



# How to Build a Business Case For Recruitment Software

*A step-by-step framework for securing investment and convincing your organisation to see value and invest in an Applicant Tracking System.*

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# Who Is This Guide For?

The aim of this guide is to provide you with the tools, thinking and framework to put together a robust business case for the implementation of recruitment software, such as an Applicant Tracking System (also known as an ATS) and/or a careers site.

## **This guide is for you if:**

- ✓ It's the first time your business has invested in this type of software and you need help structuring your case for change and investment
- ✓ You're struggling to secure buy-in for your Applicant Tracking System
- ✓ You need to demonstrate how an ATS can help you to achieve value over a particular time period
- ✓ You're unsure of the value that software can add to your recruitment activities

## About The Author (sorry, just a small sales bit)

Webrecruit provides online recruitment advertising, software, careers sites and resourcing solutions to help companies source and hire talent directly.

We work with forward-thinking businesses, using our extensive candidate attraction expertise and software, to reduce their reliance on third party recruitment agencies by bringing recruitment in-house.

Our own recruitment software, Fusion, helps you to attract candidates, manage applications and recruit talent. Fusion scales with your business, and gives you access to the tools you need to create or develop your own direct sourcing strategies.



# Why Are You Considering Investing in Recruitment Software?

Here are some common problems you may be experiencing, which are symptomatic of you needing recruitment software, such as an ATS:

- ✓ Your hiring managers are bypassing your processes, which is causing havoc with your reporting
- ✓ You have a critical role you need to fill fast, but don't want to turn to agencies and don't have a talent pool to source from
- ✓ Your candidates are complaining and haven't had any feedback
- ✓ Your candidate details are all stored manually... in spreadsheets!
- ✓ Your direct sourcing response activity is minimal
- ✓ You've got a big volume recruitment project coming up – but no systems to support you
- ✓ You're not sure what's working so you can't ask for more budget
- ✓ Your recruitment agency bill is astronomical

## Benefits of an ATS

An Applicant Tracking System is used to manage and nurture talent within the candidate application process. It is involved in the attraction, management and recruitment of candidates at all stages.

### **Here are some advantages an ATS can bring:**

- ✓ Centralise your internal recruitment process, reducing admin burden
- ✓ Build a constantly accessible talent pool of potential candidates
- ✓ Produce transparent reporting and enable MI analysis to measure KPIs
- ✓ Identify bottlenecks in your processes (who or what is holding things up?)
- ✓ Reduce your agency spend

You're in a great position at present; the market is becoming increasingly competitive, with new offerings arising all the time. This means you're able to demand a lot more from a supplier. You're also in a great position to propose this internally. As recruitment demands increase, and great candidates are sometimes hard to find, the costs can often spiral.

Recruitment is becoming a Board agenda point once more, and so identifying ways to future-proof your hiring activity through scalable solutions, such as technology, will demand more consideration.



# Market Conditions

More businesses are focusing on direct sourcing initiatives, driven by the need to reduce their reliance on costly third party sources and increase candidate engagement.

This has been made possible because there are more tools, more insight and more reporting available to businesses to help them become self sufficient (mainly because of recruitment software).

## Here are some external factors that are driving the change:

We're seeing an increase in the number of jobs available and employment is at its highest since records began. As such, there's been a **return to the war for talent**.

Candidates aren't loyal to just one or two job boards anymore. In fact, **80% of job searches start in Google**.

How they are searching is changing too. 72% of active candidates have visited a company site on their mobile to learn about careers.

The candidate experience is really, really important. Over 70% of candidates say lengthy application forms will put them off from applying to a company's website.

The rise of recruitment software means HR teams don't need to rely on instinct or assumption - you can now see clearly what's working, and what's not, and make decisions based on actual, tangible data.



# Key Objectives

You may have been set objectives around increasing your direct recruitment over the next 12 months, or perhaps to reduce your reliance on third parties to free up budget. Alternatively, you may have plans to restructure your team to make it more efficient or able to respond to the changing recruitment drives your business has coming up.

Whatever your high level objectives, it's important to understand how recruitment software will help you to achieve them.

Objectives need to be **SMART**. In other words, they need to follow the below framework:

**S**pecific (concrete, detailed, well defined)

**M**easurable (numbers, quantity, comparison)

**A**chievable (feasible, actionable)

**R**ealistic (take into account your resources)

**T**ime-Bound (a defined time frame)

Adding to this, you'll need to consider to what effect the decision will have on other people and departments within your business.

Consider:

- ✓ Who'll be responsible for implementation, and integrating the software within your organisation?
- ✓ Who needs to conduct the final sign off? IT? Senior management?
- ✓ Who'll be affected – and to what level?
- ✓ Who does this decision NOT affect?



# Putting Together a Business Case

Here's a few key areas you'll need to consider before getting started:

## Objectives

What are your key success measures? What exactly are you looking to achieve?

## People

Appoint an internal champion; assemble teams who understand what's driving the change and embrace it

## Data

You need to collect as much internal and external information as possible

## Research

Explore the options; what else is out there?

## Understand the above

Including how it fits into your objectives, and you've got the basis of a business case.



# Common Challenges

Securing buy-in from key stakeholders will often make or break a project. You'll have multiple stakeholders, each with their own agendas and objectives that are important to them.

Here are a few arguments you may face (and ideas about how to counter-act them).

## Challenging 'old thinking'

There's a saying in the IT industry; 'Nobody ever got fired for buying IBM'. And why would they? IBM is safe; it's credible.

But this line of thinking can also have a negative effect on opening the door to working with different suppliers who can help innovate your processes.

### Business Case Argument

Differentiation and competitive advancements come from taking chances. Can our business and recruitment strategy afford to miss out on this?

Are we keeping up with our competitors and the expectations of our candidates?

## Culture stopping you from working with a new company

You may face resistance from those who are slightly risk adverse and have an issue with a company that lacks a long track record. Of course you need to do your checks, but if you're happy, you need to translate the value this business will help you create into the currency your boss understands.

### Business Case Argument

New doesn't always mean inexperienced.

Get to the root of the problem – carry out due diligence, and ensure concrete due diligence.

## Power struggles and politics

It's inevitable that you will need to overcome some resistance – it could be a person, it could be a department. So you need to take steps to really understand what motivates them and what their strategic interests are.

### Business Case Argument

Use this knowledge to take a strategic approach to change management – you need buy-in, so take the time to really think about a change management communications programme.

This should involve seeing who your advocates are, and engaging early.



# Securing Stakeholder Buy-In

Think about each stakeholder and consider their objectives:

## Hiring Manager

### **Main Concern: Ease of use**

Is it easy to use?  
How long will it take to process new jobs?  
Do I still get to decide who to appoint?  
Will it save me time and mean I find people faster?

## Managing Director / The Board

### **Main Concern: Returns vs. cost**

When can I expect to see the cost benefits?  
How does this align with our business strategy?  
How will this enable us to develop a competitive edge?  
What are the implementation costs vs. ongoing operational costs?

## Finance Director

### **Main Concern: How does it intend to generate future profits/resources?**

What are the risks associated?  
Does the investment fit within the strategy?  
Are there any hidden extra costs?  
How long will it take for staff to be up and running?

## IT Department

### **Main Concern: Maintenance and impact on resources**

What details do you have on customisation and integration between systems?  
Does it need maintenance/ongoing support?  
Will I need to give access to our systems to a third party?  
What happens if it goes 'down'?  
Is it in line with the IT strategy?

# Business Case Template

Cut out and keep this template so that you have it to hand when creating your business case.



Main Area	Sub Sections (if applicable)	Required information
Executive Summary		Your problem statement The alternatives you have considered Expected results Recommendations
Introduction	Background	Drivers for the project Overview of market conditions
Business Case	Subject of business case	Recruitment problem Key objectives you want to meet
	Purpose of business case	Intended audience Suggested project implementation schedule date Proposal description and its fit with strategic plan
	Alternative solutions	Comparable projects
	Scope	Timeframe Resources Constraints
	Financial metrics	Reporting measures to use
	Benefits	Expected benefits
	Major assumptions	Expectations
Business Impacts	Overall results	Forecast results
	Benefits	Enhancements Cost reductions
Costs	Costs	Budget breakdown – fixed, variable, tangible, intangible
	Analysis of alternatives	Side by side comparison
Risks and contingencies		Potential risks Proposed risk management process
Recommendations and conclusion		Selection of scenario Identify specific next steps

# Section Breakdowns

## Executive Summary

This should be a short page detailing what the business case is about. Think of it like a synopsis. It needs to communicate your business' problem or opportunity (i.e the value recruitment software could deliver), give an overview of the alternatives within the market, and what the expected results/value would be should your organisation wish to sign off the kit.

### TIP

Write this after you have written the business case in full – it'll be easier to condense your information.

## Introduction

Here's your opportunity to provide a brief audit of what's currently going on and underpinning your processes. You'll need to reference the drivers for the project (these are your internal factors) as well as an overview of market conditions (these are your external factors).

Internal factors could be – increasing pressure on your resources, inability to report on advertising returns, outdated software that cannot future-proof your activity, high agency costs, poor employer brand reputation.

External factors could be – changing market conditions affecting the way to attract candidates, increase of mobile devices being used, increasing costs of third party companies, changing legislation regarding employment checks etc.

Also – highlight how it meets the objectives of your competitive strategy, and acknowledge how your competitors may react to it.

## Business Case – Main Points

### Subject of the business case

What is your recruitment problem? Is it attracting staff – but not knowing what's working?

Perhaps you're all set for finding people, but your current software isn't fit for purpose. What implications does this problem have on your people, processes and/or product?

Next – include the key objectives you want to meet within this.

#### Here are a few examples:

1. To reduce reliance on agencies by X% within X months
2. Up skill team and increase productivity through adoption of tech
3. To improve candidate experience to reduce drop-offs by X%



# Section Breakdowns (cont.)

## **Purpose of the business case**

Summarise how this initiative will support the business' strategic plans.

## **Alternative solutions**

Here, you need to highlight what's in the market and how your organisation has implemented software similar to this. You may also wish to include what your competitors do – are you being left behind?

Start with what's in the market – acknowledge how you have looked at the pros and cons of recruitment software in the market, HR bolt-ons and off-the-shelf packages.

Next, talk to peers in your network who have undergone a similar experience – quote them if needed to support your points.

## **Scope**

This is what you use to define what's in and what's out of the scope of the project. You'll need to provide information on:

### *Timeframes*

Consider the period of time it will take to implement, train your staff, and get up and running. (Here, you'll need to consider everything from kick off meetings, to build and implementation to user acceptance testing. Ensure you're up to speed with what stages are involved, who needs to be consulted, and what happens if something unexpected pops up).

### *Resources*

Who or what resources do you have available? Do you need to make a case for an extra set of hands throughout the period. Think about holidays, office equipment, skill gaps, IT support, project engagement assistance.

### *Constraints*

What's potentially going to hold you back from hitting your deadlines? Remember, resources can include: budget, people, facilities, data, equipment. And remember, when you identify a constraint, always include its source.

## **TIP**

Allow for contingencies, and be realistic – you'll need to manage the implementation whilst managing your team's 'Business As Usual' objectives too.

# Section Breakdowns (cont.)

## Financial Metrics

Which metrics will you use to ascertain the benefits you expect from the recruitment software?

Here, you want to show what you will be reporting on to demonstrate the results before and after your investment in the software.

Here are a few examples:

Measure	Impact of an ATS	Benefits
<b>% of attrition in first six months</b>	Decrease in attrition due to engagement and control	Increase in productivity Decrease in replacement costs
<b>Number of applicants per vacancy</b>	Increase due to more visibility Less interviews to offer due to quality	Increase in quality Decrease in cost
<b>Cost per hire</b>	Decrease due to increase talent pool	Decrease your time to hire
<b>% of agency hires</b>	Decrease of agency usage Increase in direct hires due to effective supplier management	Save on costs



# Section Breakdowns (cont.)

## Benefits

Investing in recruitment software will provide your organisation with a range of benefits that support both your day-to-day operations as well as your business' ability to attract top talent and ensure it meets its strategic goals.

Here are some examples you can use to form your business case:

### TIP

These have been structured into short-and long-term benefits for you to use as part of a cost benefit analysis should you wish.

Short term benefit	Long term benefit
Impact the time your team spends on recruitment administration because of automated screening questions	Increase direct applications
Reporting on key performance indicators – to aid management reporting and manage performance improvements	Build an accessible talent pool of candidates
Immediately gives you control over your agencies and ability to assign costs (e.g. travel, advertising etc.)	Consolidation of all recruitment activity
Standardised applicant process	Increase employer branding capability
Improved candidate experience	A more effective PSL



# Section Breakdowns (cont.)

## Assumptions

This is your chance to put the project into context, and manage your stakeholders' expectations. Here are some areas to consider:

What are your expectations for the project?

What immediate returns are you expected to see, and which will take longer?

What implication will it have on your operations whilst the bedding in process occurs?

How will it affect your recruitment advertising?

To what level will it have an effect on your internal resources and communication lines?

## Business Impacts

### Overall results and benefits

What are the overall results you are forecasting? And over what period?

Benefits – here you may wish to acknowledge enhancements to your existing processes, such as increased productivity of your team, better reporting.

You could also reference the cost reductions you expect to benefit from by identifying which advertising sources are working which will in effect, reduce the number of hires you need to push through to an agency.

## Costs – Budget Breakdown

Some considerations: Does it come under Capex (capital expenditure) or Opex (operational expenditure)?

### Capex:

These are defined as expenditure that will go onto to create future benefits. An example is a fixed asset – something that's tangible – such as technology. These tend not to be deducted in full in the period they are used – they come out over time.

### Opex:

This is also known as an operating expense, and is taken from an accounting period in the time it was incurred. An example could be licences of software.

Listing your costs: These could be related to the software itself: set up costs, training, maintenance, licences. And wider recruitment activities: salaries, advertising, psychometric testing etc.

## Analysis of alternatives

Here, you need to demonstrate that you've undergone detailed research into alternative providers, and analysed the expected outcome against your objectives.

We suggest including a table detailing the pros and cons of other software provides you've looked into.

# Section Breakdowns (cont.)

## Risks and Contingencies

Look at both internal and external issues (i.e. Those within your organisation and those outside of your control) – whilst considering how long it will take to mitigate these risks.

### **Strategic risk**

e.g. If you don't invest in this new technology, what effect will it have on the business' ability to meet its strategic goals?

### **Operational risk**

e.g. Unexpected failures in your day-to-day operations – e.g. An employee makes a mistake with the data, or you suffer an issue with your computers

### **Financial risk**

e.g. What if you've not accounted for all costs?

### **Reputational risk**

e.g. Reputation is everything. Can you be seen to not invest in something when your competitors are already doing so?

## Recommendations

Here, put in suggestions for your next steps. You may want to put together a project committee, or better understand stakeholder questions/challenges as you arise. Either way, identify the potential barriers to sign off.

## Conclusion

Summarise the main points you have highlighted, summarising how investing in recruitment software will aid your organisation to meet its objectives. Think about what you want your reader to do.



# Conclusion

**How to Build a Business Case for Recruitment Software** has been created in response to businesses who recognise the value an Applicant Tracking System can have in the recruitment process, but need a hand putting together a robust argument.

For many HR professionals, introducing technology into the traditional HR environment can feel like an insurmountable and daunting mountain to climb.

Yet, it's true to say that the use of technology within HR is the key to the profession continuing to progress as a commercial partner within the business.

Whether your objective is to reduce your agency spend, introduce systems to increase the efficiency of your team's activities or improve feedback from your line managers, this guide gives you a step-by-step framework to follow to create a business case that will prove just how effective the HR/recruitment function is within your organisation.





# Fusion Recruitment Software

Cost-effective and scalable applicant tracking systems and careers sites from Webrecruit.

Our Fusion suite of recruitment software scales with your business, and gives you access to the tools you need to develop your own direct sourcing strategies – whether you're just starting out or have a fully developed sourcing team.

For more information, please [visit our website](#) or call us on **01392 823 137** to arrange a demo.

