

Convincing Reasons for ATS - Reasons to be Cheerful!

Even the most sceptical amongst you must be impressed by these reasons to implement the most up-to-date applicant tracking systems (ATS).



The statistics speak for themselves: In a survey conducted for A Government Guide To Best Practice in E-Recruitment (www.careers.civil-service.gov.uk), written by WCN Plc, employers were asked to highlight the benefits achieved through the use of applicant tracking. Orange, HM Revenue & Customs and NHS are quoted as having made a 25% - 60% reduction in total recruitment costs which is equivalent to £ millions. Administration costs can be reduced by more than 50% and Derbyshire County Council substantiates this. They used to send out by post, 60,000 applicant packs and now save an average of £2 on each pack. In its first year Asda is quoted as having made savings of £500,000. WCN says that their clients are also not using agencies as much as they used to when recruiting staff and are therefore, able to reduce costs by 50%. And because applicant tracking allows organisations to use their websites or job boards to advertise for jobs this also means that there is a greater than 50% reduction in advertising costs.

In addition to these benefits, organisations found that they can empower line managers through applicant tracking technology allowing them to create vacancies themselves through the use of online templates. It is becoming more common, says WCN, for clients to request tailored portals for line managers specific to their task in the recruitment process. Furthermore, due to the reach and more immediate nature of online recruitment, clients are using the systems to reduce dependency on agencies.

New capability

These new systems are able to deliver

such massive savings because they are so much more capable than before. Patrice Barbedette, Founder of Jobpartners says: "The ATS market has moved on hugely from first generation basic CV databases and a 'don't call us, we'll call you' scenario, to a system where the candidate can track the status of their application at every stage. Today's ATS solutions are holistic and manage the entire recruitment process, from the definition of a job profile, to selection, to hire, to bringing the candidate on board. The use of such solutions helps to ensure organisations hire the best people quickly and cost effectively. This helps to improve candidate relationship management by creating a one-to-one relationship with each candidate, therefore improving the retention rate during the hiring process and enhancing the employer brand.

Sophisticated ATS solutions can be configured to company culture and business needs, and, on an international scale, are available in many different languages. Solutions can be configured to reflect the local culture of the region as well as the local culture of the company. They also help organisations to ensure that they comply with local employment legislation, which is increasingly important with the growing number of employment laws coming into force.

There is a strong trend towards candidate marketing, as organisations realise that candidates may be potential consumers as well as potential employees, and that any bad experience met by a candidate in the recruitment process can have a direct negative impact on the business itself. This trend will continue to grow in the future especially as the skills market becomes more and more competitive and candidates prove to be more demanding.

The implementation of an ATS solution is often preceded by serious problems with an organisation's recruitment processes. For example, a company may have lacked the resources to respond to high numbers of CVs and therefore taken weeks to get back to prospective candidates, mislaid their CVs, or not got back to them at all. This can lead to a very

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negative experience for the jobseeker, which has serious implications for candidate retention rates and for the company's employer brand. At a time when finding skilled people is a real challenge, this can be very damaging for a business. An ATS solution can help organisations overcome these problems by streamlining the entire sourcing process, ensuring it is consistent, and greatly increasing the speed and efficiency of recruitment. It can also enable hiring processes to be harmonised on a global scale, and ensure processes are linked to global business and HR strategies. Patrice Barbadette also cites the further benefit of cost savings - on average, Jobpartners' customers experience around 50% savings on their recruitment costs within the first year of using ActiveRecruiter, Jobpartners' e-recruitment solution. ActiveRecruiter currently supports the recruitment activities for many large companies, including 3, Sodexo, Nike, Superdrug, Adidas and Xerox."

Different types of products and implications

ATS are now often referred to as 'talent management systems'. Dan Enthoven, Trovix's VP of Marketing explains why: "The ATS market is undergoing its biggest change since systems moved from on-premise solutions to hosted applications a decade ago. Applicant tracking tools for years had been little more than databases with permissions. Now, they are becoming one of two things: talent management suites or strategic recruiting tools. Recruiters need to understand the differences and the implications. The trend towards talent management suites has been gaining strength. Many stand-alone ATS providers have been acquired, including BrassRing, Virtual Edge, and Deploy. Other companies have been putting more development resources and marketing behind the parts of their service that are explicitly NOT applicant tracking. RecruitMax changed their name to Vurv to de-emphasize the recruiting part of their solution. Taleo and Oracle describe their solutions as talent management,

with the recruiting being a minor part of their offering.

The reason for this trend is a pragmatic decision by these vendors. In many companies, the decision to purchase an applicant tracking tool is driven by Human Resources Management or IT. These decision makers have concerns that extend beyond recruiting and may give short shrift to the needs of recruiters. In fact, many integrated solutions have a heavy emphasis on process compliance, data management and reporting, but can fall short on ease of use and flexibility. Suite vendors are making an explicit bid for the business of IT and HR buyers, not recruiters.

On the other side of the spectrum, stand-alone ATS solution providers are competing by focusing on the process of recruiting. They are building platforms that can give their clients a competitive edge in their recruiting process. These vendors are more focused on features like Candidate Relationship Management, integrated communications and Intelligent Candidate Management. Trovix, for example, provides tools for passive candidate sourcing, communications and intelligent search.

In the end, it is unlikely that either stand-alone solutions or integrated suites will dominate the marketplace the way hosted solutions have grown to. Instead, those charged with recruiting management will need to think carefully about what their own strategic needs are. Companies that have their greatest challenges in process compliance and data management should consider an integrated suite. Companies that are focused on identifying top talent and recruiting hard-to-reach individuals should focus on platforms that have the features to support their recruiting strategy."

Reasons for constant updating
Customer expectations are now much higher. Felix Stroud-Allen, Head of Sales, First Advantage says: "Customers expect an ATS to have many points of integration and to be able to integrate at any point within the recruitment workflow. There is an expectation that an ATS will integrate with a third party assessment tool, background screening technology and HR systems. ATS ven-

dors who have been around for a while have to ensure that they keep developing their solution in line with the market and their customer's demands. Within a twelve month period a leading solution can be perceived as 'basic' if there is no structured product development roadmap that is inline with market requirements.

In these uncertain times the world appears to be a less safe place. With increases in terrorism, fraud, malicious intent and organised crime, employers are looking at mitigating risk through the outsourcing of background screening services. With the alarming fact that over 30% of CVs contain at least one major fabrication and 8% of background checks result in a review of the original hiring decision, employers are keen to ensure that they are not ones making the headlines for the wrong reasons. As a key part of recruitment workflow, employers need their ATS to integrate seamlessly with background screening technology.

We are also seeing an increased demand for sophisticated functionality around the building of talent pools. A talent pool is so much more than a database of candidates that can be keyword searched. Our customers want to build talent pools of real, up to date data using the latest conceptual search tools to pinpoint, communicate and build relationships with key talent. Business leaders are looking to the recruitment function of their organisation to give them the inside edge on their competition in terms of candidate skills and availability, and more importantly for that information to be up to date and accurate.

In today's candidate driven market, employers are looking to gain a competitive advantage in targeting, communicating and building relationships with key passive candidates. This involves the provision of functionality such as sophisticated talent pool functionality and end to end referral programmes. This requires an ATS vendor to have the ability to integrate into the array of 3rd party candidate generation tools, both active and passive, to deliver an organisations demanding candidate generation strategy."

However, Felix Stroud-Allen also suggests: "In these uncertain times, we

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**Felix Stroud-Allen
FADV**

The 'ATS' Effect Mobile Network operator - 3

JobPartners and 3

Patrice Barbedette says 3, which is using Jobpartner's ActiveRecruiter solution, redesigned its careers site in 2007: "The company introduced videos to show what working life is like at 3, and the application process now takes no longer than 10 minutes. The bounce rate, which is the number of people who click on the careers site and then leave the site straight away, has reduced by over 65%."

3 has also lowered its reliance on external recruitment agencies. In 2002, 3 sourced 41 percent of its total UK hires from agencies - this figure has now dropped to 19 percent, effectively saving £1,760 per hire on average as a result of not incurring agency fees. 3 has recently been recognised as having the 'Best Application Process' in retail e-recruitment by a new independent industry award launched by Hire Strategies, a retail e-recruitment consultancy. Hire Strategies named 3's ATS as the best in a survey of 100 retail employer career sites."

may be heading away from a candidate driven market, customers will then be looking for the usual high standards within screening functionality as they will be relying upon these tools to manage an increase in candidate numbers whilst not increasing their administrative workload, but still building and enhancing their employer brand. Most organisations have developed complex and far reaching KPIs around the recruitment function as a result of a realisation of the impact that recruitment has throughout an organisation.

ATS has been influential in this realisation through reporting ability. This has resulted in further demands around reporting functionality; so now the employer can run their own custom reports, querying any data captured."

Call them what you will; talent management systems or strategic recruiting tools, the new generation of applicant tracking systems are making themselves indispensable. Their cost-saving ability and sophisticated capability must be enough to convert even the most hardened of sceptics!

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