

An Introduction to Applicant Tracking Systems

Learn how savvy payroll providers are staying relevant by including applicant tracking systems in their offerings.



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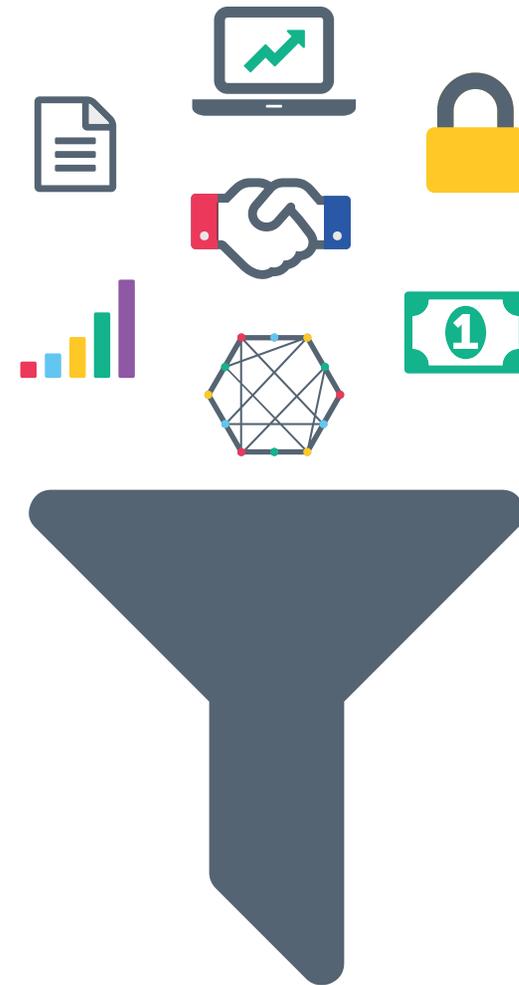
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Introduction

As a payroll provider, you probably have a lot on your mind. Growing your business while servicing the needs of your clients in the face of ever-evolving IRS regulations is no small feat. And it's only getting harder as more and more providers arrive on the scene to compete with you.

Yet that's exactly what's been happening.

Over the past several years an array of new HR tech startups have flooded the market. Investments in HR tech reached all-time highs last year, totaling \$1.96 billion in the first three quarters of 2016 alone. Although those investments are going toward startups looking to disrupt just about every aspect of HR from recruiting to workforce management, many also have their eyes set on payroll. In fact, a spate of new players is looking to challenge legacy payroll institutions such as ADP and Paychex.



While this increased competition may be good for the companies who use payroll services, it's putting tremendous pressure on payroll providers like you. That's particularly true if you're a smaller, regional player and lack the scale and reach of bigger, national brands.

To not only survive, but also thrive, in this more competitive market, you need to find new ways to bring value to your clients. Ideally, you want to ensure that you remain a critical part of their business while also creating new recurring revenue streams for yours.

Among your options are to offer benefits management, a team of in-house HR consultants, access to HR databases like ThinkHR.com, and integrations with Edward Jones or other advisors to help with retirement decisions. But no matter what mix of add-on services you decide to bundle up for your clients, always make sure that you include applicant tracking among them.

That's because as the human capital management market becomes more connected, having an applicant tracking system (ATS) will help ensure that you stay competitive and relevant in recruitment, which is so critical to so many of today's companies. By offering an ATS – which is simply software that brings recruiting online to help end users make informed hiring decisions – you can not only safeguard your business from increased competition, but also differentiate yourself while setting your business up for exponential growth.

In the pages that follow, we'll take a closer look at applicant tracking systems, and their benefits, who they're best suited for, as well as what to look for when selecting one.

“Up In The Air: HR Tech Deal Activity Reaches New Highs,” CB Insights, November 7, 2016.

Why You Should Offer Applicant Tracking to Your Clients



At a time when just about every industry is experiencing a war for talent and the costs of hiring the wrong person are extraordinarily high (see page 10), being able to offer applicant tracking to your clients is incredibly valuable. For you it's a way to protect your business against competition by making it stickier, while also generating more income in the process. For your clients, it's an opportunity to address many of the biggest HR pain points that they face.

For example, a good ATS will empower your clients, making hiring more efficient for them by helping them to:

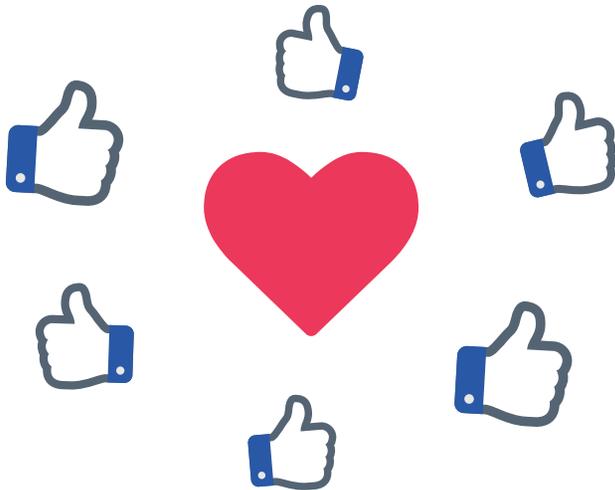
Keep accurate records.

As businesses start to grow, they are responsible for lots of different types of reporting. Any business with more than 100 employees, for example, must file an EEO-1 Report with the US Equal Opportunity Commission. Other common reporting requirements include Form 5500, Forms 1094 and 1095 A, B, and C, not to mention W4s, W2s, and I9s, among others. Keeping the records you need to complete such filings can be a cumbersome and time-consuming process when done manually with Excel spreadsheets or an Access database. But with an ATS, your clients can automate much of that work, saving time and money.



TIP NO. 1:

An applicant tracking system will digitize the storage and filing of HR documents, keeping companies confident and compliant in the face of audits.



TIP NO. 2:

Reputation matters. That's why it's more important than ever to invest time and energy into developing a compelling and consistent employer brand.

Create an attractive employer brand.

Discerning candidates scrutinize the companies they're being recruited by just as carefully as those companies evaluate them. That's why to attract top talent companies need to create consistent, high-quality candidate experiences. Specifically that means paying attention to the details by, for example, ensuring that all job postings are written with the same tone of voice and that they project the right image of the company. It also means ensuring proper follow through with candidates so that they're kept informed of their status in a timely and professional manner throughout the entire hiring process.

Improve communication around hiring.

Being able to standardize communications is another benefit to using an ATS. It's also a good way to manage feedback. That's because hiring managers are directed to provide feedback into the system immediately following every interview. This makes communication easier by saving recruiters the time and hassle of having to track down hiring managers to get the information they need to move forward with a given search. It also ensures that communication is done in real time while impressions are fresh in the manager's mind.



TIP NO. 3:

An ATS can digitize many other aspects of the communication process like scheduling interviews, emails, and sending alerts to hiring managers so the hiring process is always moving forward.



Importantly, all of these benefits translate into significant savings in cost and time. Organizations that are recruiting heavily, for example, can realistically expect to save 30 hours a week or more, not to mention the significant costs associated with hiring the right talent to perform all of that work.

Simply put, using an ATS will create a better recruitment experience for your clients and for the candidates they're considering hiring. That's because a good ATS will eliminate the need to track information and keep records manually in spreadsheets, while also automating other tasks such as communication by allowing your clients to email stakeholders directly from the system. And since all of the information is captured and stored in one place, it brings much more transparency to the hiring process, which most companies are looking for.

The cost of a bad hire

Most businesses underestimate the true cost of turnover. Unfortunately, hiring the wrong person can have effects that ripple throughout an entire organization. That's because beyond the financial burden – which not only includes their salary, but also the money spent onboarding and training them – you've also got to take other things into account, including the potential:

Brain drain.

Once someone is integrated into a company and filling a particular role, their sudden departure can leave a significant gap. That's particularly true if there's no one else in the organization who has the same knowledge or skill set. Plus, if during their tenure they made changes to systems or processes that are deemed ineffective, going back and undoing them all can be a considerable undertaking.

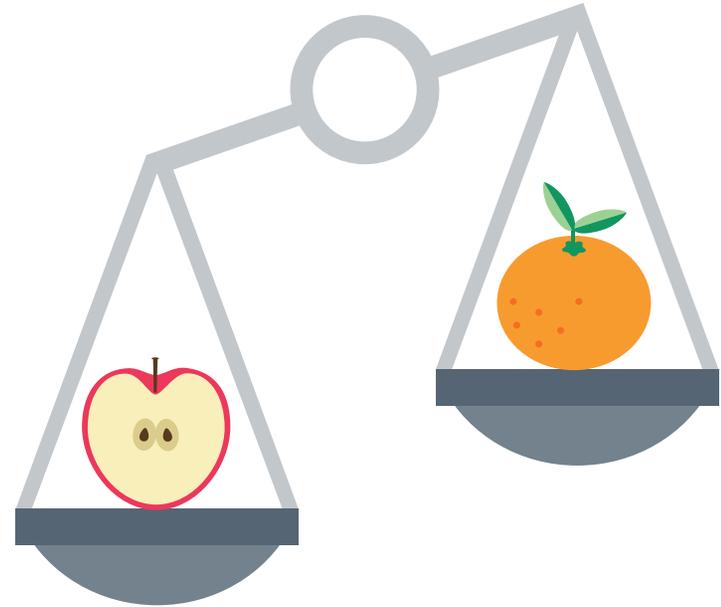
Cultural impact.

When a new hire doesn't work out and is asked to leave, it can have a negative impact on morale. After all, just because someone wasn't effective in a particular role doesn't mean that he or she wasn't well liked on a personal level. Understandably, morale can drop even further if other team members are asked to carry the burden of that person's workload until a replacement can be found.

Hiring the wrong people can have serious implications. The good news is that the right ATS will help ensure that doesn't happen. By giving you access to rich reporting and millions of data points, recruiters can perfect their candidate profiles to help ensure that they bring in the best talent for any given role as quickly as possible.

Is an ATS Right for Your Growth Strategy?

While having an ATS can be a huge advantage, it's important to understand that they're not appropriate for every business, nor is it a service that you should automatically try to extend to all of your clients. Companies that experience very little turnover and don't do much hiring, for example, aren't likely to derive much value from an ATS. But high-growth, high-change organizations that are consistently adding new staff, on the other hand, invariably will.



For that reason, it's important to analyze your customer base to see how many of the companies you work with would be likely to benefit from an ATS. If you think that they would, and that they're keen to embrace technology in their business, then chances are that they're a good fit.

Depending on your business, you may even find that an ATS is helpful for managing your own recruiting needs so that you're able to fill open requisitions with talented professionals who have the education and experience you're looking for. But even if that's not the case, don't draw a line between your ability to provide additional value to your clients by offering an ATS and your own organization's need for it. There's no correlation between the two.



TIP NO. 4:

A good way to tell if an ATS is needed is to think through how recruiting is currently being conducted. If you're using an inbox or spreadsheet to manage candidates - an ATS is the right tool for you.



What to Look for in an ATS

Once you've determined whether or not an ATS is right for you, the next step is deciding which one to go with. Although there are lots of options, there are two ways to think about any ATS that you might be considering adding your service offerings: what it needs to bring to your clients and what it needs to bring to you. Let's take a closer look at both.

For your clients, you want an ATS that meets four main criteria. It needs to be:



TIP NO. 5:

Do your research! There are many applicant tracking systems out there, and no one is the same. Make sure you understand the benefits to each before pulling out your wallet.

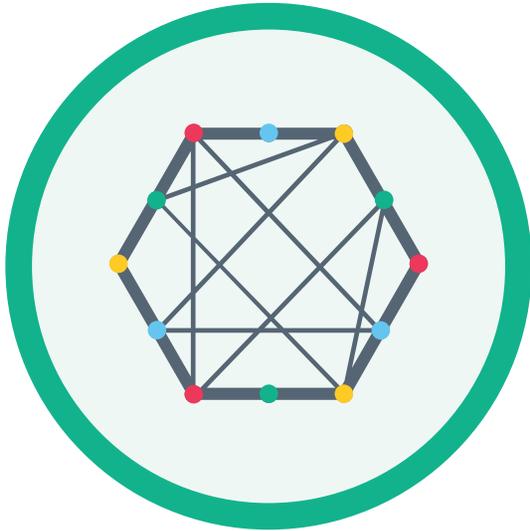
1. Easy to use.

Any ATS that you offer your clients should be user-friendly and have a user interface that's both intuitive and well thought out. That's particularly important when it comes to knowing that you're sending the right communications to the right people at the right time. You don't want your clients sending out the wrong messages because they don't understand the system you're providing them.

2. Collaborative.

Your ATS should promote teamwork and good communication to help ensure that your clients' HR teams stay in sync and on the same page. It should promote transparency and good workflows to ensure the free flow of information in real time.





3. Connected.

Data management is only one part of the application tracking process. A good ATS will also allow users to sync up with syndicated job boards so that your clients can maximize the efficiency and exposure of every position that they're looking to fill.

4. Secure.

Protecting confidential data has never been more important, or under greater scrutiny, than it is today. For that reason, you want to make sure that your ATS is not only secure, but that it also gives your clients the ability to manage their own data.

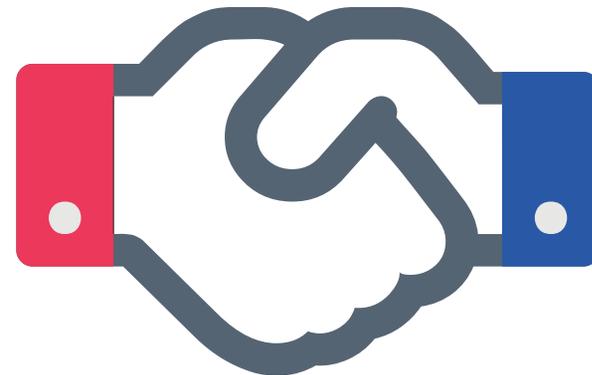


Beyond those basic requirements, there are a few other things to consider. To support your own growth objectives, it's important to find an ATS meets several criteria. For starters, it should integrate well with any other tools that you're offering as part of your HR tech stack, including:

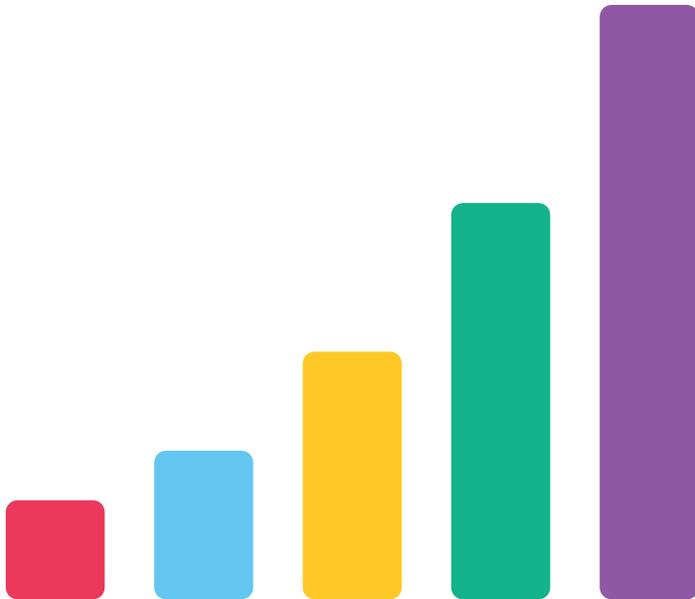
- Data management solutions
- Candidate sourcing solutions
- Calendaring & scheduling systems
- Job syndication sites
- Online assessment tools
- Candidate screening tools

This is particularly important because while an ATS can always be offered as a one-off service, in many cases it makes sense to bundle it with others, as noted earlier, as part of a suite of services.

Beyond integrations, any ATS that you choose should also give you the ability to co-brand or white label the offering to help you reinforce your brand with your clients. And, last but not least, when you partner with an ATS, there shouldn't be any program fees or minimum lead requirements. If it's not a risk-free opportunity to grow your revenue, chances are that it's not the right deal.



A Safe Path to Steady Growth



While no one knows the future, one thing is for certain: If you're a payroll provider you've got a challenging road ahead. You can't afford to take your success for granted or to rest on your laurels.

By partnering with an ATS, you can leverage its recruiting software and services to create value and build deeper relationships with your clients. At a time when competition is on the rise, it's a great way to expand your service offerings to not only generate recurring revenue, but also ensure that you remain an invaluable resource. Finding a partner with a strong reputation and a risk-free approach to helping you grow your business is a winning solution.

Next Steps

Want to learn more about opportunities to partner with JazzHR to bring applicant tracking to your clients?

- 1. Visit:**
jazzhr.com/partners
- 2. Contact:**
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