

Meeting the global demand for skilled people.

The global recruitment industry is evolving, particularly across our chosen market and sector specialisms. The Science, Technology, Engineering and Mathematics fields are at the forefront of change across the developed world, and recruitment models have to adapt quickly to keep pace.

At SThree, we have an expert understanding of what these changes mean across different regions, for specialist roles and even to specific companies. We are developing the way we work and deliver our services in line with both the global mega-trends outlined below, the idiosyncrasies of different localities, and the particular requirements of different countries.

Global mega-trends

The 'Gig' economy

The 'job for life' is becoming less prevalent in today's world. People now often prefer to work short-term contracts otherwise known as 'gigs', or to do freelance work. These types of roles allow for greater flexibility in their careers, giving them control over how much and when they work. The result of this is that those who work this way have a higher frequency of role changes than ever before. It also adds a layer of complexity to the hiring process, requiring a more focused and specialist service to ensure smooth transitions between roles.

What it means for SThree

In the STEM industries there is a wealth of fixed term projects available and therefore the appeal of short-term contracts is strong. These dynamics are favourable for SThree, hence the focus for the Group. As a global business with robust and scalable infrastructure and systems, we thrive on added complexity and are able to support both our clients and candidates through all stages of the process in a structured way. This allows employers to find the people they need when they need them, and gives our candidates a stream of high quality work opportunities.

Economic uncertainty

Whilst not a new phenomenon, the regions in which we work are currently experiencing elevating political and macro-economic uncertainty.

What it means for SThree

Throughout our history we have seen that during the peaks of the economic cycle our Permanent division tends to realise the most benefit, whilst during less certain economic times the benefits of Contract become more pronounced with more predictable and visible earnings and greater resilience.

The Employed Contractor Model ('ECM')

This model, where a skilled specialist is legally employed by SThree but works for the end client is already the model of choice in the USA and becoming increasingly popular across Europe. It is popular because of the access to flexible resources for key projects and for removing complexity in the hiring, onboarding and offboarding for the client.

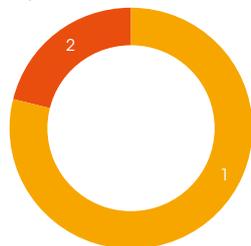
There are many other country-specific benefits to the model. For example, in the USA there are particularly high risks relating to employment classification between temporary and full time staff, which if the regulations are not exactly followed can result in penalties or fines by the authorities. Through our employment of the Contractor we mitigate this risk and take on the employment obligations around taxes and employee insurance.

Across certain European territories, it is particularly difficult to terminate full time employees and using an ECM model carries significantly reduced employment obligations for employers.

What it means for SThree

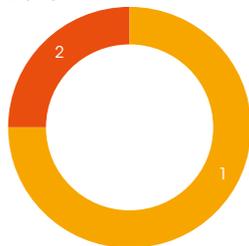
SThree works in several regions where ECM is in high or increasing demand. SThree has the scale and specialist knowledge to be able to deliver ECM across these geographies, providing this solution to different business challenges faced in each location. SThree is able to support our clients through the sourcing, screening, onboarding and providing the ongoing payroll, benefits, tax deductions and relevant insurances for our ECM placements. 72% of our business is now made up of Contract with ECM being a fast growing area within this.

Freelance/ECM mix 2017



1. Freelance 79%
2. ECM 21%

2018



1. Freelance 75%
2. ECM 25%

Ageing population and emerging skill sets

With the emergence of Artificial Intelligence ('AI'), new scientific discoveries, and rapid technological advancement, the ways in which companies and the people within them operate is evolving. It is estimated that 85% of jobs that will be held in 2030 have not been created yet. We are already seeing that these new roles and ways of working require new skills. On the other hand, several studies have suggested that AI and automation will reduce the need for certain types of roles. However, we do not expect it to have a negative impact on employment in our core geographies as it will also drive the emergence of new roles, ultimately pushing productivity of the workforce higher.

What it means for SThree

We expect to see higher levels of skills shortages over the period ahead. The new types of roles that are emerging require both existing and newly developed specialist skill sets held by only a small proportion of individuals. When there are skill shortages, people look to recruitment agencies to provide them with candidates, as the market becomes increasingly competitive. We have exceptional insight into the skillsets these emerging roles may require, as well as where to source candidates with the relevant skills. We are particularly well positioned in this regard due to our long-term strategic focus on STEM industries, which are at the forefront of change and therefore strongly linked to new skills and role creation.

Digital transformation

The way people interact with technology to find roles or find candidates is evolving. Technical disruption is making many tasks easier and democratising information. Candidates and clients expect to be able to search for high calibre roles or staff through online platforms.

What it means for SThree

SThree is well positioned in this regard as our extensive industry expertise combined with leading technical partnerships means that we are able to develop tools that can help deliver different products for different markets, diversifying our business and opening up new revenue streams where clients and candidates are less focused on the service elements that are so important in our chosen STEM markets.

Case study: Contributing to the growth of the tech industry.



At SThree, we're passionate about bringing skilled people together to build the future. One of the biggest examples of our commitment to aiding the evolution of careers across STEM markets is our partnership with coding bootcamp, Le Wagon.

The coding bootcamp that's changing lives

Thanks to an influx of start-ups, the tech market in Japan is booming. This has resulted in a growing talent gap and increasing demand for software developers within the country. In 2016, this led to the development of Le Wagon – the coding bootcamp that's changing lives.

Across an intensive nine week period, professionals are given the opportunity to learn what it takes to become a full-stack developer. The programme allows emerging talent to develop fundamental skills and connect with companies across the tech industry.

The people behind the revolution

We've been working closely with Paul Gamer, CEO of Le Wagon in Japan, "I've been based in Japan for the past nine years, and since then there's been an increase in innovation and start-ups. As a result, the demand for professionals within the full-stack development market has grown rapidly." One of the most unique things about Le Wagon is its focus on soft skills. The coding bootcamp, teaches developers about project management, teamwork, and how to pitch a product; all crucial skills for developers.

Paul is also eager to provide opportunities for a diverse range of professionals with varying backgrounds; Le Wagon is a space where people with potential can change their lives. According to Paul, "Generally there are three reasons people attend Le Wagon; they want to change their career and are interested in software development or project manager roles, they want to launch a start-up and would like the ability to discuss with engineers and build their first prototype, or they want to try a different way of working and are considering going freelance."

Le Wagon and Computer Futures: A winning partnership

"After launching in Japan, one of our key priorities was to provide solid support to the job search of our graduates at every stage of the process" explains Paul, "with Computer Futures being a leader in IT recruitment, I was thrilled when our invitation was accepted." Our consultants work closely with students at Le Wagon so they're fully prepared after their graduation. Our training sessions cover best practice CV writing, interview training, and how to sell yourself as a developer. We also advise students about how to get the most from recruiter relationships.

We're truly passionate about making sure that when students leave Le Wagon they know how to communicate effectively with the right companies. Learning about technical skills is only one part of the puzzle, and we're proud to play a role in helping budding students find jobs that will put them on the path to realising their career goals.

According to Paul, "Computer Futures has definitely had an impact on Le Wagon. Our graduates are better prepared to kick-start their job search, both with actionable material provided during the training sessions and contact with specialised recruiters. The teams transfer their industry expertise, and also offer a clear overview of the types of roles students might fit with open job descriptions and tips before graduation."

A word from our candidate

Our involvement with Le Wagon has allowed us to truly elevate the professional lives of these students. We've been able to find numerous people roles that have allowed them to kick start their coding career. We worked closely with Douglas Berkley, graduate of Le Wagon, and were able to find him his first role as a developer.

"My time as a student at Le Wagon was incredibly challenging, but exciting to learn and create things I never thought I'd be able to do. It's incredible what we were able to do in a short amount of time and it was all down to the programme and amazing staff. I think the thing that has stuck with me the longest is the community that Le Wagon has to offer. Even in my job, I was messaging classmates and former teachers for support and it was nice to follow along with everyone's progression."

In an interesting turn of events, Douglas' career has now resulted in him returning to Le Wagon as the bootcamp manager, "Computer Futures has been brilliant for me and other Le Wagon students. They gave a talk to us about what to expect from the tech industry, how to build a CV, and general guidance on moving forward. Not only that but they sat down one on one afterwards and helped guide each student. I had never been on an interview for an IT job so some of the examples they provided for us were very useful. Alex Jenner continued to check-in on me and help arrange interviews. I am forever grateful to him! As a manager, I strongly appreciate all the work Computer Futures does for the students here."

A word from our own people

Alex Jenner, Sales Team Manager at Computer Futures, has been instrumental in establishing our relationship with Le Wagon:

"Partnering with Le Wagon allows us to truly contribute to the growth of the tech industry. At SThree, we want to help candidates grow and continuously develop their skills. The work we do with Le Wagon is a reflection of the ideals of our company; we're able to build trusted relationships and make sure that when candidates go out into the world of tech, they're able to find the right opportunity. This project benefits both the individual and the entire tech industry, something we should all be proud of."