CONSIDERING AN HCM FOR RECRUITMENT?
10 Questions to Ask About Cost.

Today there are some exciting and modern HCM technologies on the market. Some of these vendors offer products that extend beyond HR into areas like Finance, Supply Chain Management, Sales and Service. Most also position compelling value propositions around centralized data and analytics across an entire operation. While none of these vendors started in recruitment technology, many offer some form of a recruiting application... some of which are even positioned as free to use if the organization is using other products from that vendor.

The proposition can sound convincing.

Unfortunately — as with anything else in life — not much is truly free. The subscription fee for an ATS module is only one part of the total cost of ownership associated with implementing new recruiting technology. At our clients’ request, we’ve assembled a list of questions for leaders of talent acquisition and HR operations to ask to understand the realities behind what they hear.
Tech Stack Costs

WHAT YOU’LL HEAR:

Using one core system across all of HR will reduce our application and infrastructure expenses and allows us to consolidate our ecosystem.

Questions to ask to understand the reality:

1. Recruiting is complex and requires more than an ATS — in fact, businesses use up to 24 tools for talent acquisition, and they cite integration as their #1 challenge*. What are the costs associated with integrating our other hiring tools like assessments, background checks, job board posting, video interviews, etc. with the HCM’s recruiting module?

2. As our business scales, we’ll need to reconsider our vendors. What happens when we want to change a vendor or add a new tool for recruiting? How much will that cost and how difficult is it to integrate new technologies with the HCM? If recruiting isn’t the HCM’s specialty, standard integrations for new recruiting tools will not exist, so will internal IT resources or consultants be needed to build new integrations?

3. If recruiting isn’t the HCM’s focus, it won’t offer all the core recruiting products we require. Will a third-party career site solution and CRM need to be purchased since this is not provided by the HCM? How much do these products cost? How easily can they be integrated to the HCM? Will IT be able to implement them at the same time as the ATS module roll-out or will we have downtime in our passive candidate recruitment efforts?

Go-Live Costs

WHAT YOU’LL HEAR:

Our automated implementation tools, preconfigured workflows, prebuilt reports and network of certified partners make deployment low-risk and low-cost.

Questions to ask to understand the reality:

4. Many HCMs will not handle deployment of the recruiting application directly. What additional costs are budgeted for getting our new system up and running? Have we included consulting, project management, data migration, change management, business analysis and testing expenses? What are we sacrificing from our HR budget (like recruitment advertising dollars, headcount, new tools we want to try), to fund the switch?

5. It’s common to hear about employers who purchase a recruiting module from their HCM only to never go live. What percentage of customers are actually live on the recruiting product? What do references say about the go-live experience? Have we factored in recruiting downtime costs if this happens?

*LAROCQUE, 2016
Companies using best-of-breed vs an HCM for recruitment cited lower turnover than the industry average, a shorter time to fill positions and an improved candidate experience.

– Aptitude Research Partners, 2017

**Cost to the Business**

**WHAT YOU’LL HEAR:**
A centralized HR system provides better visibility into our entire operation, which creates efficiency and enables our organization to scale.

**Questions to ask to understand the reality:**

8. While some systems look sharp, they may not be strong in actual user experience (UX), which lowers user adoption and, in turn, causes us to lose efficiencies promised by the technology. What functionality are we losing if we move to an HCM’s recruiting module? Will those losses require less efficient, less compliant manual workarounds? Will less efficient recruiters translate to needing more resources? What is the compounded impact of all those small steps backward?

9. The investments we choose to make in recruitment technology reflect our investment in recruitment overall. How will using a technology that is not best-in-class for recruiting allow us to be a best-in-class recruiting organization?

10. Talent is one of our competitive advantages and we constantly need to recruit the best to perform as a business. If we hinder recruitment, what impact will that have on hitting business goals? Is the organization comfortable extending our time-to-hire and possibly delaying critical headcount? If we’re understaffed, how will that impact our sales, product delivery and overall competitiveness?

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**Support Costs**

**WHAT YOU’LL HEAR:**
We offer a robust support model comprised of self-service and HCM experts. You’ll see a reduction in HR support costs due to system consolidation.

**Questions to ask to understand the reality:**

6. Both functional and system expertise are needed to support our recruiting technology. Is our HCM admin capable of supporting recruitment or will a recruiting resource be taken off their current assignment to fill this need? If the latter, what happens to that person’s workload? Will our admin become our internal help desk? Are we charged if we want more than one employee to receive tech support from the vendor?

7. A new system will require in-depth training for all our users (prior to go-live and after each release) so we don’t lose momentum in recruitment. Do we have budget allocated to send users to training? Will our admin also be responsible for creating and maintaining internal training materials or do we get these for free from the vendor? Are there limitations on how we scale training, such as recording the trainings for others within our organization and/or new hires?