do you know anyone else dealing with hiring challenges right now?" is a question almost nobody asks, and it's the single highest-converting thing you can do. Also build relationships with adjacent service providers who already sell to your same clients but aren't competitors — HR consultants, benefits brokers, business coaches, bookkeepers serving small businesses. A simple referral-partner arrangement costs nothing to set up.

Circle 3: Cold Outreach to Your ICP

Only once Circles 1 and 2 are exhausted or running in parallel should you move to cold outreach. The recruiters who get good response rates here lead with insight, not a pitch — referencing something specific about the company lands completely differently than "Hi, I'm a recruiter, do you have any open roles?" Keep it short, make it about their problem, and always give an easy, low-commitment next step.

A visibility layer helps all three circles work faster. Posting about hiring trends in your specific lane — not generic "hiring tips," but things only someone deep in that niche would notice — builds the kind of reputation that makes Circle 2 referrals happen without you even asking.

7. Tools & Tech Stack

Don't over-tool yourself in month one. Here's what's actually worth paying for at each stage.

To Start (under \$100/month total)

- A simple spreadsheet or lightweight CRM to track clients, candidates, and pipeline stage — you do not need a \$500/month ATS for your first handful of clients.
- LinkedIn (free tier to start; a paid sales/search tier becomes worth it once you're doing real outreach volume).

- A scheduling tool so prospects can book calls without the back-and-forth.
- E-signature software for contracts.
- Basic invoicing/accounting software — clean books from day one save enormous pain at tax time.

Once You Have Consistent Revenue

- A real ATS once you're juggling multiple active searches with multiple candidates per role.
- An outreach automation tool if you're doing LinkedIn-based prospecting at volume.
- A dedicated business phone line, separate from your personal cell.

Skip for Now

- Premium job board posting access (your network and direct sourcing should outperform job boards in year one).
- Anything requiring an annual contract before you've validated it solves a real problem for you.
- AI sourcing tools promising to "find candidates automatically" — useful later as a supplement, never a replacement for relationship-based sourcing early on.

The pattern to notice: nearly every tool on the "skip for now" list becomes worth it later, just not before you have the client volume to justify it.

8. Landing Your First Client

Everything before this section is preparation. This is where it actually becomes a business.

The Discovery Call

Your only job on this call is to understand the problem well enough to solve it — not to pitch. Ask:

- Why is this role open, and how long has it been open?
- What's happened so far (internal recruiting, another agency, nothing)?
- What does the ideal candidate actually look like, beyond the job description?
- What's killed previous candidates in the process?
- Who makes the final decision, and how fast can they move?
- What's their budget reality versus what the market actually pays for this role?

That last question is the one new recruiters are most afraid to ask and most need to ask. If their budget is below market, you need to know that before you commit to the search, not after you've burned three weeks sourcing against an impossible number.

The Proposal

Keep it short — one page, not a ten-page deck. Include the role(s), your fee structure and what triggers it, your guarantee period, your timeline expectation, and a clear next step. Long proposals signal inexperience; clients want confidence, not a sales document.

Getting to Signature

The most common reason a deal stalls here isn't price, it's hesitation about commitment. Address it directly: offer to start with one role before expanding to a broader engagement, or offer the first search at a slightly reduced fee specifically framed as a one-time "working relationship" rate, with standard pricing on anything after. Never discount silently — always frame any discount as something specific and time-limited, or you train the client to expect it forever.

When They Push Back on Your Fee

Script: "I get that — can I ask what you've budgeted versus what's typical for this kind of role right now? A lot of times the issue isn't my fee, it's that the role's been priced below market, which is also why it's been open this long. If budget's firm, I'm happy to talk about scope — fewer guarantees, a narrower search — but I don't want to drop the fee and end up not delivering the kind of search that actually fills this."

When They Want to Try Filling It Themselves First

Script: "Totally fair — a lot of clients do that. One thing I'd flag: every week it stays open is a week the best candidates are off the market. I'm happy to start now in parallel at no risk to you, since contingency means you only pay if I place someone — that way you're not betting the search on one path."

9. Delivering Without Dropping the Ball

Landing the client is half the business. Delivering well is what turns one client into five, through referrals and repeat work.

Intake

Before you source a single candidate, get crystal clear and ideally in writing on the role requirements, comp range, interview process steps, and timeline. Misalignment here is the #1 cause of wasted searches.

Sourcing & Screening

Source against the real requirements, not just the job description. Screen for the things a resume can't tell you — actual motivation for leaving their current role, comp expectations versus what's been budgeted, and timeline to start.

Submission & Communication Cadence

Submit candidates with a short, structured write-up — not just a resume — covering why you're presenting them, their key strengths against the role, and anything the client should know before the interview. Set a communication cadence up front (commonly weekly check-ins) so the client

always knows where things stand, even on weeks with no new candidates. Silence is the fastest way to lose a client's confidence.

Interview Coordination Through Close

Stay involved through the whole process — don't hand off a candidate and disappear. Prep candidates before interviews, debrief them after, and manage the back-and-forth on offer details. This is often where deals fall apart, and your involvement here is exactly what justifies your fee.

When a Candidate Goes Quiet Mid-Process

Script (to the client): "Wanted to flag that [Candidate] has gone quiet after [stage] — I've reached out twice. I'll give it 48 more hours and then we'll treat the slot as open again so we don't lose momentum."

When a Candidate Gets a Counteroffer at the Finish Line

Script (to the candidate): "Counteroffers are common, and they're usually about more than the number — they're the company telling you what they should have been saying all along. Worth asking yourself: if this counter wasn't on the table, would you still be excited about why you started looking in the first place?"

Setting Realistic Expectations

Most clients have no real sense of how long a search should take, and they'll default to assuming it should be faster than the market actually allows. Set the expectation early, during intake — "for a role like this, expect 3-5 weeks to first slate, 6-8 weeks to close" — so you're managing against a number you set rather than one the client invented.

Part Three: Growing It

When to go full time, what takes other people out, and exactly what to do in your first 30 days.

10. Going Full-Time

The decision to leave the day job entirely should be driven by numbers, not frustration with your current job. Watch for these signals together, not any single one alone:

- You're turning down side-hustle work because you're out of hours, not out of leads.
- You have a pipeline of warm prospects beyond your current active clients — if one client left tomorrow, you wouldn't be starting from zero.
- Your trailing 3-month average revenue, projected forward, covers your full expenses with margin (not break-even — margin, because the first few full-time months are rarely your strongest).
- You still have the savings runway from Section 2 intact, not already spent covering the gap between side-hustle income and your actual bills.

When you do make the jump, ramp down deliberately if you can — give real notice, hand off your current role cleanly (your reputation in your old network is now part of your business asset, not just your past employer), and use the transition period to lock in 1-2 more signed clients before your last paycheck hits, so you're not starting full-time from a standing stop.

Once you're full-time, the next real growth move is adding a second revenue stream so you're not entirely dependent on one-off contingency fees. The natural progression: contingency placements build your reputation and cash flow, then fractional or retained clients build recurring revenue, and from there some independents add adjacent offerings once they've built enough credibility to sell expertise beyond placements. Don't add a second stream before the first one is stable — sequencing matters more than speed here.

11. Mistakes That Kill New Freelance Recruiters

Almost every independent recruiter who fails in year one fails for one of these reasons, usually more than one at once.

Underpricing Out of Fear

New independents consistently quote below market because they're afraid of losing the deal. This doesn't just cost you money on one deal — it sets a market rate with that client that's painful to renegotiate later, and signals lower confidence than you actually have.

No Contract, or a Weak One

Working off a verbal agreement or a vague email "sounds good" is how people do real work and never get paid. Every engagement, no exceptions, needs the signed agreement from Section 4 before work starts.

Single-Client Dependency

Taking on one client and going all-in on them feels efficient, but it means your entire business disappears the moment they leave, get bought, or have a hiring freeze. Always be building Circle 2 and 3 pipeline (Section 6) even when fully booked.

No Cash Flow Planning, Especially for Taxes

Contingency income is lumpy — nothing for six weeks, then a large placement fee — and new independents routinely spend that lump sum like salary, forgetting nothing's been withheld for taxes. Set aside a fixed percentage of every payment (commonly 25-30%, confirm with a tax professional for your situation) the day it lands.

Refusing to Niche

"I'll recruit for anything" feels like it casts a wider net, but it actually makes you forgettable and hard to refer. Clients refer specialists, not generalists.

Going Dark on Candidates or Clients

This industry runs on reputation, and it's smaller than people think — the candidate you ghosted shows up as a hiring manager's friend eighteen months later. Communicate even when the news is bad rather than disappearing.

Not Tracking Your Own Numbers

If you don't know your close rate, average time-to-fill, or average fee, you can't tell whether your pricing, your pipeline, or your delivery is the actual problem when something's not working. Track it from client one, even in a simple spreadsheet.

12. Your First 30 Days

Everything in this guide becomes real once you put it on a calendar. This is the literal day-by-day version of Sections 3 through 9, sequenced so each step builds on the last.

Week 1: Foundation

- Days 1-2 — Pick your lane (Section 3). Write down your niche in one sentence.
- Day 3 — File your LLC and get your EIN.
- Day 4 — Open business banking and set up a basic invoicing tool.
- Day 5 — Customize the contract skeleton (Appendix) with your information.
- Days 6-7 — List every Circle 1 contact (Section 6). Aim for at least 20 names.

Week 2: Activate Your Network

- Days 8-10 — Send your Circle 1 outreach message to all 20+ contacts.
- Days 11-12 — Follow up with anyone who hasn't responded after 3 days.
- Day 13 — Ask your 3 strongest relationships for a specific Circle 2 referral.
- Day 14 — Set up your spreadsheet or CRM to track every conversation.

Week 3: Convert Your First Conversation

- Days 15-17 — Take every discovery call that comes in, even ones that feel like a stretch.
- Day 18 — Send your first proposal.
- Days 19-20 — Follow up on the proposal directly. Don't wait for them to come back to you.
- Day 21 — If no signed client yet, expand outreach to 10 more Circle 1/2 contacts.

Week 4: Sign and Deliver

- Days 22-24 — Get to signature on your first client, or keep working the pipeline.
- Day 25 — Run proper intake (Section 9) on your first live role.
- Days 26-28 — Begin sourcing against the role.
- Day 29 — Send your first client update, even if it's just "here's where things stand."
- Day 30 — Review your numbers: conversations had, proposals sent, clients signed. Decide: hold side-hustle pace, or start moving toward a full build.

If a week takes longer than planned, that's fine — slide the whole plan, don't skip steps. The sequence matters more than the speed.

Appendix: Templates & Scripts

Use these as-is, or as a starting point to make your own.

Recruiting Services Agreement (Skeleton)

This is a starting structure, not a substitute for review by an attorney in your state before heavy use, but it covers the core terms every agreement needs:

- Parties & effective date
- Scope (role(s) covered, exclusive or non-exclusive)
- Fee (percentage or flat amount, and exactly what triggers it — e.g., "due upon candidate's acceptance of a written offer")
- Payment terms (e.g., net 15 from invoice date)
- Guarantee period (e.g., "if the placed candidate's employment ends within 90 days for reasons other than position elimination, Recruiter will provide one replacement search at no additional fee")
- Non-circumvention clause (client agrees not to hire any candidate introduced by Recruiter outside the terms of this agreement)
- Confidentiality
- Termination terms (notice period to cancel the engagement)
- Signatures

Client Cold Outreach Script (LinkedIn / Email)

"Hi [Name] — noticed [specific observation: role open X weeks, recent growth news, leadership change]. I work independently with [industry/role type] companies on exactly that kind of hiring gap, usually closing roles in [your typical timeframe]. Worth a quick 15-minute call to see if it's a fit, no pressure either way?"

Candidate Outreach Script

"Hi [Name] — I'm working with a [industry] company on a [role title] opening that lines up well with your background at [their current/past company]. Not sure if you're open to exploring something new, but wanted to put it in front of you in case the timing's right. Happy to share more if you're curious."

When a Search Gets Paused Mid-Stream

Script: "Understood — appreciate you telling me directly. Before I close it out, can I ask what changed? I'll keep the candidates I've already surfaced warm in case this reopens, no obligation either way."

Simple Fee Calculator

Base salary x your fee percentage = your fee.

Example: \$80,000 base x 20% = \$16,000 fee.

Use this to quickly model different scenarios when a client pushes back on percentage — show them the dollar number, not just the percentage, since that's usually what they're actually reacting to.

Client Onboarding Checklist

- Signed agreement on file
- Role requirements and comp range confirmed in writing
- Interview process steps and decision-makers identified
- Communication cadence agreed (e.g., weekly update call)
- Timeline expectations set
- Invoicing details confirmed (who to bill, payment method, terms)

Where to Go From Here

This guide gives you the complete framework — the same fundamentals that take recruiters from corporate TA to running their own book of business. If you work through it honestly, you have everything you need to start today.

What a guide can't do is look at your specific market, your specific first contract, or the specific reason your outreach isn't converting yet. That's the part a document can't replace, no matter how detailed it is — it just takes another set of eyes that's done this before.

If that's useful to you down the line, reach out. If not, you're already equipped to start — so start.