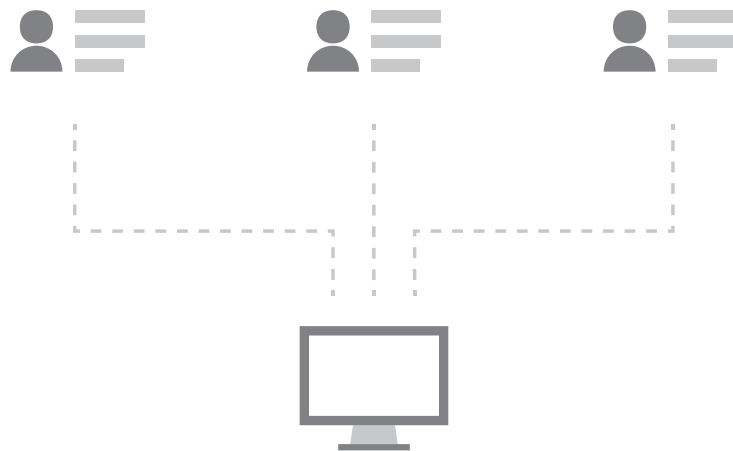


# Resumes Don't Belong in Email

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How an Applicant Tracking System  
Streamlines Recruiting



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## Introduction: What is an ATS?

The days when HR professionals found themselves buried under an avalanche of resumes and job applications are increasingly becoming mere memories, thanks to applicant tracking system (ATS) technologies. ATS software automates many aspects of the talent recruitment process, such as talent sourcing; application sorting, ranking and storage; and candidate tracking, screening, hiring, and onboarding.

Because software as a service (SaaS) vendors free companies from having to buy and maintain expensive hardware, automated applicant tracking is no longer a tool reserved only for large enterprises with abundant resources. SaaS technology makes software available on demand, enabling applications and associated data to reside online (in the cloud). Organizations typically purchase the applications via subscription; and HR, managers, and other authorized users gain access through a computer or other device with an Internet connection.

## ATS Features Vary Widely

Modern applicant tracking systems offer an extensive range of features that provide businesses with as basic or as robust a tool as needed. Full-featured systems may be the right choice for larger companies interested in automating most or all of their recruiting activities. Leaner and less complicated systems enable users to begin their recruitment automation

process with basic features that make it possible for small and mid-sized businesses (SMBs) to evolve their applicant tracking, screening and hiring capabilities as they grow.

Relieved of the expense and time required to purchase and run in-house applications, SMBs can easily enhance their HR management

abilities by implementing a cloud-based HR Information System (HRIS) and an automated ATS. Understanding the potential benefits an ATS can deliver, and accurately assessing the specific needs and goals of the business are important keys in making the right buying decision.

The wisdom of beginning with a simpler ATS is underscored in these comments from recruiting and talent management expert Randall Birkwood, a former director of recruiting at T-Mobile USA and Microsoft:

*“All the work you do to attract talent can go to waste if your applicant tracking system is too burdensome for candidates and your recruiting team. If you choose a strong applicant tracking system, your results will improve, candidates will have a great experience, and hiring managers will see more on-target resumes.”*  
(Birkwood, 2013)

## The Small Business Case for Applicant Tracking Systems

Executives, HR managers or recruiting leaders may decide to implement applicant tracking for a variety of reasons, but all potential benefits associated with automating the recruitment and hiring processes have bottom-line effects ultimately. Because smaller companies tend to have fewer financial and talent management resources, their ability to streamline any business processes can contribute significantly to lowering expenses and strengthening profitability.



## Factors That Influence Recruiting and Hiring Costs



Cost savings are strong drivers that impel business and HR leaders to implement technology solutions. When it comes to sourcing, screening, and hiring, a variety of factors can influence costs. Many of the expenses related to those processes derive from hands-on time required of HR, managers, and other hiring stakeholders. For example:



- Initiating and processing job requisitions
- Researching sourcing options
- Posting open positions (including formatting for job boards, social networks, and other sourcing outlets)
- Receiving, sorting, and storing resumes or applications
- Routing applicant information to hiring managers and other decision-makers
- Scheduling and facilitating interviews
- Collecting feedback from hiring stakeholders and rating applicants
- Communicating about hiring decisions
- Transferring applicant information to employee records after a hire is made
- Retaining and accessing information on non-hired applicants for talent databases



Improving the hiring process is central to the functionality of an ATS. However, the desire to improve the quality and timing of hiring decisions is the ultimate and most valuable goal underlying an ATS implementation. Why? Because the costs associated with the recruiting and hiring process are significant, but even-more-expensive potential losses are associated with making a bad—or delayed—hiring decision.

Estimates vary when it comes to the true costs of turnover caused by hiring an employee who is ill suited to a job or a poor fit for the organization, but recent research suggests about 20% or more of annual salary is a reasonable figure. Even cost estimates associated with turnover of employees earning less than \$30,000 per year approach \$5,000 for each worker lost (Boushey & Glynn, 2012). Beyond salaries, turnover engenders costs in productivity, employee morale, and other aspects of work capable of negatively affecting an organization—particularly a small business with fewer resources and employees.

*"Even cost estimates associated with turnover of employees earning less than \$30,000 per year approach \$5,000 for each worker lost." (Boushey & Glynn, 2012)*

### **7 Steps to a Small Business Case for an ATS**

- 1. Write a step-by-step description of your company's recruitment and selection workflow.*
- 2. Identify the amount of time HR spends at each step.*
- 3. Calculate the value of the time spent on this process: time spent x hourly pay for staff involved.*
- 4. List any other costs incurred at each step (job board listing fees, additional staff time, etc.)*
- 5. Calculate the value of the time and costs that would be saved by implementing an ATS.*
- 6. Determine the timeline and process for implementation.*
- 7. Make your recommendation for an ATS to improve recruitment and selection.*

## **Make the ATS/Business Results Connection**

Making a business case for an applicant tracking system purchase doesn't have to be complex or intimidating, especially for an HR professional or manager in an SMB. It's all about showing how an ATS will solve or address identified issues to help drive better recruitment and hiring outcomes. And, in turn, making the connection that those improved outcomes contribute to stronger business results.

Begin with an analysis of current conditions. A simple list or flow chart can diagram the various steps involved in a company's approach to recruiting and hiring. A visual representation of the process helps identify problem areas, associated costs, and enables HR to pinpoint deficiencies or obstructions that ATS capabilities can solve. The overview of the process can aid in comparing products and assessing how well suited their capabilities are to meeting the company's challenges. Further, a full understanding of the existing recruitment and hiring process can help HR identify must-have features and show how they support specific business objectives.

Comparisons of vendors, products and pricing should identify available alternatives and suggest appropriate choices. Implementation plans should address technology, training, equipment, and other considerations that figure into the successful deployment of a new ATS.

## Companies Benefit from ATS Features

Organizations of all sizes can—and do—seek a variety of benefits from applicant tracking systems. Large companies with complex recruitment, hiring, and talent management needs want a system with extensive features. Small and mid-sized businesses that don't need intricate, full-scale systems will benefit by choosing an ATS designed for basic functionality.

The most sought-after benefits that small business leaders and HR professionals look to an ATS to deliver fall into a handful of categories:

### Cost and Time Savings

Automating recruitment and hiring processes saves money by cutting the amount of time HR employees spend executing tasks manually. SMBs also save money because applicant tracking systems for small companies typically leverage SaaS technology. The SaaS system makes software available on an affordable subscription basis, often without a long-term contract. The application and associated data reside online. This cloud-based approach makes it possible for small businesses to access ATS functionality without expensive software or hardware, and without a binding commitment that impedes flexibility. ATS vendors also handle maintenance and updates, another cost-saver for SMBs.

Lower recruiting and hiring costs also drive decisions to purchase an ATS. Savings follow because HR spends less time in sourcing, recruiting and hiring activities. Some applicant tracking systems facilitate postings on job boards, aggregators, social media, and other locations. They save HR even more time, speeding and expanding outreach efforts.

Time and money savings may be gained, too, through more efficient resume sorting, screening, information sharing and applicant ratings, interview scheduling, and automating other tasks involved in applicant assessment and processing.

### Business and Talent Management

Improved quality of hire—which positively affects employee engagement, retention, productivity, and culture fit—is a core benefit cited by ATS users in organizations of all sizes. Automation frees those involved in candidate selection to focus more attention on evaluating applicants and their skills instead of the process required to find them. An automated system helps attract desirable applicants and supports employer branding, too, by promoting a company's use of the latest technology to make recruitment more efficient and convenient.

Because an ATS stores data about job candidates in a centralized place, HR can use that information to build a talent pool database. Even if applicants aren't right for current openings, they may be appropriate for future positions. The ability to sort and retain applicant information enables HR to build and nurture relationships online, making that talent pool easy to reach when the time is right. For small businesses, the ability to stay in touch can make a big difference in successfully competing for talent.



## Responsiveness and Convenience

Nothing turns a job applicant off more rapidly than the feeling that his or her application has vanished into cyberspace. This can be a reputation-damaging effect for any business. Because an ATS enables more efficient resume processing, responsiveness to applicants can become a hallmark of the company's brand. Quick email acknowledgements assure applicants of their status and that their interest is valued.

Online data storage protected by vendors' security measures ensures both applicant and organizational privacy. An ATS also extends an SMB's brand by working seamlessly with existing career pages and coordinating use of logos, company color schemes, fonts, and other branding elements in applicant outreach.

*The streamlined recruitment processes applicant tracking systems make possible also result in faster time-to-hire, which keeps productivity on track.*

## Collaboration

Internal communication and collaboration in the hiring process is a powerful benefit provided by automated applicant tracking. All stakeholders involved in screening and hiring decisions can receive information at the same time. Many ATS include a mechanism that enables HR, hiring managers, and others to assign their own applicant ratings, helping to enhance the objectivity of the selection process.

Automated alerts and rapid routing of information reduce time-to-hire as well. And the ability for each person involved to enter and share notes about an applicant aids in documenting hiring decisions—a feature that can lessen the potential for legal risks if challenges arise.

## Ease of Use

Applicant tracking systems deliver true ease of use in multiple ways. Direct access to social media and job boards reduces the complexity of hiring-related tasks. And simplicity of design means that HR and others who use the ATS can avoid lengthy training and ramp-up times. These systems are intuitive and user friendly, and many vendors include technical support for their customers.

Secure storage of information in a centralized location enables HR to quickly access and report on data related to recruitment and hiring. In turn, that enables companies to track and measure their hiring efforts, identify areas for improvement, and take any indicated action quickly.

## Integration

Integration with existing HR information or data management systems is a highly valued benefit of automated tracking systems. HR and other employees already familiar with using an HRIS can quickly become proficient in the added features of an ATS. Integration is most likely to be seamless between products from the same vendor, though many providers design their ATS or HRIS products to work efficiently with those of other developers.

Integration is especially helpful in speeding onboarding of new employees because applicant information is transferrable from the ATS to the HRIS with no manual data entry required. As hiring expands, the time savings afforded by ATS/HRIS integration grows exponentially, providing greater support for HR and upping the efficiency of onboarding and employee recordkeeping.

*As hiring expands, the time savings afforded by  
ATS/HRIS integration grows exponentially.*

## Considerations in ATS Implementation

Simplicity of design in applicant tracking systems tailored for small and mid-sized businesses enables smooth implementation after an ATS purchase decision. However, several topics may require further consideration:



- Does the organization's culture support the use of new technologies?
- Will employee communication (within or outside of HR) be needed to introduce the ATS, its features and/or the reasons for its implementation?
- Will users require any special training?

In companies where an online HR information system and other technologies already are in place, cultural issues aren't likely to pose problems since employees should be used to working in an environment that leverages cloud-based systems. However, if acceptance of new technology is expected to be an issue, special efforts by HR and company leaders may be needed to allay concerns.

Any employees, managers, and potential system users should be notified of an ATS

implementation and their roles in its use clearly explained. Those clarifications should highlight how automated applicant tracking will make users' work faster and easier.

It is unlikely that an ATS designed for a small business will require much, if any, training for users, but an orientation session is a good idea. This enables HR to provide an overview of the system's benefits and features, explain how users will access the ATS, and give users an opportunity to ask questions.

## Conclusion: An Innovative Solution for SMBs

Responsive, collaborative, intuitive, and integrated—these four key attributes of an applicant tracking system add up to a powerful business solution for small and mid-sized companies that recognize the need to compete effectively for quality talent.

An ATS enables HR in SMBs to leverage the time and cost savings that an automated recruiting and selection process provides. It shifts the focus of all involved in recruitment and hiring. Instead of spending time reaching and routing applicants, HR and hiring managers can concentrate on the candidates themselves—on the talents and enthusiasm applicants can bring to the organization. In other words, an applicant tracking system puts the emphasis where it belongs: on the ability to hire quality talent in a timely way. And better hires produce better business results.

### References

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*Boushey, H. & Glynn, S. (2012, November 16). There Are Significant Business Costs To Replacing Employees. Retrieved from [www.americanprogress.org](http://www.americanprogress.org)*

## About BambooHR

BambooHR is the No. 1 online HR software for small and medium-sized businesses that have outgrown using spreadsheets to manage their employee information. BambooHR's intuitive interface, streamlined implementation process and responsive support team ensure a fail-safe transition from spreadsheets to our flexible Human Resource Information System (HRIS) that adapts to your changing needs. Clients make time for meaningful work by using BambooHR's Applicant Tracking System (ATS) and HRIS to manage the employee lifecycle. A winner of the 2013 Alfred P. Sloan Awards for Excellence in Workplace Effectiveness and Flexibility, BambooHR serves tens of thousands of employees in 70 countries worldwide.

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