

# UNDERSTANDING ATS RETURN ON INVESTMENT

The ultimate guide to writing an applicant tracking system (ATS) business case to support your organisation in recruiting the very best talent.



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## INTRODUCTION

As a HR and recruitment professional, your role is to attract, engage, manage and onboard the highest quality of talent. However, we all know the process is a lot more complex than that, as the role also includes building a talent pool, managing candidate sifting, feedback and long-term employee retention.

These are all things a robust and intuitive applicant tracking software can help support you and the business to achieve. In order to implement this level of change within your business, you may require a business case.

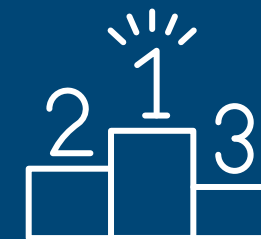
In this guide, you will learn how to build a business case showing the ROI whilst exploring the benefits of utilising an ATS including; **Reducing cost per hire, Increasing quality of hire** and **Decreasing time to hire**.

## ABOUT NETWORKX

networkx is a leading provider of simple, clever recruitment software and services to support in-house recruitment teams and HR professionals to attract, engage, manage and onboard top talent.

Since 2001, we have been at the forefront of the recruitment industry. We recognise the nationwide challenges facing the recruiters of today, and strive to unite talent with your career opportunities, utilising cutting-edge technology, supportive service provision and our growing candidate pool.

Over the last 19 years, we have supported clients nationwide to reduce agency costs, improve time-to-hire and increase overall operational efficiency. Today we are recognised as market leaders in providing the latest recruitment software (ATS) and an agency style recruitment service that supports over 450 companies across the UK to achieve their recruitment ambitions.



### ATTRACT

Maximise the exposure of your vacancies and reach a wider pool of quality candidates



### ENGAGE

Proactively engage with high quality, relevant talent to promote your opportunities



### MANAGE

Identify top talent quicker and deliver the best possible candidate experience



### ONBOARD

Provide every new starter with the best introduction to your business and beyond



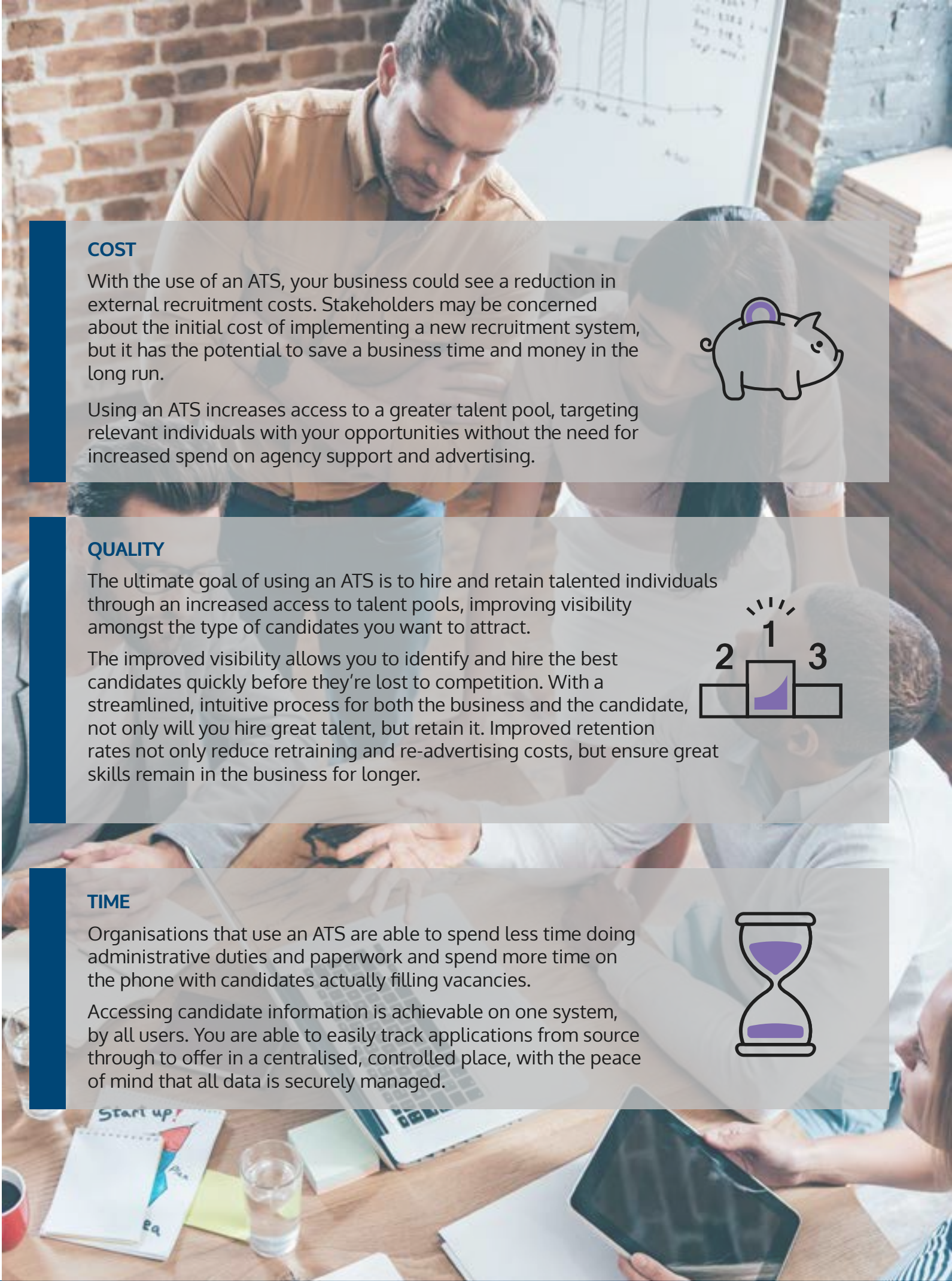
# DEFINING SUCCESS WITH AN ATS - MEASURING ROI

Measuring the Return on Investment evaluates the cost-effectiveness of an investment, enabling a demonstration of the financial and timely benefits to implementing a new service or product. The same argument applies when reviewing your recruitment processes and tools.

Whether you are looking to reduce agency dependence and cost, or implement technology to centralise processes and maximise the power of automation, the decision making process relies on demonstrating return on investment.

## WHAT ARE THE BENEFITS OF AN ATS?

Applicant Tracking Software (ATS) is designed to provide HR and In-house recruitment teams with the tools they need to automate, simplify and speed up the entire recruitment process. Improving your hiring outcomes is the overall gain of using an ATS, but recruitment software is best demonstrated by it's ability to to improve your time to hire, cost per hire and quality of hire.



## COST

With the use of an ATS, your business could see a reduction in external recruitment costs. Stakeholders may be concerned about the initial cost of implementing a new recruitment system, but it has the potential to save a business time and money in the long run.



Using an ATS increases access to a greater talent pool, targeting relevant individuals with your opportunities without the need for increased spend on agency support and advertising.

## QUALITY

The ultimate goal of using an ATS is to hire and retain talented individuals through an increased access to talent pools, improving visibility amongst the type of candidates you want to attract.



The improved visibility allows you to identify and hire the best candidates quickly before they're lost to competition. With a streamlined, intuitive process for both the business and the candidate, not only will you hire great talent, but retain it. Improved retention rates not only reduce retraining and re-advertising costs, but ensure great skills remain in the business for longer.

## TIME

Organisations that use an ATS are able to spend less time doing administrative duties and paperwork and spend more time on the phone with candidates actually filling vacancies.



Accessing candidate information is achievable on one system, by all users. You are able to easily track applications from source through to offer in a centralised, controlled place, with the peace of mind that all data is securely managed.



## WHY UTILISE AN ATS IN YOUR BUSINESS?

Every business is different and it is important to understand why an ATS would benefit your business, in order to demonstrate the return on investment. There are various qualitative and quantitative factors to consider; advertising costs, direct sourcing, candidate experience and administrative burden.

## TIGHTEN BUDGETS AND AGENCY RELIANCE

Are you recruiting your employees through a 3rd party source such as via a recruitment agency? Stakeholders may have concerns regarding the initial costs for implementing an ATS, but an organisation can see significant savings per candidate when using an ATS compared to using a recruitment agency.

You may also be spending a considerable amount on advertising costs using platforms which may not be suitable for your organisation and/or job role vacancies? The majority of organisations spend money on advertising their job roles in an attempt to attract a high number of candidates. The use of an ATS allows an organisation to build up a pool of quality candidates reducing the need to advertise roles ultimately reducing costs on advertising.

## DELIVER A GREAT CANDIDATE EXPERIENCE

Creating the greatest candidate experience is key to attracting top talent. Using professional technology will have a positive impact on the opinion of a candidate on your business. Not only does this support you in hiring quality candidates, but intuitive technology ensures all legal compliances are met such as GDPR.

Attracting the right type of people, who will want to stay and grow with the business will save you time and money ensuring you won't be hiring again for roles.

Understanding the benefits an ATS can bring to your organisation will be useful when writing your ROI business case to overcome any challenges faced.

Demonstrating a return on investment for your Applicant Tracking and recruitment process goes a long way beyond numbers, including qualitative measurements in quality and retention, but there are clear quantitative benefits too with time and cost savings.

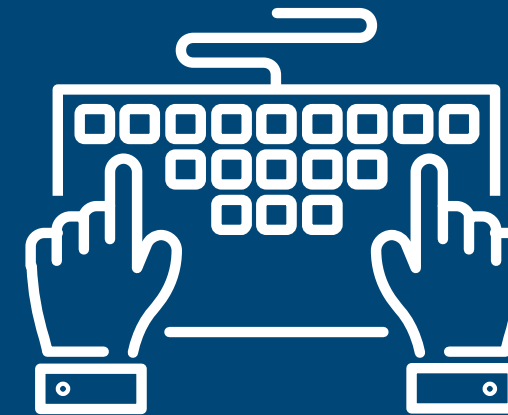
With a wealth of knowledge, networkx are able to provide HR and In-house recruitment teams with the tools they need to speed up time to hire, reduce costs, improve quality and efficiency and control across every stage of the recruitment process.

# 86%

say using an ATS has increased the speed at which they hire candidates.\*

Source: 4 CORNER RESOURCES





## WHAT ARE THE STAGES FOR WRITING A ROI BUSINESS CASE FOR AN ATS?

### HIGHLIGHT THE RETURN ON INVESTMENT OF AN ATS

The main role of HR and recruitment professional is to attract, engage, manage and onboard the highest quality of talent in a time and cost efficient manner. The recruitment process however can be a lot more complex including building a talent pool, managing candidate sifting, feedback and long-term employee retention.

These are all things a robust and intuitive applicant tracking software can support you and the business achieving, and much more, but in order to implement this level of change you often need to build a business case.

With the use of impressive statistics and case studies demonstrating the benefits of using an ATS, convincing your organisation to

invest may seem like an easy task. However, if you work in a team that have always used traditional recruitment methods such as tracking candidates on a spreadsheet and receiving CVs through an email inbox, or you are working with tight budgets, your key stakeholders may need greater support to see the long-term value and benefits.

An ATS business case needs to cover the existing challenges and key benefits the software you are looking to onboard will provide, for all of your key stakeholders. It is important to highlight the return on investment that an ATS will bring to your organisation so an informed decision can be made by the relevant stakeholders.

## STAGE ONE: PREPARATION AND PLANNING

In order to build an ATS business case, preparation and planning is key. This will enable you to reflect on the business challenges you may face when presenting a new investment or change in process, and develop arguments and examples to portray your suggestions in the most competitive light.

### DO YOU KNOW THE PROCESSES FOR BRINGING ON A NEW TOOL WITHIN THE ORGANISATION?

Understanding this process will help you eliminate any unexpected red tape further down the line and allow you to form a plan. Speak to the teams that usually bring in new software or technology for advice and find out if they have a format they can share. Review this alongside identifying your key stakeholders and what their preferences might be, such as quick facts and figures for finance or detailed demo information for HR and recruitment users.

### WHAT ARE YOUR RECRUITMENT OBJECTIVES?

What are the current recruitment pains of the organisation? High agency fees? Recruitment taking too long? Not attracting quality candidates for vacancies?

Understanding your current pain points in the recruitment process is essential for planning to ensure you are able to demonstrate solutions. Your objectives should be shaped around the challenges you are facing, with the software offering a solution to some of these problems.

### IS THERE A BUDGET IN PLACE?

Finding out if there is a current budget from the start makes overcoming any budget issues easier. This will not only help in building your case, but enable you to select suppliers from the outset that are suitable for your organisation.

To provide an indication of the budget, you can review current spend. Calculating your current cost per hire will allow an easier comparison to the initial costs of using an ATS, showing the savings possible if the organisation were to implement. This could also include monetary spend on recruitment and time / labour costs. You may find that the hiring of a single role may cost the same (or more) than the annual cost of an ATS, but over the course of a year this transpires into great savings.



## STAGE TWO: BUILDING YOUR CASE

To really demonstrate the value of bringing in a new ATS, you need to highlight the challenges and showcase the pain being caused by the current ineffective practices. People buy-in to stories and scenarios, so work through your daily / weekly workflow and highlight clear cases where you are obtaining poor quality candidates, a role has been live for too long or the agency expense has been crippling.

### HOW MUCH BUDGET ARE YOU CURRENTLY SPENDING ON YOUR RECRUITMENT?

You will already be spending some budget on the recruitment process within your organisation including job boards, external 3rd party recruiters/ agencies and any other tools you may utilise to recruit. Understanding how much you are currently spending on your recruitment process will help also understand whether this is providing a return on your investment. Is your current recruitment delivering on your objectives? What are you getting for your investment? How might an ATS be better use of the organisation's funds?

### HOW MUCH TIME ARE YOU SPENDING ON ADMINISTRATIVE TASKS IN YOUR RECRUITMENT PROCESS?

Are you using your time to connect with candidates or is your time being wasted on administrative tasks? Without a strong ATS, the time spent on manual tasks like tracking candidate processes, soliciting feedback and scheduling interviews is time and money wasted. For example, someone with a £80,000 annual salary who completes 1 hour of admin tasks for recruitment everyday equals £10,000 per year wasted. The use of an ATS could accelerate the admin tasks in your organisation so they don't take as long.

### DEMONSTRATE THE COST SAVINGS OF USING AN ATS

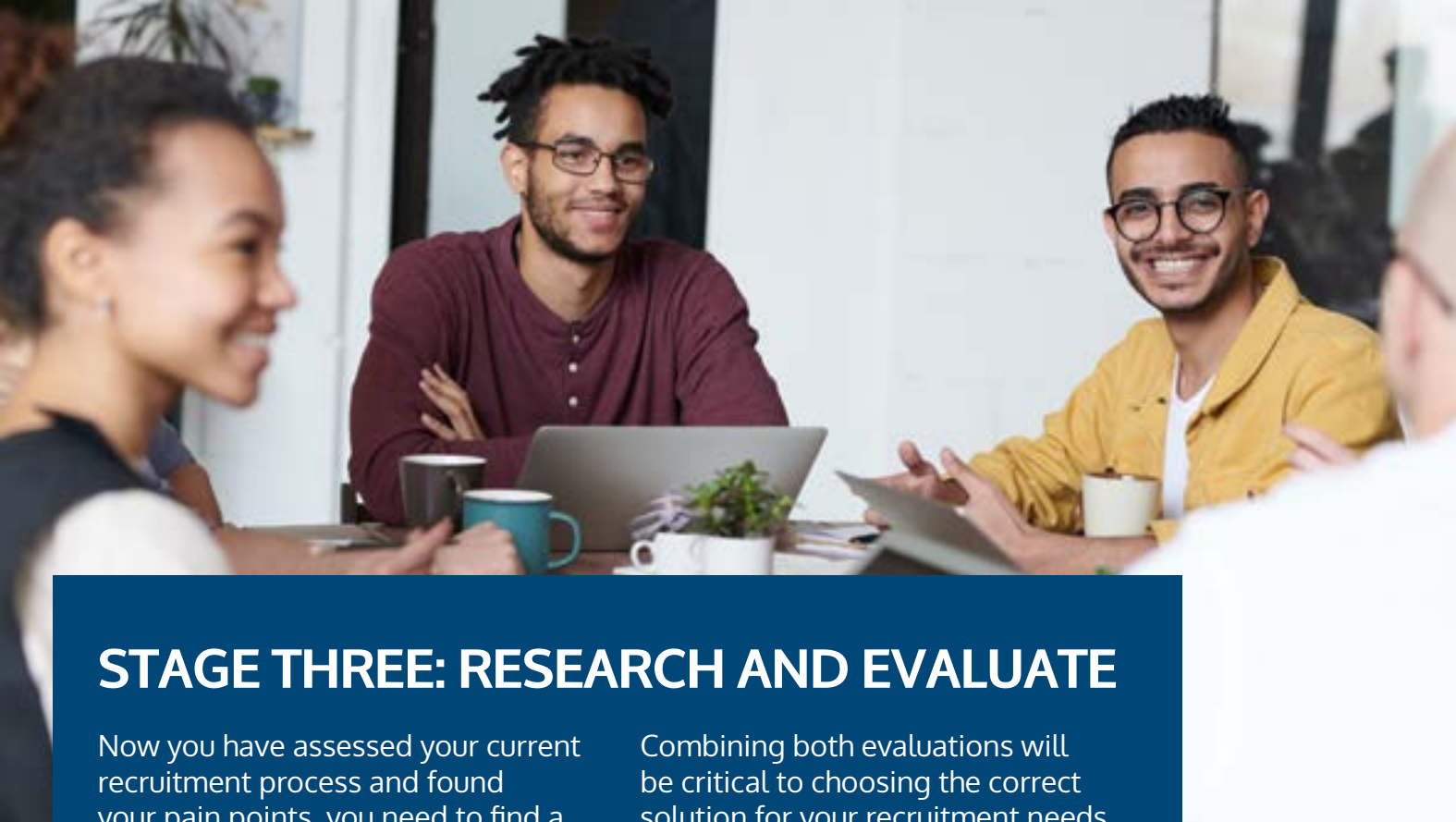
The initial costs can be a major barrier to implementing new or updated recruitment software when the benefits and cost/time savings are not fully informed of using an ATS. How often are you making bad hiring decisions? With the use of an ATS, a robust streamlined hiring process will be created enabling more time to screen and evaluate candidates, helping avoid the cost of a bad hire. You need to convey across as to how an investment in better recruitment software will lead to long-term cost savings for the business.



The average employer spends about £3,000 and 27.5 days to hire a new employee. \*

Source: GLASSDOOR





## STAGE THREE: RESEARCH AND EVALUATE

Now you have assessed your current recruitment process and found your pain points, you need to find a suitable solution. The best place to start researching possible solutions is online reviews through Google and other websites such as Capterra, Trustpilot and G2Crowds. Alongside online reviews, utilising connections you may know who use the system you are considering already. You are more likely to get a real honest opinion and gain an understanding of anything lacking in the system and from someone you know who is using the system compared to an online review.

Combining both evaluations will be critical to choosing the correct solution for your recruitment needs, alongside any demonstrations of software.

In order to convince an ATS is worth the investment, your research and evaluation needs to be thorough, ensuring that you know how each system will benefit your organisation. Creating a document to compare the various recruitment systems will provide a clear picture of what is available and which is the most appropriate for your needs.

### The document should outline the following:

- Name of the software evaluated
- Features – How do they solve your recruitment pains? Highlight any you think would be useful
- How long will implementation and training take? What is the process for switching to the new software/tool?
- Price – Use the benefits in your business case to help reduce the blow of initial costs
- Pros and cons – Be specific about why you think a tool would be a strong fit for your needs and include any red flags.



## STAGE 4: PRESENT YOUR CASE

The final stage is presenting your business case which needs to be conducted in a way that suits your audience you are presenting to. Presenting can be done either in person, as a presentation or in a document starting by reminding your audience of the pain points in the current recruitment process. You can also include what you are losing in terms of money and time through slow processes and mundane administrative tasks. You need to outline how the features will solve the pain points and how it will save time and money. Finally, include any recommendations you've collected from your network as they will provide additional credibility in your ATS business case.

Investing in an ATS can be transformative for your recruitment and wider business, but it is important to take the time to fully review the ROI and evaluate all the options available to make the best choice for you and your business.

## CONCLUDING REMARKS

In this guide, we have explored the benefits an ATS can bring to an organisation; whether you are looking to tighten agency budget reliance, deliver a great candidate experience or reduce your time to hire top talent.

Now you are convinced that an ATS will bring benefits to your business, you need to convince the key stakeholders to provide the information to make an informed decision. We have covered what to include in a ROI business case to show how your organisation will benefit from utilising an ATS in order to secure the internal investment.

For more information and support with your hiring process,  
**CONTACT NETWORKX TODAY.**



**BOOK YOUR FREE DEMO**

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