

UK AGENCIES EXPANDING INTO THE US

Expand with confidence.

November 5, 2025

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AGENDA

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01 INTRODUCTION

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MEET THE TEAM



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02 WHY THE US MARKET NOW

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THE UK MARKET SNAPSHOT

Uncertain landscape / legislative changes

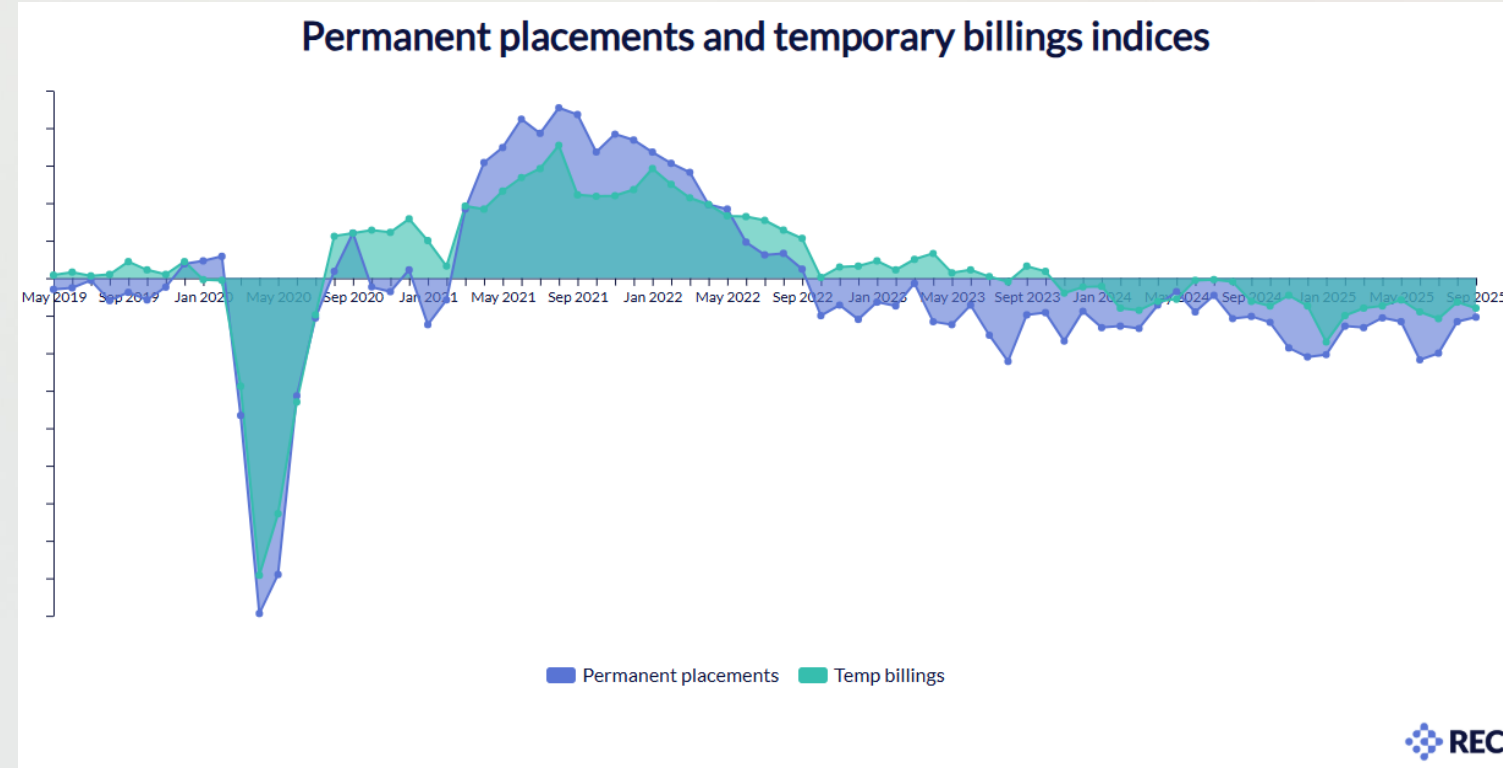
- IR35 restrictions limiting access to skilled contractors
- Umbrella tax and ongoing compliance reforms creating uncertainty
- Brexit-related complexities continue to impact mobility and hiring

Shifts in the recruitment market

- Mature, competitive UK market — growth slowing for niche agencies
- Increasing pressure on margins and local talent availability
- Clients demanding global reach and delivery capability

The recruiter's evolving role

- Now extends beyond sourcing (compliance, flexibility, and global strategy)



WHY THE US MARKET NOW?

A Massive Opportunity for UK Agencies



WHY THIS MATTERS FOR UK & EUROPEAN STAFFING AGENCIES

- The US has a massive demand for niche talent- \$200B+ Staffing industry
- Many regions facing acute shortages
- UK agencies can leverage global sourcing reach
- High growth/demand in sectors like IT, healthcare, engineering, clean energy, and construction
- Higher bill rates, faster hiring cycles
- Appetite for international expertise
- Fewer barrier to entry compared to other markets/countries

A prime opportunity for specialist recruiters who can move fast and stay compliant.

WHY EXPANDING TO THE US IS EASIER THAN YOU THINK

The US is a **high-opportunity, low-friction market**, and we handle everything behind the scenes.

What You Don't Need to Worry About

- Establishing a legal entity
- Navigating 50 different state laws
- Managing payroll, taxes, and insurance
- Employment contracts are generally not needed
- Building a US HR/back office team



What We Take Care Of



- Full back-office infrastructure
- Worker onboarding and classification
- Payroll, benefits, and tax filing
- Employment law compliance
- Fast, compliant hiring in all 50 states

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03 HIGH-DEMAND INDUSTRIES

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SECTORS HUNGRY FOR TALENT IN 2026

Other Industries

- **Creatives**
- **Skilled Professionals**
 - IT – Security AI
- **Light Industrial**
- **Finance & Accounting**

CLEAN ENERGY & EV INFRASTRUCTURE

- Driven by federal investment and ESG commitments

HEALTHCARE

- Ongoing nursing shortage driving strong demand for clinical talent

EDUCATION

- Teacher shortages nationwide is creating opportunities in staffing and support services

193,100

annual job openings
for regional nurses
between 2022-2032.

Source: US Chamber of Commerce

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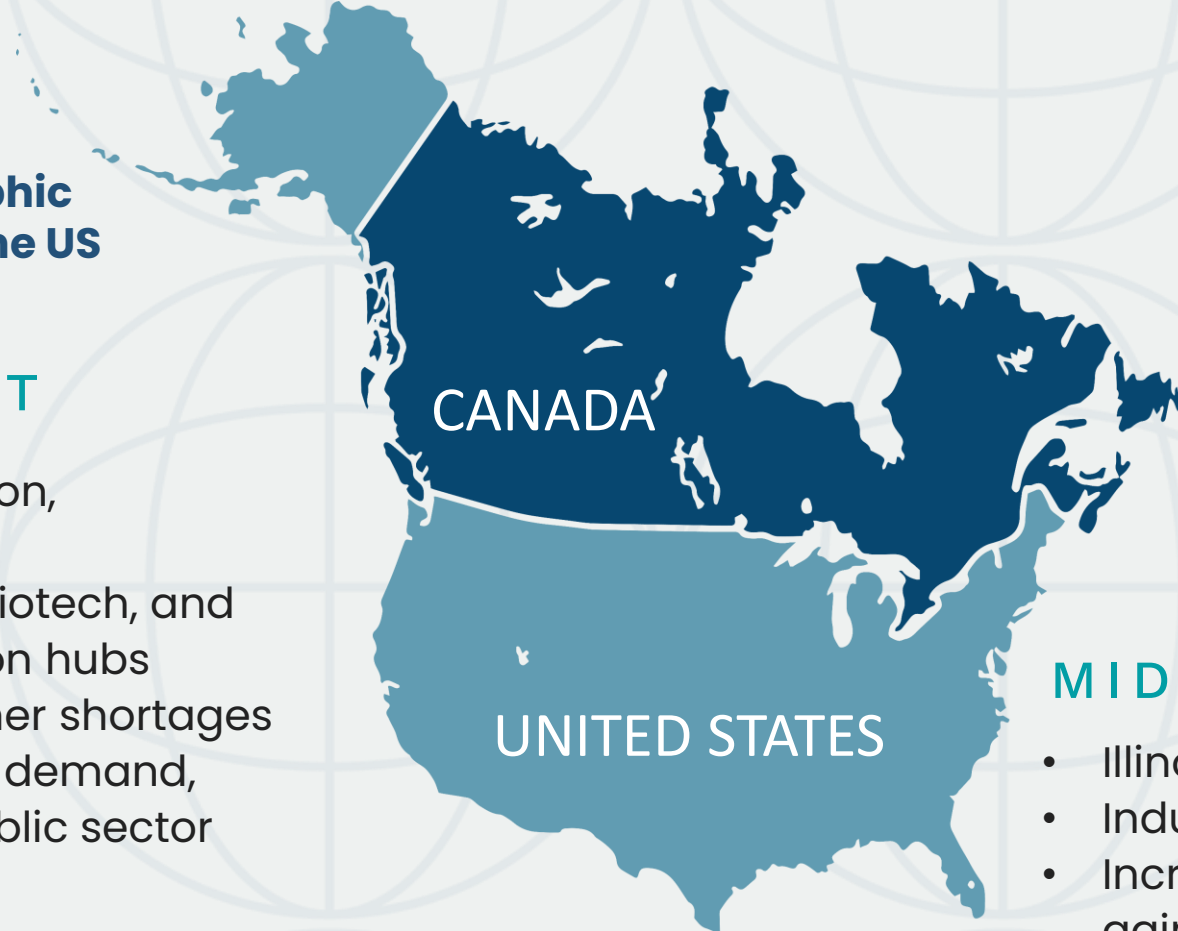
REGIONAL HOTSPOTS WORTH KNOWING



Top Geographic Markets in the US

WEST COAST

- California, Oregon, Washington
- Clean energy, biotech, and digital innovation hubs
- Persistent teacher shortages and healthcare demand, especially in public sector roles



EAST COAST

- NYC → DC Corridor
- Tech, finance, infrastructure growth
- Rising demand for healthcare and life sciences talent in metro clusters (Boston, Philadelphia, DC)

MIDWEST

- Illinois, Ohio, Michigan
- Industrial revitalization & logistics hubs
- Increasing healthcare staffing needs in aging communities and regional hospital systems

SOUTHERN STATES

- Texas, Georgia, Florida
- Energy transition & advanced manufacturing
- Rapid population growth fuelling demand for healthcare and education professionals



04 WHAT US CLIENTS ARE LOOKING FOR

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WHAT US CLIENTS WANT

To Win US Clients, You Must Offer

SPEED



Quick turnaround
on quality
candidates

EXPERTISE



Industry
knowledge &
global reach

COMPLIANCE CONFIDENCE



EOR/AOR support,
tax, payroll,
classification

OUTSTANDING WORKER EXPERIENCE



Seamless onboarding,
consistent pay, and strong
engagement throughout
each assignment



05 WORKER EXPECTATIONS

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UNDERSTANDING WORKER EXPECTATIONS: US VS EUROPE

Why This Matters

US WORKERS v EUROPEAN WORKERS

- Operate under different cultural and legal norms
- Language, terminology, and communication styles can impact candidate experience

DIFFERENT BENEFIT FRAMEWORKS

- Benefits aren't universal social programs but individually negotiated and employer-driven
- Still highly regulated- compliance requirements often surprise non-US clients

EMPLOYMENT STRUCTURE & CLASSIFICATION

- US classification includes Independent Contractor (IC) vs W-2 employee, and exempt vs. non-exempt under wage/hour law
- Worker classification errors carry significant financial and legal risk

COMPENSATION & PAYROLL EXPECTATIONS

- Biweekly or weekly payroll is standard (vs. monthly in Europe)
- Candidates focus on net pay and tax withholding, not gross salary

CLASSIFICATION ESSENTIALS

W-2 vs. 1099 – What's the Difference?



W-2 Employee

- Employer withholds taxes
- Receives employer benefits (healthcare, PTO, etc.)
- Subject to employer control (schedule, methods, tools)
- At will employment
- No contracts



1099 Contractor

- Independent worker
- No tax withholding or benefits
- Limited oversight by the company



Common Mistakes:

- Treating 1099s like employees
- Misclassifying for speed or budget reasons
- Failing to use written contracts

Misclassification → audits, back pay, penalties, lawsuits

BENEFITS & COMPENSATION CULTURE



US Workers Expect (vs. UK/EU):

- 401(k) retirement plans
- Employer-sponsored health insurance
- Paid time off (typically 10–15 days, not statutory)



Key Differences:

- Less statutory entitlement
- More individualized negotiation
- Perks = part of offer competitiveness
- UK agencies should educate candidates and clients on US benefit expectations
- Fringe benefits – Gym memberships, bonuses, or stock options may be used to attract talent

TERMINATION & WORKER PROTECTION

At-Will Employment:



- Employees can be terminated anytime, for any legal reason
- No legal requirement for notice periods or redundancy pay



Tip: Build fair, documented policies to protect both the worker and your agency/client

Implications for Recruiters:



- Build clear documentation
- Set client & candidate expectations early
- Align termination policies with fairness + compliance
- At-will employment isn't lawlessness—it's just different. Be proactive and transparent

↑ People2.0 handles all of this ↑

EMPLOYMENT LAW COMPARISON: US VS UK

Category	United States (US)	United Kingdom (UK)
Employment Type	"At-will" employment (can terminate at any time)	Employment contracts required; notice periods usually apply
Termination Notice	No statutory notice required ("at-will")	Statutory and contractual notice periods required
Employee Classification	W-2 (employee) vs 1099 (independent contractor)	Employee, worker, or self-employed with distinct legal rights
Misclassification Risk	High financial/legal penalties for 1099 misclassification	Legal status mostly determined by contract and working conditions
Benefits (Healthcare, etc.)	Employer-provided (not statutory); healthcare is private	National Health Service (NHS); limited employer responsibility
Retirement Contributions	401(k) optional, often matched by employer	Auto-enrollment into pensions is mandatory with minimum %
Minimum Paid Vacation (PTO)	No federal requirement; average is 10–15 days (negotiated)	Statutory minimum: 28 days (including public holidays)
Parental Leave	No federal paid leave; FMLA allows 12 weeks unpaid (if eligible)	Statutory paid maternity/paternity leave available
Overtime Pay*	Required for >40 hrs/week (non-exempt workers)	Required unless contractually excluded (usually above 48 hrs/week)

Category	United States (US)	United Kingdom (UK)
Working Hours	No maximum (except for safety-related roles)	48-hour weekly limit (can opt out) under Working Time Directive
Holiday Pay	Not required by law	Statutory requirement for paid holidays
Sick Leave	No federal requirement; varies by state/employer	Statutory Sick Pay (SSP) mandated by government
Discrimination Protections	Protected under federal & state laws (e.g., Title VII, ADA)	Protected under Equality Act 2010
Unions & Collective Bargaining	Limited in many states; right-to-work laws apply	Stronger union rights; collective bargaining more common
Background Checks & Drug Testing	Common and legal (varies by state)	More limited; must be justified and proportionate
Data Privacy & Employee Rights	Less regulated (no GDPR equivalent); varies by state	Covered under UK GDPR and Data Protection Act

HOW PEOPLE2.0 CAN HELP

Your Strategic EOR/AOR Partner for US Expansion



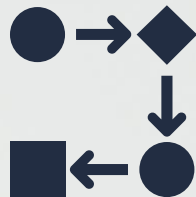
Global compliance
infrastructure



Expert navigation of
worker classification



Benefits setup &
local onboarding



In-country payroll,
policies, and HR
support



Brand remains
client-facing—risk
stays with us

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06 CLIENT CASE STUDY-



Franklin Fitch

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EXPANDING INTO THE US MARKET

Franklin Fitch is a UK-based recruitment firm that expanded into the United States (Austin, TX) in 2018. The company specializes in IT infrastructure recruitment and initially focused on permanent placements before expanding into the US contract staffing market.

Expansion Opportunity

- US temporary staffing market → **\$188B by 2025**
- Contingent workforce = **~50% of US talent pool**
- US market: **5× larger than the UK** with **higher average fees**

Challenge

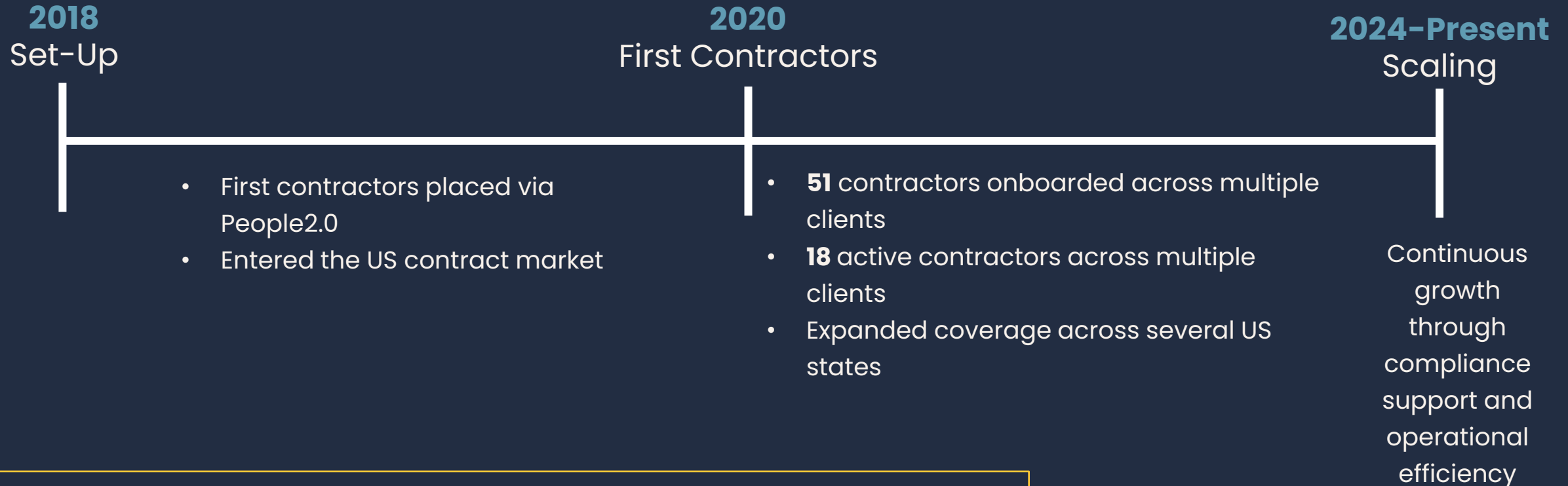
- Complex state-by-state employment laws
- Compliance and classification risks



Solution: People2.0 Partnership

- Became trusted EOR/AOR partner
- Ensured compliance confidence & growth readiness
- Enabled expansion into the US contract staffing market

THE US EXPANSION JOURNEY – KEY MILESTONES



Strategic Learnings

Be prepared – research your partners in advance

Build revenue in the UK – build revenue from the UK before scaling

“Americanize” contracts – adapt terms, payment cycles & expectations

Grow through compliance – People2.0 enabled confident, efficient expansion

CHALLENGES FACED & HOW WE OVERCAME THEM

LESSONS LEARNED

- ✓ Treat the US as 50 unique markets- research states early
- ✓ Start compliance conversations early in the sales cycle
- ✓ Partner with deep local expertise (EOR/AOR)
- ✓ Document financial flows for transparency
- ✓ Coach sales teams to explain EOR structures upfront



Challenges

- Complex, state-by-state **legal and tax compliance**
- **US contracts** are longer, client-favored, and highly detailed
- Multi-party agreements to know: **Recruiter, EOR, Client, Worker**
- **Insurance limits** and **worker classification** issues (esp. California)
- Ensuring client **creditworthiness** and payment reliability



How We Overcame Them (with People2.0)

- **Reviewed & customized contracts** to balance risk and protect all parties
- **Guided risk allocation** across recruiter, client, and EOR
- **Simplified onboarding, payroll, and candidate support** through integrated systems
- **Background & credit checks** managed via People2.0 platform
- **Expert advice** on state laws and regulatory nuances

BUSINESS IMPACT & OUTCOMES

IMPACT

- ✓ Nationwide US presence and client diversification
- ✓ Strong collaboration across compliance, finance, and recruitment
- ✓ Finance efficiency improved via automated weekly invoicing and reporting
- ✓ Enhanced credibility, faster client onboarding, and contractor trust
- ✓ Positive feedback from recruiters and back office

FINANCE TEAM FEEDBACK

"From a finance side, People2.0 keeps everything running smoothly. Sauncelery Alexander and David Kajander are always quick to respond, send invoice copies, and ensure timely payments."

RECRUITER/CONSULTANT FEEDBACK

"They make things really easy for us as recruiters and for our contractors. The portal is user-friendly, the team is responsive, and they always find quick solutions."

TIPS FOR UK AGENCIES LOOKING TO EXPAND TO THE US

Pick a partner like People2.0 who gives you confidence in compliance, so you can focus on building your business





07 KEY TAKEAWAYS

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KEY TAKEAWAYS & CHECKLIST

Checklist for agencies expanding to the US on their own

- ☐ Research worker classification rules
- ☐ Align with a compliant EOR/AOR provider
- ☐ Understand US benefit expectations
- ☐ Prepare for at-will employment norms
- ☐ Create compliant contracts
- ☐ Build onboarding & termination workflows
- ☐ Educate clients & candidates on market differences



When you partner with People2.0

We take care of every step, ensuring the process is secure, compliant, and efficient



Partnering with **People2.0** means you focus on growth, while we handle the rest

QUESTIONS?

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