

## ***Applicant Tracking Systems 2006: Industry Analysis & Buyer's Guide Staffing/Small Firm***



### **Executive Summary**

*Applicant Tracking Systems 2006: Industry Analysis & Buyer's Guide Staffing/ Small Firm Edition* is a report on 13 leading applicant tracking systems currently on the market that are primarily used by professional staffing firms of all sizes, by corporations with fewer than 2,000 employees, or a combination of both. Unlike the Enterprise Edition, the Staffing/Small Firm Edition also contains feedback on ATS functionality that is specific to staffing firms, such as customer relationship management (CRM) and transaction processing.

The purpose of *Applicant Tracking Systems 2006* is to assist organizations considering the purchase of an ATS by assessing some of the solutions available in order to select the system that best fits their unique hiring and organizational needs. *Applicant Tracking Systems 2006* does this by researching specific product functionality and vendor services and by reporting customer opinion of the products.

The vendors profiled in this Guide were asked information about their customer base, such as a percentage breakout of customers by organization size, average number of recruiters per firm, percentage of customers within the Fortune 500, percentage implementations that were enterprise-wide versus within individual operating units; and percentage of customers within internal HR recruiting departments versus professional staffing firms.

The following solutions are featured in-depth in the report, and are arranged alphabetically.

- **Bullhorn**, by Bullhorn, Inc.
- **cBizOne**, by cBizSoft, Inc.
- **eEmpACT**, by Bond International Software, Inc.
- **JobLogix**, by HRLogix, Inc.
- **MaxHire**, by MaxHire
- **PC Recruiter**, by Main Sequence Technologies
- **Pereless i7**, by Pereless Systems, Inc.
- **Prohire**, by Recruitmax
- **Sendouts Pro**, by Sendouts.com
- **SmartSearch Online**, by Advanced Personnel Systems, Inc.
- **Taleo Business Edition** (formerly Recruitforce.com), by Taleo
- **WetFeet Recruiter**, by WetFeet
- **WinSearch**, by Relational Systems, Inc.

### **Report Overview**

Record highs were set for staffing industry employment and sales in 2005, according to the American Staffing Association. U.S. staffing firms employed an average of 2.8 million temporary and contract workers per day from July through September — up 7.1% or more than 186,000 workers compared with the same period last year, according to the ASA. Demand for staffing services and increases in

staffing industry employment continue to outpace job gains overall, according to the ASA — a boom time for ATS vendors servicing the staffing industry.

In the small- to mid-market HR realm, ATS activity is also heating up. Typically, smaller organizations have a less organized and automated recruitment process, yet still face the same challenges when it comes to attracting qualified employees, such as advertising job openings and tracking applicants, and HR may already be stretched at some small companies. While many of these companies — with anywhere from between 250 to 2,500 employees — don't require the kind of complex ATS solution as that of a multi-national company, they do want what they see as the competitive advantages of recruitment technology.

As we look at the changes facing our industry, our commitment to the same goal has not changed: identify, hire, and retain the best talent for the organization. Profiled in this guide are solutions offering robust functionality in order to help organizations automate as much of the recruiting process as possible.

## Key Findings

- While hourly workers are one of the fastest growing segments of the labor force, hourly applicant tracking functionality is not of great importance for systems used primarily in the professional staffing industry. But for the corporate ATS, in use within the small firm market, this functionality has been adopted to varying degrees. Two systems profiled in this report – HR Logix's Job Logix, and WetFeet Recruiter, have developed functionality specifically for companies with a large hourly workforce.
- Several vendors predict that small companies will want to utilize on-demand software services, which offer an alternative to both prepackaged software solutions as well as the traditional software license delivery model. The term for this delivery model is referred to Software as a Service, or SaaS, and was inaugurated by vendors of CRM and HRIS applications, such as Salesforce.com and Employeease, and in other business areas such as messaging and collaboration services. ATS vendors such as Taleo and Bullhorn have now entered this arena, and research firm IDC predicts that vendor spending worldwide will reach \$10.7 billion by 2009. Customer self-service has yet to be instantly embraced by the recruiting sector.
- In the majority of ways, functionality of an ATS for corporate recruiters and professional staffing firms is similar. Posting to job boards, pre-screening, resume management, candidate searching, reporting tools, and applicant tracking are core functions of every ATS covered in this guide. But an ATS developed specifically for the staffing industry integrates recruitment, payroll, and invoicing functions to encompass both talent management and customer response management requirements. Small- to mid-size firms are more interested in integration with corporate career sites and recruiting strategies involving internal candidates, such as employee referral programs.

## Customer Satisfaction Trends

An invitation was sent via email to ERE subscribers in June 2005 to participate in its annual ATS customer satisfaction survey. After an initial review of survey results, in combination with evaluative data described in the section above, a second invitation to participate in the survey was sent to

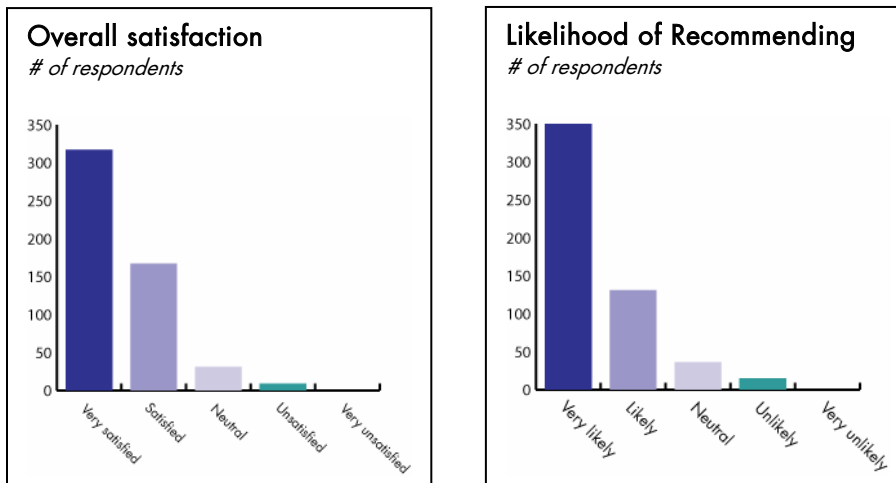
customers of the ATS products considered for review in this Guide. The survey was also available during the months of September and October 2005.

A total of 554 qualified survey results were analyzed, representing only the products that are reviewed in this Guide. Results include both individuals that describe their primary function as that of a recruiter working for an organization with an internal human resources department (168 responses) and third party recruiters (386 respondents).

Customer feedback reflects survey respondent experience with the product and vendor. The Customer Satisfaction Snapshot provides a quick view of overall customer satisfaction with their applicant tracking system and vendor, whether they are likely to recommend it to a colleague, and any hidden or unexpected costs associated with the system. For each product feature and vendor function surveyed, respondents were asked to provide the following satisfaction rating:

- Very Satisfied (“Excellent”)
- Satisfied (“Very Good”)
- Neutral (“Fair”)
- Unsatisfied (“Poor”)
- Very Unsatisfied (“Extremely Poor”)

For the products covered in this report, the performance and customer satisfaction ratings were overall quite high. End users were generally very satisfied with the product they used and showed a willingness to recommend that product to their peers, as the following graphics illustrate:



There are additional ratings presented that are translated to a sliding scale of zero to four, with zero corresponding to an "extremely poor" grade and four corresponding to an "excellent" grade. Those categories include:

- **System Performance** ratings provide a view of customer satisfaction with the system’s overall performance in the various recruiting stages: position approval, position management, applicant searching, candidate management, candidate evaluation, offer and acceptance, and transfer to employee status.

- **Vendor Performance** ratings chart seven criteria relating to customer satisfaction with the vendor in the areas of technical support, customer service, training, documentation, ability to scale, implementation methodology, and philosophy.
- **Functionality Performance** charts core features of the ATS. For systems in use predominantly by staffing firms, core functionality that is relevant to third-party recruiters is presented. These solutions include: WinSearch, MaxHire, Sendouts Pro, Bullhorn, and eEmpACT. For systems in use predominantly by corporate clientele, or with organizations made up primarily of internal recruiting and/or HR departments, core functionality relevant to internal HR is presented. These systems include: WetFeet Recruiter, JobLogix, and Pereless Systems. For systems in use by both professional staffing firms and internal HR departments, functionality relevant to both practices is presented. These systems include: PCRecruiter, Prohire, SmartSearch Online, Taleo Business Edition, and cBizOne.

## Conclusion

Whether your organization is evaluating an applicant tracking system for the first time, or evaluating competing products, **Applicant Tracking Systems 2006, Enterprise Edition** provides detailed product evaluations and in-depth analysis that are critical to making a successful, well-informed decision.

**Applicant Tracking Systems 2006, Small Firm/Staffing Edition** is on sale at the Electronic Recruiting Exchange for \$295. The report is available in print format. For more information, and to purchase your copy, visit [www.erexchange.com/ats2006staffing](http://www.erexchange.com/ats2006staffing).