

IMPLEMENTING  
AN APPLICANT  
TRACKING SYSTEM  
ARE YOU READY?

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*“An ounce of prevention is worth a pound of cure”*

- Benjamin Franklin

## Introduction:

In today's economy, operational efficiency is a top priority for all organizations. HR executives are looking for ways to improve overall effectiveness while cutting costs. One common solution is to deploy an Applicant Tracking System (ATS) to easily standardize activities in the hiring process.

There are many benefits and operational efficiencies associated with technology to manage human capital. However, implementing technology solutions continues to be a sizable investment that carries certain risks. The 2008 Human Capital Management Technology survey conducted by The Institute for Corporate Productivity indicates companies spend more than \$500,000 on the software to manage human capital. Further, over 40% of respondents report that integration of that technology was as expensive as the purchase price.

In addition, the time to deploy and integrate new technology is quite lengthy, with more than 70% of respondents noting that the timeframe was greater than six months. Unfortunately, once technology is implemented, the pain may continue; 30% report that the annual cost to maintain new technology to manage human capital exceeded \$250,000.

Using ATS software to take an organization's hiring process from paper to digital to web does have a proven, well documented return on investment. But this return is calculated based only on automating current, and soon to be outdated, hiring processes. Technology solutions are rarely implemented with the organization's future talent needs in mind. Aon Consulting's 2008 Benefits and Talent Survey revealed that only 47% of organizations believe that HR has been integral in improving work processes through automation or user-friendly software to be competitive. The result? HR misses a strategic opportunity to forecast how the technology can support future talent needs.

A “current process paradigm” approach to ATS implementation exposes HR executives to significant risk and even more if it is global. Mapping an ATS solution on purely current-state hiring processes is shortsighted and limiting.

## A Strategic Approach: Pre-Implementation Analysis

Inherently, the promise of the latest technology woos potential buyers. ATS software product managers are quick to demonstrate how easily the software can accommodate a buyer's current processes. These software demonstrations are pre-meditated, enabling buyers to see how easily they can mirror the processes they are doing today. But how does the software accommodate the future state of hiring?

To reduce the risk of implementing software that won't grow with you, you must strategically evaluate your hiring process. The overall objective of the analysis is to exploit strengths, add procedures that might be missing, and eliminate current disconnects. The results can be truly transformational and will provide internal customers with tools to meet tomorrow's—not yesterday's—talent needs. This approach enables organizations to take full advantage of the Software as a Service (SaaS) business model—lower cost of ownership, configuration, simple migrations, and universal access to functionality.

To implement a technology solution that takes into account your future talent management needs, organizations should create a gap analysis to compare their current and future states to ensure that the technology can meet those future-state goals.



Let's consider each step.

### **STEP 1: ANALYSIS OF CURRENT STATE**

A new ATS system is only as valuable as the processes that define the nature, format, recipients, and timing of the information it provides. Many times accurately capturing the details of the current hiring process is often regarded as time consuming and unnecessary. However, it is an invaluable step in building the future. Internal team members assigned to this improvement process only look at hiring through their own lens. The current team now has the opportunity to learn, understand, and even challenge the status quo.

Bringing in a facilitator with an unbiased position may provide significant value to the analysis. A facilitator can objectively assess the hiring function through a series of interviews and whiteboard sessions with organizational leadership, HR, IT, hiring managers, and recruiters to examine current policies, practices, and procedures.

Due diligence during the current state includes analyzing the transactions, deliverables, tasks, workflows, and the interdependencies with HR, key businesses and third-party vendors. Gathering all the necessary stakeholders and understanding their part of the process helps everybody see the big picture.

### **STEP 2: FUTURE STATE AND GAP ANALYSIS**

Setting strategy for the future is perhaps the single most important task an HR executive can take in the project. It provides an opportunity to influence the direction of implementation at the project level and commit all stakeholders to the vision. When setting the direction, the HR executive should use three or four simple statements of strategy to enable the project team to consider various implementation ideas. For example, "Is the way we are going to implement the product consistent with our leadership strategy?"

Leadership may say that the product is designed to impact people by "encouraging and fostering a better working relationship between the hiring manager and recruiter." By making simple strategy statements, the leadership team provides operating principles that enable decision-making aligned to the organization's goals.

After seeing the big picture, team members can then discuss how things should be. There may be redundancies, tasks that could be done in parallel or outsourced and even necessary compliance steps that have been neglected. There is often a gap between the way things currently are managed and how they will be.

Once the future processes are clear, visual and documented, the organization can look at how technology can impact the hiring process.

### **STEP 3: ACTION PLANNING**

Action planning is more about confirmation than a pre-implementation analysis. When the team's work is completed, the objective of action planning is to review the key findings, including gaps and weaknesses, and set the stage to begin the implementation work.

Key questions include:

- Are the strategy statements strong enough to provide guidance during implementation?
- Is the organization embracing the strategy in supporting ways?
- Does the organization have an embedded process to manage change?
- Have the findings supported the investment in the change?
- Have the findings outlined metrics for both the present and future?
- Does the team express any concerns about the findings and their ability to start the implementation project?

After choosing the technology platform, the team should begin managing communications and change. A change readiness assessment helps with transition and measures an organization's capacity to change across three levels: executives, managers, and individuals.

## Conclusion

Taking a current hiring process and shoehorning it into an ATS can be costly and risky. Having a future-process mindset, and conducting some planning around it, can prevent typical technology solution-related risks such as:

- Significantly expanded technology implementation timelines
- Significantly expanded resource requirements to change organizational behavior and practices to fit new technology
- Endless technology “work-arounds,” such as new manual tracking techniques to supplement what the technology cannot solve
- A technology solution that does not support new, future-focused, or innovative ways of conducting business

Rather than looking at the next best thing in technology, employers should look at the next best thing for their own organization: how to improve the hiring process before introducing technology. This helps reduce risk and prevent costly mistakes.

## Contact

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