15 Steps to Successful Staffing and Recruiting Software Selection

Define Your Needs, Follow A Consistent Selection Process

by Mary Lynn Seaby

The past decade has brought phenomenal technological advances. With those advances, the staffing industry finds itself needing to provide services faster and at a higher level of quality than ever before.

Staffing companies everywhere are upgrading the technology they already have in order to keep up with today’s sophisticated selling environment, where measuring quality and increasing productivity play major roles in the business of making placements.

Choosing the best staffing or recruiting software product to meet your staffing company’s specific needs and goals can be a daunting task. The stakes are high. The need for faster and more efficient search and retrieval of candidates is only one factor to consider.

In today’s increasingly networked world, business software must often integrate with a growing variety of other data sources, applications and user inputs. Proving better financial results to boards of directors and demonstrating quality assurance programs to premier clients plays a greater role than at any other time in our history.

In addition, your ability to attract, retain and get the greatest productivity from the best staffing specialists can be enhanced by providing state-of-the-art tools that demonstrate your firm’s commitment to today’s workers, who grew up in a technology-driven society.

To many, the task of choosing the “best” system consists merely of examining all the bells and whistles provided by every vendor and buying the system with the most features and functionality. The fear that a package will be obsolete the day it is brought to market can immobilize an IS Director, owner, or manager. Anyone who has looked at the array of software packages available to the staffing industry will agree that the choices are almost overwhelming.

Most often, decision-makers feel obligated to look at every available system prior to making a choice. But they soon find themselves inundated with brochures, calls from software vendors and requests to review yet another product. The result: features and functions begin to meld into information overload.

Demystifying the selection process begins with the simple recognition that the best system for your organization is the one that provides solutions to the goals you are
trying to achieve. An analysis of those goals will provide the framework for setting the
criteria for system selection and will lend credence to the process for you and your
staff. A structured business analysis will yield a list of requirements that you can use to
compare the functionality of various software packages.

The following 15-step approach to selecting staffing and recruiting software should
reduce the stress of the selection process and ensure that your final choice will help
you meet your goals.

1. Choose A Selection Strategy

The first step is to decide how you will make your decision. Mapping a strategy before
you begin will lend efficiency to the process and will enable involved personnel to
visualize the end result more clearly. Without a detailed plan, the process can become
never-ending, consuming time and resources and leading to more confusion than
when you started.

You need to decide:

• Who will be involved in the selection process?
• What part will each person play?
• What steps will you take?
• How will the final decision be made?
• Who will make the final decision?
• When do you plan to make the final decision?
• How much time will each person spend on the process?
• What is your budget?

Deciding whom to involve is probably quite simple. Your decision to buy a staffing
software solution probably stemmed from a number of business and technical factors.
The people involved in those issues are the most likely players in the selection process.
Involving both technical staff and representatives from the business delivery unit will
lend balance to the final decision and create buy-in from all constituents.

Deciding how to proceed can be a little more complicated. We suggest the following
steps.

2. Map Your Company Priorities

Software should help you meet your company’s goals. The three biggest reasons
to even consider looking at upgrading or replacing your current staffing software
solution is that:

• Your business is experiencing some type of pain because the system is not
  helping you meet those goals today
• You believe that the system will no longer be able to meet your goals in the near
future due to lack of features, functions, scalability, business strategy changes, etc.
- The system is putting you at a competitive disadvantage now or in the near-term

Defining those goals will provide a better foundation for understanding how software can provide solutions. Begin by identifying your top priorities.

Some examples:

<table>
<thead>
<tr>
<th>GOAL</th>
<th>STAFFING or RECRUITING SOFTWARE FEATURE</th>
</tr>
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<tbody>
<tr>
<td>Manage inventory of candidates</td>
<td>Codes skills and abilities; performs free-text searches of resumes</td>
</tr>
<tr>
<td>Manage resumes</td>
<td>Resume parsing; attach to candidate record; performs free-text search of resumes</td>
</tr>
<tr>
<td>Manage contacts: Clients and candidates</td>
<td>Integrates with third-party contact manager, or includes features that manage dates and contacts with database records</td>
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<tr>
<td>Retain staff</td>
<td>Is state-of-the-art, easy to use, and increases productivity through inventory, process, and contact management</td>
</tr>
<tr>
<td>Increase staff productivity</td>
<td>Is easy to use; has low data entry needs</td>
</tr>
<tr>
<td>Integrate front-office, payroll and billing</td>
<td>Third-party payroll/billing system is integrated, or comes bundled with payroll/billing modules</td>
</tr>
<tr>
<td>Integrate front office, all financial data</td>
<td>Integrated payroll/billing flows to financial software</td>
</tr>
<tr>
<td>Monitor quality programs</td>
<td>Monitors and tabulates quality management programs such as reference, testing, quality programs for candidates and clients</td>
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<tr>
<td>Manage ongoing placements</td>
<td>Tracks ongoing activity and filled orders</td>
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<tr>
<td>Manage benefits for contingent workforce</td>
<td>Tracks benefits</td>
</tr>
<tr>
<td>Manage company through productivity</td>
<td>Includes built-in reports or is able to modify or write reports through built-in or integrated report writer.</td>
</tr>
<tr>
<td>Utilize Internet productively</td>
<td>Includes Internet features such as automatic posting to company’s Web site or to Internet job boards, or has integrated Internet search engine</td>
</tr>
<tr>
<td>Manage pricing and margins</td>
<td>Includes built-in rate calculator. Can designate desired rates in company file, flow information to job order</td>
</tr>
<tr>
<td>Meet client needs for automated reporting/billing</td>
<td>Includes report writing, flexible billing reporting/billing potential</td>
</tr>
<tr>
<td>Manage multiple client locations</td>
<td>Various records roll up under a single umbrella</td>
</tr>
<tr>
<td>Contract management</td>
<td>Electronic documents attach to client file; pricing information flows to job orders</td>
</tr>
<tr>
<td>Improve communications with clients and candidates</td>
<td>Automatic letter/mailing generation</td>
</tr>
<tr>
<td>Company growth</td>
<td>System is scalable and can handle multiple disciplines and/or branches and locations; works efficiently over a wide area network or Internet; simplifies growth either organically or through the acquisition of other firms</td>
</tr>
<tr>
<td>Remote access for staff or off-site facilities</td>
<td>Able to configure with remote access tools or software</td>
</tr>
<tr>
<td>Consistency in business processes</td>
<td>Allows user to define work flow and guides the user from one process to the next</td>
</tr>
<tr>
<td>Increasing value of company</td>
<td>Overall value of the company can be increased with consistent, well-documented business processes supported by a system that guides staff behavior and productivity – this is important to any kind of growth or exit strategy</td>
</tr>
</tbody>
</table>
3. Evaluate Your Company’s Current Climate For Change

Installing a new software system, whether replacing your current system or going through a major upgrade, creates the opportunity to re-engineer your business processes. Believing that a software system will allow you to mirror your current processes is not only naive but may also deny you the opportunity to gain certain significant efficiencies and productivity enhancements.

In addition, installing a system may produce a temporary negative impact on productivity, as staff adjust to the changes and gain new understanding of processes. The size of that impact depends on your firm’s – and your staff’s – attitude toward change. When a staff is inclined to embrace change, chances are high that a new system will show a positive effect relatively quickly; when staff resist change, the opposite can be true.

- Consider your staff’s tenure and how many changes they have been through – management, organization, physical office moves, process changes, etc. How well have they dealt with the issues surrounding those changes?
- Examine your own attitude toward change. Do you believe that your “tried and true” methods are the best and that changing them would be a mistake? Or do you believe that processes are developed based on the tools that are available at the time, and that one should always consider re-engineering possibilities?
- What is the level of your staff’s technical ability? Are they likely to embrace a new technological solution or will they be intimidated?

If you determine that your organization has a high quotient for change – that is, that change is embraced at all fronts – the structure of the system you choose will be less of a factor, allowing more room to develop new processes. If, on the other hand, you wish to preserve your current systems and processes by automating them, you need to look for the system that most closely mirrors those processes, or one that allows configuration or customization.

Even so, keep in mind that your business strategies and processes may change over time. Starting up a new line of business would require changes in your software processes as well. With that consideration, a system offering the flexibility to change as your business changes grows in importance.

The change quotient can also influence the speed at which your staff learns a new system. Look at the user interface; evaluate its simplicity or complexity. A staff that is resistant to change will deal much better with the simplest and most intuitive of interfaces.

A simple interface does not necessarily mean fewer functions or less power. Some of the easiest systems to learn also provide the greatest functionality. But if the system you find most appealing looks more challenging, you will have fewer problems if your staff has a high quotient for change.
4. Define Your Organizational Structure

The current structure of your organization and your plans for the future can each influence your choice of a system. Consider your:

- Number of locations, current and projected
- Service areas: temp, contract, direct, outplacement
- Market niches and specific needs of the markets you serve
- Need to share information across databases
- Need to share information across locations or divisions

Some software packages are well equipped to handle multiple disciplines or locations; others are not. Some packages are clearly geared towards temporary services, the contract industry or the direct placement industry.

Those that do handle a variety of disciplines do so with varying degrees of success. If yours is a firm that has more than one service offering, the ability to handle those offerings seamlessly will be a major factor in your consideration of software packages.

5. Identify The Processes You Want To Preserve Or Change

Consider:

- Applicant entry - where and how is it done
- Applicant ownership - what rules are in place
- Method of capturing candidate skills - coding vs. résumé search and parsing
- Company/client ownership - what rules are in place
- Rules for timing of contact with candidates and clients
- Job order entry - where and how is it done?
- Job order information and evaluation - what questions are asked that must be documented? What rankings and other criteria are utilized?
- Letter generation - how letters are generated and the degree of modification allowed
- Back office processes - how will contingent employee payroll and customer billing be handled?
- Management reporting - what reporting is required, desired and optimal for tracking and analyzing business processes?
- Integrations - what other data sources and/or applications will you need to integrate with to efficiently support operating business processes and/or strategies?

Once you have identified the processes that must remain the same, you can keep an open mind about opportunities for re-engineering other processes.
6. **Identify Internal Resources**

The ongoing success of any software implementation depends on the ability to keep the system running smoothly, both technically and operationally. For that reason, software systems are now delivered in a variety of ways, from enterprise systems that you host to vendor hosted on-demand subscription systems (also referred to as Software as a Service).

If you purchase an enterprise system, some software vendors require that their customers have a dedicated IS person on staff to ensure technical stability. Others believe that the task of supporting hardware and software is best handled by the vendor, which is why a growing numbers of firms choose the on-demand Software as a Service delivery model. In addition, training, change management and operational issues need to be handled on an ongoing basis.

Identify your resources for accomplishing these tasks. The degree to which you can handle them internally may affect both the complexity of the system you choose and your need for vendor services.

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7. **Evaluate Your Technical Environment**

Current technology can greatly influence the selection of a software product. Your desire to upgrade your infrastructure or maintain your existing infrastructure should be based not only on the investment in hardware and platform that you have already made but also on its ability to grow and accommodate your future plans. Here again, however, is an opportunity to look at your Total Cost of Ownership (TCO) over time. Consider the following:

- Do you currently have a server in place?
- If so, how old is it? Is it fully depreciated?
- Is the platform meeting your present needs?
- Does the current system offer you enough room for growth?
- Does the current system meet your performance efficiency needs?
- Are your telecommunications needs being handled by your current infrastructure?
- Will future plans require added connectivity solutions?
- Does your budget allow you to upgrade or replace existing infrastructure?
- Could you reduce your TCO with an on-demand Software as a Service solution?

From your technical analysis, determine whether a specific technology is a requirement for your company. If you are starting from scratch or fully replacing your existing systems, you may want to consult experts who can provide technical specifications to meet your current and projected requirements.
8. Compile Your Business Requirements

Based on the results of the previous steps, compile your list of business requirements for selecting a recruiting or staffing software system.

- List each requirement you have identified
- Rate each item in terms of necessity:
  - 3 = Must have, will not sacrifice
  - 2 = Will sacrifice if necessary
  - 1 = Nice to have
- Add other features you would like, assigning the appropriate rating
- Lay out your requirements in a five column grid, with the columns labeled:
  - Rating
  - Requirement
  - Functionality
  - Advantages
  - Disadvantages

Add additional rows for pricing, support services, references and business partnership issues.

You now have a grid or template of your business needs and system requirements.

You will eventually make one copy of the grid for each system you wish to evaluate.

9. Create A Short List Of Promising Vendors

Your short list should include approximately ten vendors that appear to satisfy your requirements, enough to provide a good cross-section of functionality without overwhelming you.

There are several resources for identifying automated systems for the staffing industry. Staffing Industry Analysts (www.staffingindustry.com) and the American Staffing Association (www.americanstaffing.net) among others, provide directories of staffing and recruiting software vendors. The information provided in these resources will provide enough information for you to begin making a list of the systems that are most likely to meet your needs.

Major industry trade shows are a very good place to get a sense of what's available as well as do comparison shopping between the offerings of several vendors. Word-of-mouth is also an excellent resource. The abundance of software for our industry can sometimes be intimidating, even when working with a well-thought-out shopping list. Talk with your colleagues in the industry; check with staff who may have worked at other services, or consult industry experts. Finally, you can also do a Web search through search engines for potential software vendors using such keywords as “staffing software” or “recruiting software.”
10. Obtain And Compare Product Information

As you contact each vendor, discuss your primary requirements, particularly as they pertain to your company’s technology needs, overall structure and plans for growth. It is especially important that you share as much information as possible about the current challenges you may have with your system as well as your business operations and strategy. The more the vendor knows about your business, the more likely it is that they can effectively help you achieve your business goals. Sometimes vendors have more than one product and can advise you as to which product will best meet your needs. These preliminary conversations will help you decide whether to proceed with each vendor.

Ask for company literature or download the literature from their Web site to obtain additional information about the product. When you’ve digested that and would like to know more, arrange for a demo.

Demos come in various formats:

- Hands-on demo. A hands-on demo can range from a mere sample tutorial type of demo delivered by CD or online to the full product. The effectiveness of the demo will depend on how much of the actual product you are able to see and how well you are guided through the process. Bear in mind that, without training, you are unlikely to experience the full benefits of the software. In any case, this may be a good first step. It should always be followed up with a live or on-line demo.
- Online Demo. The most popular and effective method of getting an understanding of a software product is an online demo, where the user can watch or participate in a demo of the software over the Internet. This can be highly effective, because a live person is guiding you through the features in which you are the most interested.
- “Sandbox” Demo. Some vendors can offer you the opportunity of going online and using their software in a test environment. While this gives you some hands-on experience with the user interface, its value is limited without some training to familiarize you with using the software.
- Face-to-face Demo. At some time in the selection process it may be advisable to meet with the vendor, not only to see the product used live, but also to ensure that you are joining forces with a business partner with whom you can relate and trust.

As you review the products, use the grid that you prepared in step eight. Describe the features and functionality that pertain to your requirements, and list the advantages and disadvantages of each vendor’s products.

Whenever possible, you or your staff should be allowed to use the system – hands-on – yourself. There is a big difference between watching someone else perform the commands and actually doing them yourself. What seems simple when you are watching can become quite complicated when you’re the performer. The caveat is that,
without some training and/or guidance while you exercise the system, your hands-on experience may be somewhat frustrating. Remember that there is always a learning curve with any system.

The quality of the vendor relationship should remain forefront in your mind during the demo stage. Not only are you purchasing a product that will form the basis of your business processes, but you are also forming a partnership that will last for many years to come.

The nuances that you perceive in the initial stage are likely the kernel of the ongoing relationship. You must feel comfortable that you are partnering with a company that has the same ideals and ethics as your own. In this light, it is a very good idea to visit the vendor’s premises, even if it means a long-distance trip.

11. Identify The Top Contenders

Using the grids you have prepared as a guide, you and your committee then identify the vendors that meet the greatest percentage of your requirements. It is not unusual to ask for two or more demos of a system before reaching this stage.

Because each staffing firm has its own objectives and methods, it is important to remember that it is not likely that any one vendor will meet 100% of your needs. A good rule of thumb is to look for a product that meets 80% of your needs offered by a vendor who is your top choice as a long-term partner. “That’s all well and good,” you say. “But what about the other 20%?”

- Make sure the 80% is the right 80%. The priorities you ranked “3” should be met 100%. If your “3”-ranked priorities are not met completely, ask yourself whether you have gained new information during the selection and review process that compensates for that priority or has even caused you to change your priorities.
- Obtain ideas from vendors or consultants about “work-arounds” – finding uses for which the software was not designed but that it can be made to do. Sometimes these turn out to be so useful that vendors will include them in future upgrades for all of their clients.
- Discuss customization, or the possibility of including functionality you would like in future releases. While customization can be costly, and some vendors are simply not willing to do it, many vendors consider it a good investment of their time and energy to add enhancements you request that also may be beneficial to other customers.
- Consider how you might change your internal processes to accommodate functions that are lacking in the system.

Ideally, at this point, you and your committee will agree on the top two to three vendors.
12. Obtain Pricing From The Top Contenders

Consider:

- **Software Delivery Method** - How do you want to access and use the software?
  - As an enterprise (self hosted) solution?
  - As a subscription based on-demand Software as a Service?
  - As a hybrid Managed Service (wherein you buy the hardware and depreciate it but the hardware is hosted and maintained at the vendors’ location)?
  - What are the costs for each?
- **Training** - What formats are available? Is there an additional cost, or is it bundled into the cost of the software? Is ongoing training available? What does it cost?
- **Implementation Services** - Does the vendor provide assistance with implementation issues involving the use of the system, definition of fields, values for coded fields and the like? If so, are there additional costs?
- **Data Migration Services** - Does the vendor offer services to migrate data from your old system to their system? If so, what will it cost?
- **Installation** - Does the vendor provide a full installation of the software? What is the cost?
- **Support Services** - What support plans are available, and how much do they cost?
- **Upgrade Policies and Costs** - How often does the vendor release updates to the system? Are the updates included in the support contract?
- **Hardware Costs** - What upgrades need to take place to your hardware, user stations, and network? Be sure to include servers, workstations, printers, cabling, telecommunication costs, and installation and support services.
- **Additional User Costs** - As you add new users, what will be the costs to expand the software? (Whenever possible, ask the vendor to lock in a per-user upgrade price for a certain period of time.)
- **Internal Technical Support Costs** - Will you need to upgrade the skills of your internal IT support staff? Will you need to add IT support staff or contract for outside IT support services?
- **Additional Software Modules** - Does the vendor offer other software modules that extend the core applications’ functionality or capabilities? Do these fit your needs? What do they cost?
- **Additional Services** - Does the vendor offer related technology services such as Web-site hosting and design, Microsoft Exchange hosting and disaster recovery services? Do they fit your needs? Will these enhance your services and the vendor partnership? What do they cost?
13. **Obtain References**

Do not omit this important step. Whenever possible, obtain references from users whose names were not provided by the vendor. Ad hoc information can sometimes be the most useful.

While there are many ways to obtain references, we suggest that you ask users of the software:

- How long have you had the software?
- What were your reasons for selecting this product?
- What other packages did you evaluate?
- How many users do you have?
- What is the structure of your organization? (Establish similarity to your own organization.)
- What services do you offer?
- Has the product provided the functionality you expected?
- Has it provided functionality you didn’t expect?
- Did you have to do your own integration with third-party software? How did that go? How much support did you get from the vendor?
- Has the product made your organization more productive?
- Is there anything you don’t like about the software?
- How long did it take your staff to become fully functional with the software?
- How long does it take new users to learn the software?
- What kinds of problems have you had with the software?
- What has been your experience with vendor support? Is the vendor responsive? Are your problems fixed in a timely manner?
- Would you choose the same vendor if you were buying a system today?

14. **Finalize Your Decision**

While there is no magic formula for making a final decision, objective analysis of the data you have collected is essential. Compare the functionality of the system with the associated costs, references and your comfort level with the vendor.

Once you have made a choice, finalize pricing with the vendor, and discuss implementation and installation schedules.

Then comes the final step.
15. Implement The System

System implementation is no small task. You used a well-thought-out and organized approach to system selection. You'll need to apply the same diligence and forethought to the implementation process. A smooth transition depends on scheduling, planning to re-engineer your business processes and clear communication with staff, vendors and support services.

In the end, this step-by-step approach to staffing and recruiting software selection reduces the stress to you and your organization and enables you to achieve your business goals.

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