The ROI of the Ultimate Talent Acquisition Platform

Proving the Value of Superhuman Hiring™

SmartRecruiters

Table of Contents

Introduction
A decision for the future of hiring

Successful businesses today need to be forward-facing and future-ready for hiring like never before. It costs $52,000, on average, to replace a full-time employee[1]. An employee without the right skills can reduce productivity by 22%[2]. To hire smarter, you need a hiring platform that is not only going to satisfy today's needs, but also to adapt, change, and grow with you.

Superhuman Hiring™

The optimal hiring platform—fully utilized by talent acquisition (TA) teams—can drive more efficient hiring, and support your business strategy today and tomorrow.
We call it Superhuman Hiring™.

Among the outcomes of smarter, faster hiring are workers who are an excellent fit for their roles and who contribute to the success of the organization. Every hire is an opportunity to better the business, which is why best-of-breed recruitment tools are a competitive advantage.

Technology boosts talent acquisition outcomes

Technology offers businesses the ability to make better, faster, and more successful talent acquisition plays. But once you've accepted that you need technology in talent acquisition, you must decide how you will do that. You can choose one of four paths.

1. Invest in best-of-breed recruiting software

2. Try to adapt a legacy system to modern ways of working

3. Assemble a cheaper stack of low-rated solutions that don't fully integrate

4. Adopt the recruitment module of your *Human Resource Information System* (HRIS), also called *Human Capital Management* (HCM)

The purpose of this short paper is to persuade you (and the decision-makers around you) that investing in best-of-breed software, intentionally focused on hiring, is by far the best way to go.

And we'll give you specific guidance on how to estimate the potential return on investment along the way.

[1] **McKinsey & Company,** Increasing your return on talent: The moves and metrics that matter, April 15, 2024
[2] **McKinsey & Company,** ibid

Hiring for the bottom line

Hiring the right people is literally building your company's future. A PwC Pulse Survey[3] found that 77% of executives say hiring and retaining talent is their most critical growth driver. How successfully you do it directly impacts the organization's ability to achieve its goals.

In a few short years, as much as half of your company's workforce could be made up of people your talent acquisition team brings into the organization. To do this well, they need tools that will evolve and flex with changing talent environments and business needs.

The right tools mean less administrative burden for your hiring teams, less frustration, far fewer manual tasks, and the potential for more joy. Yes, joy. It's time to bring joy into finding the right people. Unfortunately, research shows that satisfaction with recruitment is decreasing, even with the availability of easy-to-use, best-of-breed tools.

55%
of leaders say that hiring is becoming exponentially harder[4]

63%
of TA professionals don't think their platforms are fit for the modern workforce[5]

" Our *TA platform* is fit for the modern workforce. "

80	
60	**66%**
40	
20	
0	11%
	Using Best-of-Breed TA Platform / Using HCM Module
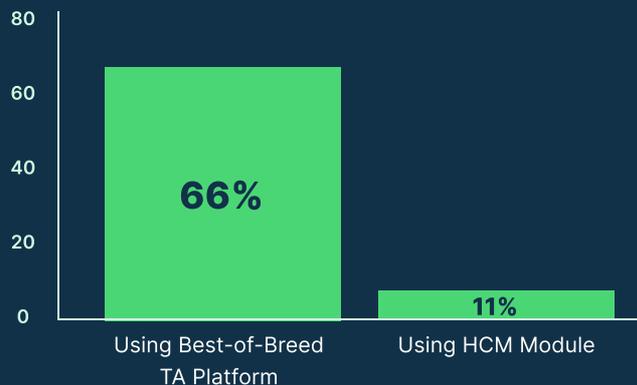
Recruiters using a best-of-breed TA platform are **6X more** likely to say their system is "*fit for the modern workforce*" compared to those using the TA module within an HCM Suite[6]

"The ability to hire good people quickly remains a challenge for most companies around the world—a challenge only accelerated by *swiftly changing user expectations and increased pressure to adopt new technologies.*"

Rebecca Carr
CEO
SmartRecruiters

[3] **PwC Pulse Survey,** Executive views on business in 2022
[4] **Smart Recruiters,** Unlocking Profitability with AI-driven Talent Acqusition
[5] **Fosway,** Talent Acquisition Realities 2024
[6] **Fosway,** Talent Acquisition Realities 2024

*The **ultimate*** *talent acquisition platform defined*

Organizations need an integrated solution to remain competitive and achieve their hiring goals. That's why a talent acquisition platform is the optimal choice for today's hiring complexity.

Other options often require add-ons and "overlays" to broaden their functionality for specific use cases and specialized functions. A fully featured talent acquisition platform, on the other hand, does more than help recruit, interview, and hire candidates. Its functionality extends into processes like candidate relationship management, job distribution, and onboarding. An effective hiring platform gives your talent acquisition team the tools they need to operate at peak performance. The platform you choose should meet the following core requirements.

Core requirements

Flexibility

The system should be able to handle all global locations, varying roles (from corporate to hourly workers), government regulations, and changes in the talent market.

Usability

Your system should provide a great—because "good" isn't good enough anymore—user experience for candidates, hiring managers, and recruiters. It should also be easy for your IT team to provide support.

Connectivity

Your system should connect with third-party systems throughout the hiring and recruitment ecosystem and have open APIs so that you can build your own interfaces. It should integrate with your HR tools, productivity tools, and communication tools like Microsoft Teams, Google Workspace, and Slack.

Future-focus

Your system should be future-ready, with adaptable AI-driven functionality. New needs should roll out seamlessly—and without extra cost—in a high-performing talent acquisition platform

Benefits

- **_Speed_**

  Radically accelerated time ensures roles are filled faster with the right people. Getting people into roles faster cuts advertising and employment agency costs, increases productivity, and frees your TA team to take on other tasks.

- **_TA team satisfaction_**

  Streamlining TA team activity enables them to focus on higher-value work that brings your organization further hiring advantages. See your return on investment in the smiles of your people!

- **_Data-driven optimization_**

  A talent acquisition platform enables you to collect deeper data insights through talent and hiring analytics. You will be able to hire better because you know what works and what doesn't.

- **_Compliance_**

  Configure your talent acquisition platform to automate and semi-automate compliance processes, ensuring you're meeting all regulatory requirements.

- **_Collaboration_**

  A high-performing talent acquisition platform doesn't just benefit the TA team. It benefits IT because there are fewer support calls. It benefits HR because of how it collects and shares client data seamlessly. It benefits hiring managers because they make better hires faster, increasing productivity.

Determining the ROI of a talent acquisition platform

There's more to calculating the value of a TA solution than simply looking at the initial price tag. It's important to look at the broader and ongoing costs of talent acquisition to understand the true lifetime costs and real ROI of a talent acquisition platform. The most thorough ROI calculations will include:

- **Technology costs**
  The total cost of ownership, including service and maintenance fees

- **Efficiency gains**
  Gains from optimized advertising, improved recruiter, hiring manager, and interviewer efficiency, and lower agency spending

- **Revenue gains**
  Monetary returns to the business from filling positions faster.

ROI Calculator

The *SmartRecruiters ROI calculator* offers a quick way to estimate ROI. *The following sections in this ebook offer an explanation of each of the three areas listed above.*

Select Currency ▾

Annual Software Costs

Current ATS

| Current ATS |

Cost of current ATS

| 40000 |

Total Cost of Software Add-Ons ⟨ $60,010
(Chatbot, CRM, etc.)

$0 — $10,000,00

Company Information

Number of Employees ⟨ 2,000

0 — 500,000

Annual Revenue (USD)

| 200000000 |

Recruiting Metrics

Number of Applications Received ⟨ 12,000
(Average)

0 — 10,000,000

Number of Hires ⟨ 360

0 — 100,000

Applications-to-Hire Conversion Rate ⟨ 3%

0 — 100

Cost per Applicant ⟨ $100
(Average)

0 — 10,000

Total Job Advertising Spend ⟨ $1,000,000
(LinkedIn, Indeed, etc.)

$0 — $10,000,000

Your estimated ROI when switching to SmartRecruiters (USD)

$3,915,235 over 3 years

Technology Savings:	$180,030
Efficiency Gains:	$600,085
Revenue Gains:	$3,255,120

Interested in learning more about how SmartRecruiters can help your bottom line?

Download your results

Technology costs

SmartRecruiters' software fees are based on the headcount of the organization and come with the option of bundled solutions in addition to SmartRecruit, the core applicant tracking software.

Headcount-based fees mean that you pay for your license for the term of your contract. With SmartRecruiters, updates are included and automatically rolled out. There are no costly surprises, no bills to change the configuration. This transparency makes it easier to calculate the total cost of ownership. As the accompanying table shows, other vendors have a host of other costs that you may not be aware of or that you cannot assess beforehand, making TCO – and therefore ROI – difficult to calculate.

Total cost of ownership comparison

Costs	SmartRecruiters Talent Acquisition Platform	Other vendors
Platform costs	$$$	$$$
Additional solution fees	Included with the base price	$$
Implementation fees	$	$$
Custom integration and hosting fees (HRIS)	$	$$
Marketplace integration fees	x	$
Additional configuration fees	x	$$
Annual maintenance fees	x	$$

Accounting for hidden costs

When thinking about total technology cost, it's also important to calculate direct savings from retiring the existing legacy system. Consider the costs of keeping that system running. This could include hosting costs or, if on-premises, hardware costs, its annualized costs, and the costs of other, associated systems that the new platform will replace—chatbots, CRM, and career sites, for example. You should also include the cost of staff required to maintain that system, whether contract or employees.

Making an investment in best-of-breed technology

Sometimes, the lowest initial cost doesn't ultimately deliver the lowest TCO, or the lowest TCO doesn't deliver the best ROI. If the new system comes in at a higher cost than the existing system, you can use efficiency and revenue gains to justify your investment in best-of-breed technology.

Efficiency gains

Superhuman hiring frees teams up to focus on the human work of hiring while managing spending more efficiently. **ROI calculations should include the following:**

- ### *Improved recruiter efficiency*

  Reducing the time each recruiter spends per hire means that recruiters can hire more people. Or they can explore more innovative recruitment methods thanks to the elimination of manual tasks, and the AI-powered, continually developing nature of the hiring platform.

- ### *Hiring manager and interviewer efficiency*

  Less time spent per hire by hiring managers and interviewers represents dollar savings or opportunities for people to drive the business forward in new ways.

- ### *Optimized advertising spending*

  The talent acquisition platform with integrated job distribution features is likely to reduce your spending on job advertising and job boards. The ability to track the performance of sourcing channels in real time helps optimize spending. Metrics to measure and monitor spend include the cost of advertising spend per applicant and ad con-version rates (i.e. how many hires you make on the applications you receive).

- ### *Agency spending*

  Companies that implement the right hiring platform spend less on recruitment agencies, finding the people they need themselves instead.

  > Real estate professional services group *Colliers* saw improvements in its direct hiring rate with SmartRecruiters, achieving over 80% direct hires annually and reducing its reliance on agency-based hires to just 7%.

Revenue gains

How quickly and how positively you hire has an impact on your business's ability to generate revenues. With the right technology, you can streamline processes and integrate solutions for background checks and assessments, cutting days off the hiring process. At scale, this represents a huge productivity and profitability gain. Getting good people into roles that fit translates to money in the bank.

Faster time to hire

For example, the time to hire for SmartRecruiters customers in key industries is 42 days. Customers in those industries using AI-powered candidate discovery reduce the median time to hire to 31 days.

By cutting **11 days** from the hiring process with AI-assisted hiring, a company with an annual revenue per employee (RPE) of $150,000 ($411 per day) that hires 1,000 employees a year would gain $4,251,000. That's a healthy return on technology investment.

How to calculate revenue gains from faster hiring

Annual revenue ÷ current no. employees

        = **Average revenue per employee**

Average revenue per employee ÷ 365

        = **Cost of one unfilled position per day**

Cost of one unfilled position per day **x** average annual hires **x** 11 days
SmartRecruiters average improvement in time to hire **x** length of contract

        = **Revenue gains**

Final ROI calculation

The totals from the three categories in this section (technology savings, efficiency gains, and revenue gains) make up a complete picture of the ROI of a talent acquisition platform. We hope this demonstrates that best-of-breed technology can deliver a return on investment that exceeds staying with legacy technology, using an HRIS module, or patching together second-rate systems.

Example ROI from a SmartRecruiters customer

The following client has a management consultancy model, but the implementation of these solutions could apply to other business verticals, such as hospitality, retail, manufacturing, or healthcare. In all cases, each role that remains vacant represents lost revenue.

PROBLEM

The 4,000-person company used an antiquated ATS and had an average 120-day hiring time compared to the industry average of 45 days.

SOLUTION

- Implement SmartRecruiters with additional modules including AI-based chatbot and candidate matching
- Revamp the career site and recruitment marketing
- Run a change management program to ensure technology adoption by recruiters and hiring teams alike

IMPROVEMENTS

- 40-minute application reduced to 3 minutes, with 44 questions eliminated
- Streamlined job request process from 5 ways to 1, saving time for hiring managers
- 19 point solutions integrated, including pre-hire, background checks, data warehouse, and HRIS

ROI OF COMBINED EFFORTS

- $18.5 million in cost savings due to a 46% reduction in time-to-hire
- $3.1 million in cost savings due to reduced agency use

Future-facing technology investment

Recruiting has too often consisted of many manual administrative processes—exactly the kinds of processes that can be automated and assisted by AI. Every business is faced with the need to adapt as the hiring landscape changes—as candidate expectations change, as more people use AI, and as your competitors adopt game-changing technologies.

Since our founding in 2012, SmartRecruiters has always focused on making our platform future-facing. A user-friendly interface and open APIs have helped our customers move quickly and build experiences that are distinctive to their business and their brand.

This spirit of innovation continues as we more deeply integrate AI-driven technology into SmartRecruiters. Building upon the AI tools in the platform since 2018, SmartRecruiters has accelerated innovation by revamping the platform to include embedded AI functionality called Winston.

Winston automates manual processes, anticipates upcoming actions, and brings a touch of joy to recruitment. The functionality includes intelligent scheduling, multi-layer screening, conversational AI, adaptive UI, and agentic insights that make Superhuman Hiring possible. We project that within nine months, productivity could grow by 55% per user, and by 12 months, closer to 72%. Greater productivity for recruitment teams delivers even greater ROI than shown in the above estimates. With Winston, recruiting teams are about to become truly superhuman.
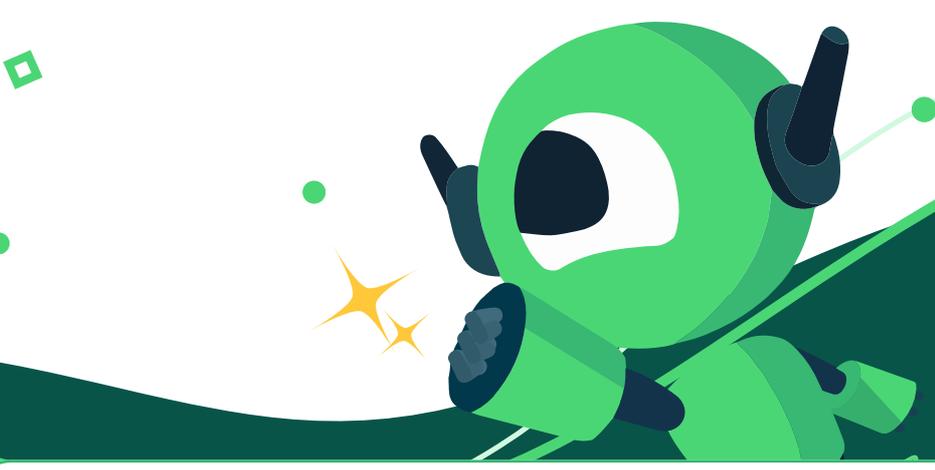
> "***Winston*** is not just a feature; he***'s the future of recruitment technology***, designed to remove the manual, administrative burden from hiring teams, giving them back the time to focus on the heart of hiring: ***connecting with great talent***."
>
> **Rebecca Carr**
> CEO
> **SmartRecruiters**

The SmartRecruiters
ecosystem

Marketplace supercharges unique hiring needs

The *SmartRecruiters Marketplace* is a wide ecosystem of validated partners that allow customers to connect with leading point solutions and service providers. Access to the marketplace provides additional value and increases return on investment.

Pre-built integrations allow hiring teams to connect SmartRecruiters with industry-leading point solutions quickly, saving development time and implementation costs. Once connected, the integrations can be configured to automatically trigger tasks and display results without the user leaving SmartRecruiters.

HRIS connections
reduce manual work

SmartRecruiters integrates with leading HRIS providers and payroll systems, further eliminating manual work for team members when creating job requisitions and entering new hire inf ormation.

HRIS

Job requisition created →

SmartRecruiters

Job posted to job boards, applicants screened, interviewed, and hired →

HRIS

New hire information to payroll and internal systems

Common HRIS integrations

ÜKG W SAP ADP ORACLE CLOUD

Conclusion: The human touch matters in the AI era

Talent acquisition is about all people—from those doing the hiring to those being hired. It follows then that investing in people-centric hiring technology is good for your business and for your people, too—those working hard to bring talent into your organization, and the people out there who are your workers of tomorrow.

As you invest, you expect—and need to demonstrate—return on investment. We know that. The bottom line matters, and so do your people. Improving processes gets you the talent you need faster and with lower costs.

Best-of-breed software means the best of both worlds isn't just possible, it's a reality.

Ready to start realizing better ROI from your TA technology?

See *SmartRecruiters* in action

About SmartRecruiters

SmartRecruiters enables Superhuman Hiring™ by freeing talent acquisition teams from legacy applicant tracking software and empowering them with next-gen AI functionality. SmartRecruiters' next-generation platform serves as the hiring operating system for 4,000 customers, including Bosch, LinkedIn, and Visa. Companies with business-critical hiring needs turn to SmartRecruiters for best-of-breed functionality, world-class support, and a robust ecosystem of third-party applications and service providers.

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