

FORRESTER®

The Total Economic Impact™ Of The iCIMS Talent Cloud

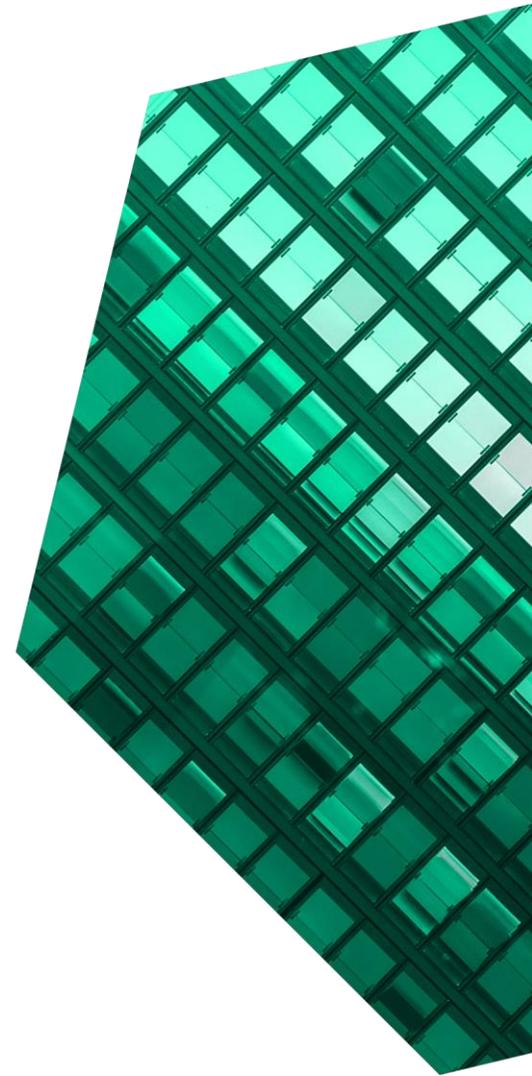
Cost Savings And Business Benefits
Enabled By iCIMS' Talent Cloud

SEPTEMBER 2020

Table Of Contents

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Executive Summary	1
The iCIMS Talent Cloud Customer Journey	6
Key Challenges	6
Solution Requirements/Investment Objectives	7
Composite Organization.....	7
Analysis Of Benefits	9
Increased Productivity Of Hiring Team	9
Avoided Revenue Loss Due To Open Headcount	11
Reduced Staffing Agency Costs	13
Reduced Impact Of Compliance Violations.....	15
Unquantified Benefits	16
Flexibility.....	17
Analysis Of Costs	18
Total Costs Paid To iCIMS	18
Financial Summary	20
Appendix A: Total Economic Impact	21
Appendix B: Endnotes	22



ABOUT FORRESTER CONSULTING

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Executive Summary

“My top benefit is the dynamic reporting. It enables you to manage everything at every step of the way. From understanding who’s approved what, to where the blockages are, the transparency makes iCIMS a transformational tool to use.”

– Vice president of resourcing, industrial consulting

Work was already changing, thanks to consumer demand and business innovation. Now, the COVID-19 pandemic has forced organizations to leap five years forward in workforce strategy planning in a single bound.¹ For organizations to succeed in the current climate, they must become adaptive enterprises that can deal with permanent change. Adaptive enterprises can anticipate tomorrow’s customer and employee needs today by linking great customer experiences (CX) with superior employee experiences (EX).²

iCIMS commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying its [Talent Cloud](#). The iCIMS Talent Cloud strives to empower organizations to attract, engage, hire, and advance the right talent to build a winning workforce. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of iCIMS’ Talent Cloud on their organizations.

Talent can make or break organizational transformation, but business leaders involved in their firms’ digital transformation report that finding the right people with the right skills is a major challenge.³ Prior to using the iCIMS Talent Cloud, the customers interviewed for this report had inefficient and time-consuming candidate management processes. Because their efforts were largely manual, HR organizations lacked consistent hiring approaches leaving them open for compliance violations which

KEY STATISTICS



Return on investment (ROI)

282%



Net present value (NPV)

\$3.27M

lead to costly fines. Additionally, when processes were not well-defined or automated, employee-related hiring data was often missing or mismanaged; and thus it was not trusted by executives.

Board-level executives require accurate employee-oriented data to guide strategic decision-making. One HR leader described the time-to-fill metric that the organization’s CEO followed to track business productivity; indicating the level of importance of that statistic in measuring the health of the business. After an investment in iCIMS’ Talent Cloud, customers stated that they felt confident in the reports being delivered to the board room. Talent acquisition teams have increased their productivity and are hiring effective employees.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with experience using the iCIMS Talent Cloud to manage and build their workforce.

For the purposes of this study, Forrester aggregated the experiences of the interviewed customers and combined the results into a single composite organization.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Increased hiring team productivity.** By selecting the iCIMS Talent Cloud, teams were able to increase their productivity as evidenced by improvements in key metrics. These included reduced time-to-offer by 19 days over two years, savings of 4 days in the onboarding process, and savings of 3 days in scheduling candidate interviews.
- **Avoided revenue loss due to open headcount.** Open positions must be filled for the organization to deliver on revenue expectations. By increasing talent pools by 15%, more candidates are available in the pipeline to fill open sales territories.
- **Reduced staffing agency costs.** Organizations use employment agencies and executive search firms to fill positions that are difficult to hire. This cost companies between 15% and 25% of the estimated total annual compensation for the filled permanent position. By reducing reliance on executive search firms by 15%, the interviewed organizations were able to save more than \$1.1M over three years.
- **Reduced impact of compliance violation fines.** iCIMS ensures consistent hiring processes, which in turn reduces organizational risk of compliance and discrimination violations. By having access to good data in a practical reporting format, recruiting teams proactively adjusted their hiring strategies to help adhere to equal opportunity, affirmative action, and organizational diversity and inclusion program target levels. By moving into compliance with

these government-mandated programs, organizations reduced the fines they were previously punished with.

Unquantified benefits. Benefits that were reported but are not quantified for this study include:

- **Board members appreciate accurate, trusted data.** Board-level executives are interested in leading indicators for their businesses. Interviewed organizations said when they presented board-level materials prior to deploying iCIMS, they needed to pull data from suspect data sources and manipulate it to uncover the statistics executives required. The HR director described her experience after deploying iCIMS as: “In iCIMS, the dashboards and the ability to customize both fields and quickly analyze data is really where the benefit is for us. Because of the consistent, real-time reporting, I now feel good about the data I am reporting on.”
- **Best-of-breed talent acquisition tools improve EX for recruiters, which translates to improved candidate experiences.** Companies are increasingly focused on creating better and differentiated employee experiences. The manager of employment services said: “The dashboard system is another reason why we procured iCIMS. We [recruiters] tend to be very visual, so this is where we go to view our metrics every morning.” Recruiters are the first touchpoints that allow an applicant a true glimpse into a company’s culture. By deploying tools that provide great employee experiences for recruiters, candidates will receive a better applicant experience, setting the relationship up for success after they are onboarded.
- **Integrations save time and money.** iCIMS’ network of partners is the largest in the industry, and it enables turnkey integrations with tools including employee referrals, skills assessments, and background screening. These seamless integrations help organizations reduce overall

implementation time and subsequent time-to-fill and onboard metrics by taking days out of the process. This ultimately translates to reduced costs and increased revenue.

- **Candidates are able to develop life skills and advance professionally.** The move away from paper-based, in-person applications is challenging for candidates with limited access to technology, as email is now required for electronic communication. Recruiters were able to adapt by conducting both onsite and virtual interviews, shepherding applicants through the process, and, in some cases, helping them create first-time email addresses. Through this assistance, candidates not only were able to land the current job they were applying for, but they are also able to advance personally and professionally in the modern world of work.

Costs. Risk-adjusted PV costs include:

- The composite organization paid annual license fees of \$400,000 per year, representing the cost of the iCIMS Talent Cloud which includes products to help attract, engage, and hire talent. Talent Cloud products included career sites, candidate relationship management, applicant tracking, offer management, onboarding, communications, and text engagement. These products are supported by iCIMS Talent Cloud platform capabilities that include AI/machine learning (ML) — including delivery via conversational interfaces, such as iCIMS' digital recruiting assistant, analytics and reporting, centralized talent profile, and integrations.
- The composite organization paid iCIMS a one-time professional services implementation fee of \$60,000. New customers are assigned an

implementation manager who is experienced in applying the best practices and configuring the platform to customers' preferences. Training is provided for each member of the staff — based on their role — by iCIMS professionals.

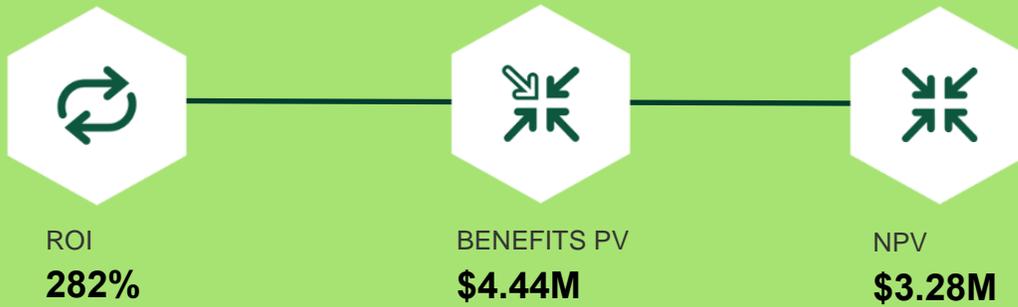
- The model also captures the internal costs of a composite organization's own staff to deliver a four-hour training to 10 global sites.

The customer interviews and financial analysis found that a composite organization experienced benefits of \$4.44M over three years versus costs of \$1.16M, adding up to a net present value (NPV) of \$3.28M and an ROI of 282%.

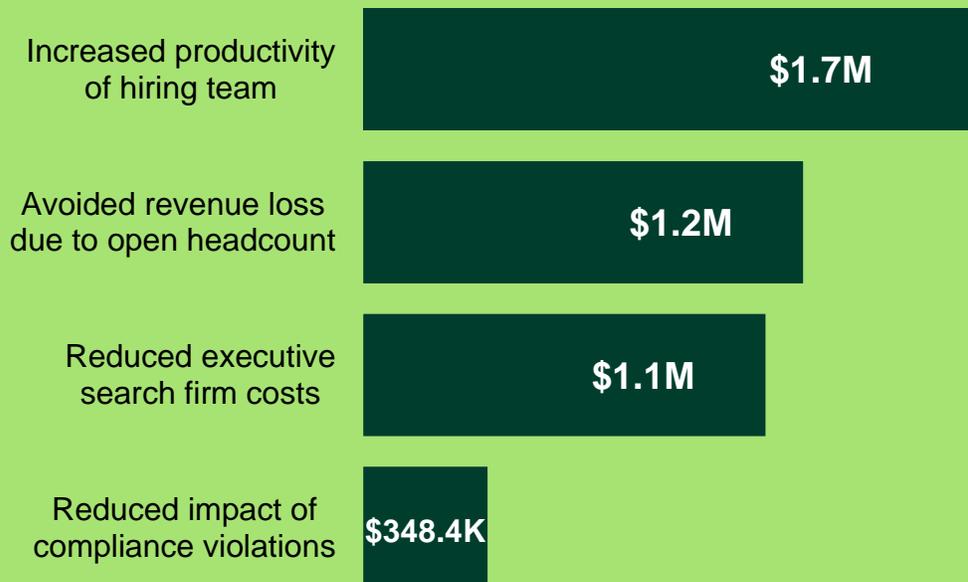
Key assumptions

- Saved 3 days per candidate in scheduling time.
- Reduced time-to-offer accepted metrics from 54 to 42 days in Year 1, and then down to 35 days in Year 2.
- Reduced average time to onboard a new hire 28.75 to 22.62 days.
- Increased the talent pipeline by 15%.
- Increased direct hire percentage from 80% to over 95%.

Increasing direct hiring by 15% resulted in a \$1.1M savings over three years.



Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in the Talent Cloud.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that the iCIMS Talent Cloud can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by iCIMS and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in the Talent Cloud.

iCIMS reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

iCIMS provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed iCIMS stakeholders and Forrester analysts to gather data relative to the iCIMS Talent Cloud.



CUSTOMER INTERVIEWS

Interviewed four decision-makers at organizations using the iCIMS Talent Cloud to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The iCIMS Talent Cloud Customer Journey

Drivers leading to the Talent Cloud investment

Interviewed Organizations

Industry	Region	Interviewee	Number of Employees	Most challenging hire
Industrial consulting	Headquartered in the UK with global presence	Vice president, resourcing	60,000	Consultants delivering strategic value
Manufacturing	Headquartered in the US	Director, human resources	4,500	Crew to keep plants properly staffed
Healthcare	Headquartered in the US	Manager, employment services	6,000	Nurses providing patient care
Healthcare	Headquartered in the US	Director of talent acquisition	1,200	MD Hospitalists providing patient care

KEY CHALLENGES

Before considering an investment in iCIMS' Talent Cloud, the interviewed organizations struggled with common challenges, including:

- **Inconsistent hiring practices across regional and global locations.** One VP of resourcing said, "Everyone just did their own thing," as she described how each location had their own processes and procedures for hiring, recruiting, and onboarding candidates. Since recruiting teams' KPIs and goals were not aligned, collaboration was discouraged and regional siloes were being reinforced. Another interviewee described how having inadequate documentation of hiring and selection processes contributed to significant penalties.
- **Manual candidate management efforts were inefficient and time-consuming.** In the best case, the interviewed organization managed massive spreadsheets to track candidate hiring status. In the worst cases, candidate CVs were stuffed into drawers and filing cabinets. These inefficient systems left hiring teams with no way to easily recontact candidates, automate reporting, or track key metrics like average time-to-hire. Without these systems in place, HR professionals missed the opportunity to

reconnect with previously vetted candidates who were a perfect match for a new open requisition.

- **Lack of trusted data.** Lack of process, or manual data entry, led to inaccurate data. Organizations receiving paper-based applications did not record that application in a central database. An interviewee from the manufacturing industry described how some locations would fall weeks or months behind on entering applications into the ATS. This led to inaccurate reporting, prohibiting companies from having trusted real-time data.

"We have high turnover. We did everything via paper and didn't have consistency amongst the plants. We were really looking for a way to streamline our selection and hiring processes."

HR director, manufacturing

- **Inflexible legacy solutions that failed to meet today's business needs.** Those interviewees who did have legacy technology in place described their prior solutions as "outdated" and "inflexible." One manager of employment services said, "Our board keeps asking for new,

different metrics. To change a report, I needed to pay our vendor between \$2,000 to \$5,000 to amend the report, and it takes three to four weeks to receive it.” Since employees are often a business’s largest asset (and expense), board-level executives need timely access to employee-oriented data to make crucial, strategic decisions.

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewed organizations searched for a solution that was:

- **Specifically designed for talent acquisition.** Organizations reported being pressured by IT to implement their current HRIS systems’ applicant tracking modules. However, upon evaluation, one interviewee said, “iCIMS knows the nuances of what we [talent teams] want and that’s different from what an HR organization wants in its system.”
- **Focused on all users’ experiences.** Candidate, manager, and recruiter experience were important factors in selecting a partner. One manager of employment services said, “I wanted something that was user-friendly, I didn’t want to have to take a three-week training to figure out how to even navigate through a system.”
- **Agile and cloud-based.** Interviewed organizations had differing business models that all expressed a desire for a solution which could be customized to their needs. The cloud-based solution was appealing because it could scale with companies as their hiring requirements increased.
- **Support global locations with multiple languages.** Candidate locations require support for multiple languages. One US-based interviewee discussed a need to support job postings in both English and Spanish.

“iCIMS transformed how we did everything because suddenly iCIMS’ dynamic dashboards allowed transparency and visibility. Now we know exactly what is going on at the flip of a switch. We couldn’t be as globally connected if we didn’t have iCIMS.”

Vice president of resourcing, industrial consulting

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is representative, but not an average of, the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

“When your entire business is reliant on finding the right people for the right places when you need them, you need the best tools to do that. It may not mean you need to have the cheapest tools; it’s more about the return on investment.”

Vice president of resourcing, industrial consulting

- **Description of composite.** The global, multibillion-dollar organization has both a business-to-business and business-to-consumer business model. It provides sales, customer support, and consulting services to its customers. The organization has a strong brand and a global operation, and it also is a people-oriented business, where the company is reliant on its employees to deliver its services. The company has 60,000 employees with over \$7 billion dollars in revenue per year. The average deal size of a

business-to-business contract is over \$200,000. Last year, the company hired over 12,600 new employees.

- **Deployment characteristics.** The organization has been growing steadily but given current business dynamics its growth has flattened. The company conducts business with the Federal Government in the United States, and it therefore is subject not only to Equal Employment Opportunity regulations but also Affirmative Action compliance.

“ I’d rather have an ‘all singing, all dancing’ iCIMS than a vanilla HRIS talent acquisition module.”

— Vice president of resourcing, industrial consulting

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Increased productivity of hiring team	\$696,276	\$696,276	\$696,276	\$2,088,828	\$1,731,535
Btr	Avoided revenue loss due to open headcount	\$496,125	\$496,125	\$496,125	\$1,488,375	\$1,233,789
Ctr	Reduced staffing agency costs	\$456,000	\$456,000	\$456,000	\$1,368,000	\$1,134,005
Dtr	Reduced impact of compliance violations	\$203,421	\$118,182	\$87,624	\$409,227	\$348,433
	Total benefits (risk-adjusted)	\$1,851,822	\$1,766,583	\$1,736,025	\$5,354,430	\$4,447,762

INCREASED PRODUCTIVITY OF HIRING TEAM

Evidence and data. When discussing the reasons for selecting the iCIMS Talent Cloud, interviewees touted the benefits of having a best-of-breed system that was designed with talent acquisition in mind, rather than a generic bolt-on to their HRIS systems. Examples of direct efficiency gains experienced by recruiters included:

- **Reduced time calendaring.** The manager of employment services said: “It saved us days. Recruiters talk to an applicant, then need to schedule interviews looking at calendars for the candidate, manager, and the rest of the interview participants. It saved us 3 days per candidate just in scheduling time.” iCIMS’ text recruiting capabilities are particularly helpful with volume

“As a recruiter, the first thing you do in the morning is log into iCIMS. That’s your tool to do your job...we couldn’t manage effectively without it.”

Vice president of resourcing, industrial consulting

hiring situations where jobs need to be filled in hours versus days.

- **Eliminated manual data entry into spreadsheets to enable reporting.** After implementing iCIMS, the interviewed organizations saw a reduction in manual entry for data such as vacancies or number of applicants. The vice president of resourcing explained: “[Prior to iCIMS], every time we had a departure, we maintained a humongous spreadsheet simply to record a vacancy. We spent valuable time working on this spreadsheet so we could manually calculate the metrics we needed to report on like time-to-hire.”

The functionality in the iCIMS Talent Cloud enables reduction in metrics that are essential to how recruiting teams measure success. Examples of reductions directly attributed to using iCIMS’ Talent Cloud include:

- **On-time mobilization.** The vice president of resourcing described how in the two years since they deployed iCIMS, they were able to reduce their time-to-offer-accepted metric, which internally called on-time mobilization, from 54 to 42 days in Year 1, from 35 to 28 days now in

Year 2; the industry average was significantly bested by 45 days.

- **Average time to onboard a candidate.** The manager of employment services at a healthcare firm was able to report to her board that their average time to onboard a new hire went from 28.75 to 22.62 days. She attributed this to the iCIMS onboarding capability, which allows for new hires to electronically complete their paperwork.
- **Increased talent pipeline.** The same manager of employment services at the healthcare firm said due to the ability of iCIMS to power both external recruiting and internal mobility initiatives, she was able to increase her firm’s talent pipeline by 15%. Without the right pipeline to start, the quality and diversity of candidates was greatly hampered. During the pandemic, the team used iCIMS technology to register furloughed workers. The team also utilized iCIMS’ text-based talent engagement capabilities to call workers back to fill various short-term roles that needed attention.

iCIMS’ text recruiting capabilities saved over 3 days in scheduling and 44 days with “flex recruit” positions.

- **Process KPIs.** Deploying iCIMS was a catalyst for creating a set of process KPIs for recruiters to follow; one company described how recruiters logged into a dashboard to look at these metrics. HR executives created universal KPIs that could be globally followed, so the experience for a candidate was the meaning that an experience in Iowa would be the same as it was in Italy. For example, external candidates must be responded to within a week and internal applicants must be personally contacted within three days. This focus on timely communication provided an improved candidate experience, which was identified as a top priority by HR leaders.

- **Direct hire percentage.** The consulting firm described how they were able to increase their direct hire percentages from 80% to over 95% of hires.

“Talent Cloud’s texting capabilities allowed me to create campaigns to text all potential candidates at the same time. For example: ‘We have four jobs open tomorrow for the day shift; text me back if you can work.’ It was immediate. Otherwise, I would have had to call these people. The feature is worth every penny we’re paying for it.”

Employment services manager, healthcare

Modeling and assumptions. The additive effect of these metrics was used to calculate the increased productivity of the hiring team. For the composite analysis, Forrester assumes that:

- The impact of the metrics that recruiting teams articulated after deploying the iCIMS Talent Cloud resulted in a total savings of 24 hours per hire.
- The average fully burdened hourly salary of a recruiter is \$42.
- The composite organization also modeled the reduction in hiring and retaining approvers, which — as a manager — was assumed to have a fully burdened salary of \$55 per hour.
- Forrester’s best practice when measuring productivity increases is to apply a percentage recapture due to the likely fact that not all time saved is spent working. In this case, Forrester applied a 50% recapture.

Risks. Forrester realizes that factors that drive revenue in an industry can vary widely. Specific risk considerations for this model include:

- The number of open hires can vary widely by company.
- Salaries for recruiters and managers may differ by industry and geography.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$1,73M.

Increased Productivity Of Hiring Team					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Hours saved in recruiter productivity per hire		24	24	24
A2	Average fully burdened hourly salary of a recruiter	\$87,750/2,080 working hours	\$42	\$42	\$42
A3	Number of permanent position hires	C3	1,260	1,260	1,260
A4	Hours saved in approver productivity	4 hours	4	4	4
A5	Average fully burdened hourly salary of a manager (approver)	\$55 per hour	\$55	\$55	\$55
A6	Productivity recapture		50%	50%	50%
At	Increased productivity of hiring team	$(A1 \cdot A2 \cdot A3 \cdot A6) + (A3 \cdot A4 \cdot A5 \cdot A6)$	\$773,640	\$773,640	\$773,640
	Risk adjustment	↓10%			
Atr	Increased productivity of hiring team (risk-adjusted)		\$696,276	\$696,276	\$696,276
Three-year total: \$2,088,828			Three-year present value: \$1,731,535		

AVOIDED REVENUE LOSS DUE TO OPEN HEADCOUNT

Evidence and data. In a people-oriented business, organizations must have fully ramped employees to meet annual revenue goals. Without employees to deliver a product or service, businesses will fall short of those targets. As an example, during the COVID-19 crisis, manufacturing plants were unable to staff their shifts around the clock. As an example of the business impact, without employees keeping the manufacturing lines rolling, national restaurant chains experienced meat shortages and were not able to offer certain menu items.⁴

iCIMS' customers highlighted examples of the impact that open headcount has on the bottom line:

- One HR director at a manufacturing company shared how iCIMS helped their plants continue to operate. iCIMS allowed their recruiting team to create a regional and city-based focus which the company never had before. The director said, "We started looking at the number of applicants by area and state and shifted our focus to target specific cities for recruiting events." In addition, iCIMS allowed recruiters to easily recontact those applicants who never completed the entire process. By implementing these changes, the company was able to keep their plants better staffed.
- Enterprise account executives serve as the revenue engine of a company. Without them,

sales territories will go unfilled, resulting in companies failing to meet their financial plans.

- There is a national nursing shortage in the US, and the pandemic has only exacerbated this void. Healthcare systems are left scrambling to source caretakers who can deliver increasing patient care demand. A healthcare interviewee said that her organization uses iCIMS to advertise on social media. Due to the seamless links to social media sites such as LinkedIn, healthcare companies increased their candidate pools more than 15%. This led to improvements in the ease of staffing shifts and better, more attentive patient care.
- One consulting firm explained that without the right individuals on their project bids, they are at risk of losing business. The vice president of resourcing described it in the following way: “The costs for not filling those roles are huge. We need to name individuals on a bid to get the business in the first place. We use iCIMS to manage the talent pools for bids because quite often we may not get a bid if we don’t have the right team.”

Modeling and assumptions. For the composite analysis, Forrester assumes that:

- The composite organization has a consulting division which delivers strategic engagements to its customers. Open headcount from unstaffed projects led to reduced revenue recognition.

For the composite analysis, Forrester assumes that:

- Five percent of the open requisitions are revenue-generating positions that staff consulting projects.
- The profit that a revenue-generating position produces is \$175,000 per year.
- By working with iCIMS Talent Cloud capabilities, the composite organization increased its avoided revenue losses by 5%.

Risks. Forrester realizes that factors which drive revenue in an industry can vary widely. Specific risk considerations for this model include:

- The numbers of open requisitions differ by organization.
- Revenue metrics such as average deal size of a consulting project varies by industry.

“An average large consulting project may generate 10 million dollars of revenue and take 500 consultants to accomplish. By having 500 vacancies for a year, we’re losing out on a whole project’s worth of revenue.”

Vice president of resourcing, industrial consulting

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.23M.

Avoided Revenue Loss Due To Open Headcount					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Number of open requisitions that generate revenue	C3*5%	63	63	63
B2	Average deal size	\$175,000	\$175,000	\$175,000	\$175,000
B3	Potential lost revenue if requisitions remain unfilled	B1*B2	\$11,025,000	\$11,025,000	\$11,025,000
B4	Percentage improvement due to iCIMS	5%	5%	5%	5%
Bt	Avoided revenue loss due to open headcount	B3*B4	\$551,250	\$551,250	\$551,250
	Risk adjustment	↓10%			
Btr	Avoided revenue loss due to open headcount (risk-adjusted)		\$496,125	\$496,125	\$496,125
Three-year total: \$1,488,375			Three-year present value: \$1,233,789		

REDUCED STAFFING AGENCY COSTS

Evidence and data. Organizations use employment agencies and executive search firms to supplement their hiring efforts. The vice president of resourcing explained that its firm uses staffing agencies to source both contractors and permanent positions. The amount paid to search for firms can vary by business model or type of position being sourced. For contractors, the firm can expect to pay a 3% to 10% margin on a contractor’s hourly rate. By contrast, retained executive search firms charge the employer between 15% and 25% of the estimated total annual compensation.

These fees are substantial if left unchecked. Because of this, interviewees described trying to limit their use of executive search firms.

iCIMS helped reduce the reliance on agencies through recruiters: 1) honing their practices with aligned KPIs; 2) making data-driven decisions; and 3) having better access to candidates. iCIMS’ CRM and applicant tracking system (ATS) capabilities allow companies to engage candidates who are sourced

via networking platforms or whether they have previously shown interest in a position, to build and maintaining a larger candidate pool. The vice president of resourcing said, “We couldn’t be what we are today if we didn’t have the right ATS.”

Modeling and assumptions. To take a conservative approach, the composite model only represents the permanent positions being filled. The opportunity for further reduction increases if the reader chooses to include contractor positions.

- Based on an 1.8% monthly voluntary turnover rate, Forrester assumed that only 50% of those positions would be backfilled.⁵
- Based on interviewee responses, Forrester modeled that 5% of those permanent positions would be filled using an executive search firm.
- Forrester used a 15% reduction in agency hires as an average based on customer interviews.

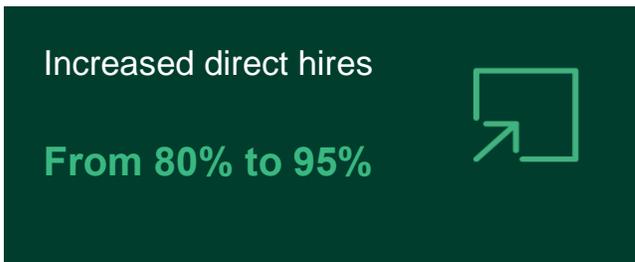
- Positions staffed by executive search firms tend to be higher salary positions, Forrester used an average yearly salary of \$150,000 per year.
- Forrester assumed the average fees paid to an executive search firm are 20% of a hire's first year total compensation (less benefits).

Risks. Forrester realizes that organizations' use of executive search firms may vary widely based on the following considerations:

- The size and geographic location of an organization.
- The size of organizations' recruiting teams.
- The tenure of the business in a growing geographic location.
- The cost of salaries of employees being hired.

- The business model of the executive search firm, which has been selected, and their corresponding fee structure.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$ 1.13M.



Reduced Staffing Agency Costs					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Total number of employees	Composite assumption	60,000	60,000	60,000
C2	Total number of open hires per year	Assuming a 21% turnover rate	12,600	12,600	12,600
C3	Average number of open permanent positions	10%	1,260	1,260	1,260
C4	Number of requisitions sourced by staffing agency	C3*10%	126	126	126
C5	Reduction in staffing agency firm hires after iCIMS	15%	15%	15%	15%
C6	Number of open permanent positions no longer sourced by a staffing agency	C4*C5	19	19	19
C7	Average salary of a hire sourced by a staffing agency		\$150,000	\$150,000	\$150,000
C8	Average percentage paid to an agency for a permanent hire	Source: customer interview	20%	20%	20%
Ct	Reduced staffing agency costs	C6*C7*C8	\$570,000	\$570,000	\$570,000
	Risk adjustment	↓20%			
Ctr	Reduced staffing agency costs (risk-adjusted)		\$456,000	\$456,000	\$456,000
Three-year total: \$1,368,000			Three-year present value: \$1,134,005		

REDUCED IMPACT OF COMPLIANCE VIOLATIONS

Evidence and data. US-based businesses with more than 15 employees must follow employment laws developed by the EEOC.⁶ Interviewees universally described difficulties with keeping these records and having consistent hiring practices, as described in the challenges section of this study.

Non-compliance fines vary by infraction and can result in multimillion-dollar settlements. A search of the Good Jobs First violation tracker found employment discrimination cases resulted in penalties ranging between \$6,000 and \$50 million.⁷

Interviewed organizations must analyze applicant and selection data to ensure compliance with employment laws. iCIMS improves compliance and recordkeeping in a decentralized environment, and through the help of its reporting and analysis tools, it can contribute to the avoidance or reduction of penalties in two ways:

- Enabling HR organizations to ensure that all recruiting teams capture the information required for the Equal Employment Opportunity Commission (EEOC) and Affirmative Action Program.
- Ensuring organizations have the data to proactively adjust recruiting strategies to comply with everchanging self-identification requirements.

Modeling and assumptions. The model reflects the reality that iCIMS capabilities contribute to the reduction of fines, but it will not eliminate them. In addition, the model incorporates the time saved by HR and compliance teams in gathering the records and reports needed to submit to the EEOC. The details of the model include:

- The cost of the fine is representative of the employment discrimination fines from companies similar to the composite organization, which has been sourced using the Good Jobs Violation tracker.

- Forrester attributed 10% of the benefit to the iCIMS Talent Cloud, acknowledging that the organization's proactive work to comply with the equal opportunity application of hiring targets to avoid fines is largely responsible.
- One director-level employee worked for two months in preparation for the audit at an hourly salary of \$46 per hour. In addition, three administrative-level employees worked alongside this director in assisting with audit preparations at a \$15 per hour salary rate.

Risks. Forrester acknowledges that reduction in non-compliance fines will vary by:

- The size of the settlement.
- The ability to mitigate the issues causing the fines and the overall dollar reduction.
- The size of the organization.

“Each year we are required to complete affirmative action plans. You can imagine with paper records how much work that would be. We didn’t have consistent hiring and tracking processes in place. iCIMS allowed us to create shared process to ensure that were collecting the same data that we can pull, analyze, and prepare for affirmative action.”

HR director, manufacturer

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$348K.

Reduced Impact Of Compliance Violations					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Cost of fine	Cost of fine	\$1,386,632	\$439,538	\$100,000
D2	Reduction in fines due to iCIMS driving policy	Attribution to iCIMS driving policy	10%	10%	10%
D3	Avoided cost of fines	Avoided cost of fines	\$138,663	\$43,954	\$10,000
D4	Time savings prepping for audit	8 hrs *60 days	480	480	480
D5	Fully loaded director hourly salary	\$46	\$46	\$46	\$46
D6	Admin hourly rate	\$15 per hour*3 admins	\$45	\$45	\$45
D7	Time saved in audit prep	((D4*D5) + (D4*D6)) *2x per year	\$87,360	\$87,360	\$87,360
Dt	Reduced impact of compliance violations	D3+D7	\$226,023	\$131,314	\$97,360
	Risk adjustment	↓10%			
Dtr	Reduced impact of compliance violations (risk-adjusted)		\$203,421	\$118,182	\$87,624
Three-year total: \$409,227			Three-year present value: \$348,433		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- Board-level executives received accurate, trusted data.** Board-level executives are interested in the leading indicators of their businesses. The dynamic reporting capabilities in iCIMS allow organizations to perform data analytics on trends like vacancy projections. The vice president of resourcing said that her board of directors pays close attention to metrics like time-to-hire because of the impact headcount has on revenue: “We are a consultancy, and our assets are project-reimbursable people. Every hour that we’ve got someone on a job, we’re charging a customer for and generating revenue.” In fact, that KPI for the time-to-hire metric was set by the CEO of this company. Before iCIMS, their time-

to-hire numbers were more manipulated than fact-based, “With iCIMS, we believe our numbers because we can see the journey of a requisition to understand which ones can’t be filled and why.”

- Employee experience translates to a better candidate experience.** Employee experience is an increasingly important metric that organizations track. Companies are trying to differentiate their EX, and this must start with the candidate experience. The vice president of resourcing for one firm said: “We wanted it to be as easy as buying a book on Amazon. We want it to be intuitive so that candidates can manage the process with minimal clicks. But it’s more about how we manage the recruitment process because the better that is, the more it will enhance the candidate experience.”

- **Integrations save time and money.** iCIMS has a network of hundreds of partners that can enable seamless connection with tools like employee referrals, skills assessments, and background screening. The manager of employment services said: “I like the ability for iCIMS to integrate with other systems very easily, whether that be a payroll systems, the background screening systems, I found that the integration piece is second to none.” Utilizing the partner network saves users time by enabling changes once they are made and updating them across the company automatically — this synchronizes large amounts of data across systems in real time.
- **Candidates’ professional advancement and careers are supported.** Some industries heavily rely on a diversified workforce that may not have access to technology. For those industries, the move away from paper-based, in-person applications was challenging for applicants. Recruiters have adapted by conducting onsite and virtual interviews, shepherding applicants through the process. The HR director described how her teams are going above and beyond to assist applicants in some cases, like creating their first email account to help them communicate professionally.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement iCIMS’ Talent Cloud and later realize additional uses and business opportunities, including:

- **Linking to HRIS to better understand and advance talent.** Without connecting iCIMS to the HR system of record, or payroll system which holds an employee’s start and departure date, it’s difficult to conduct deeper analysis to understand and solve talent retention and mobility issues. Many interviewees expressed a desire to

upgrade and connect their payroll systems to iCIMS to develop a better picture of an employee’s tenure and factors for departure.

- **Understanding quality of hire.** In addition to retention, the interviewed organizations would like to understand how the quality of their hiring impacts retention rates. By measuring and understanding the factors that go into an exemplary employee, the recruiters know what characteristics they’re looking for in their search process.

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Total costs paid to iCIMS	\$69,432	\$440,000	\$440,000	\$440,000	\$1,389,432	\$1,163,647
	Total costs (risk-adjusted)	\$69,432	\$440,000	\$440,000	\$440,000	\$1,389,432	\$1,163,647

TOTAL COSTS PAID TO iCIMS

Evidence and data. iCIMS’ subscription model is a monthly license-based subscription fee. Recurring pricing is based on products, users, and services required. The composite organization pays a monthly license fee which includes access to the iCIMS Talent Cloud. The fee of \$400,000 per year includes the following capabilities from iCIMS’ Talent Cloud: Career Sites, Candidate Relationship Management, Applicant Tracking, Offer Management, Onboarding, Communications, and Text Engagement. These are supported by iCIMS Talent Cloud platform capabilities, which include AI/ML (including delivery via conversational interfaces, such as iCIMS’ digital recruiting assistant, analytics and reporting, centralized talent profile, and integrations).

The one-time services charge covers the cost of implementation. New customers are assigned an implementation manager who is experienced in applying best practices and configuring the platform to customers’ preferences. Training is provided for each member of the staff based on their role. iCIMS follows a 5-step implementation methodology that includes:

- **Analysis.** The timeline for implementation is set and key benchmarks are defined.

- **Configuration.** The platform is configured to reflect a customer’s recruitment process, specifically in career portals, job requisitions, applicant-workflow stages, and candidate and employee profiles.
- **Conversion.** Previous data is migrated onto the iCIMS platform.
- **Validation.** Test to ensure the platform accurately reflects the workflow needs.
- **Production.** An official launch includes links to corporate and intranet websites.

Risks. Costs will vary based on:

- The size and scope of the organization.
- The amount of training required.
- The model also represents the costs necessary for internal staff from the composite organization to deliver a 4-hour training to 10 global locations.

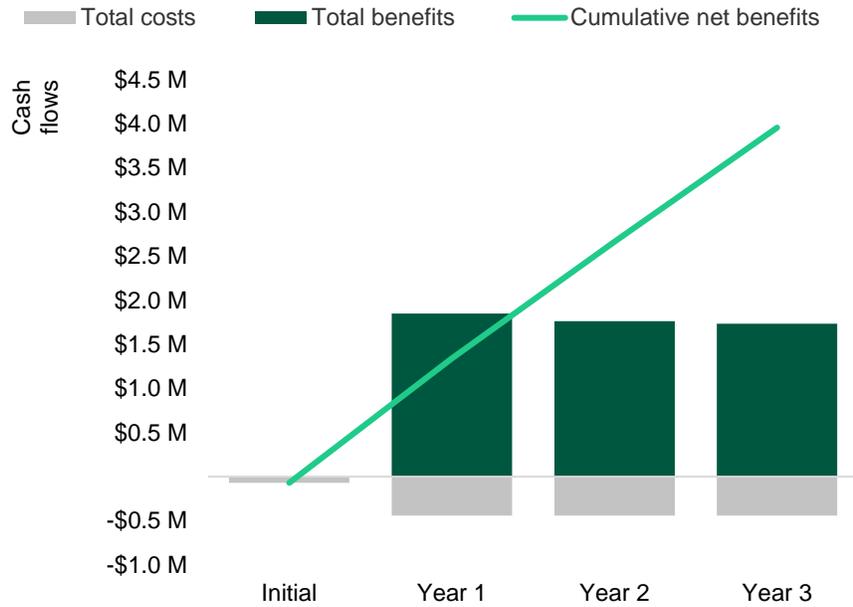
To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1,163,647.

Total Costs Paid To iCIMS						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	License fees paid to iCIMS			\$400,000	\$400,000	\$400,000
E2	One-time implementation and professional services fee		\$60,000			
E3	Training costs	\$78/hr*4 hour *10 locations	\$3,120			
Et	Total costs paid to iCIMS	E1+E2+E3	\$63,120	\$400,000	\$400,000	\$400,000
	Risk adjustment	↑10%				
Etr	Total costs paid to iCIMS (risk-adjusted)		\$69,432	\$440,000	\$440,000	\$440,000
Three-year total: \$1,389,432			Three-year present value: \$1,163,647			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$69,432)	(\$440,000)	(\$440,000)	(\$440,000)	(\$1,389,432)	(\$1,163,647)
Total benefits	\$0	\$1,851,822	\$1,766,583	\$1,736,025	\$5,354,430	\$4,447,762
Net benefits	(\$69,432)	\$1,411,822	\$1,326,583	\$1,296,025	\$3,964,998	\$3,284,115
ROI						282%
Payback period						<3 months

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."



PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.



RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



DISCOUNT RATE

The interest rate used in cash flow analysis to consider the time value of money. Organizations typically use discount rates between 8% and 16%.

Appendix B: Endnotes

¹ Source: “The Future Of Work Starts Now,” Forrester Research, Inc., April 14, 2020.

² Source: “Future-Proof Your Workforce Strategy With Adaptive Talent Management,” Forrester Research, Inc., February 19, 2020.

³ Source: “Build A Digital Talent Strategy,” Forrester Research, Inc., January 16, 2019.

⁴ Source: David Yaffe-Bellany and Michael Corkery, “A Wendy’s With No Burgers as Meat Production Is Hit,” The New York Times, May 5, 2020 (<https://www.nytimes.com/2020/05/05/business/coronavirus-meat-shortages.html>).

⁵ Source: Ahu Yildirmaz, Christopher Ryan, Jeff Nezej “2019 State of the Workforce Report: Pay, Promotions and Retention”, ADP Research Institute

⁶ Businesses with more than 15 employees must follow the laws covered by the EEOC, and government contractors must also comply with the legal requirement to take affirmative action and not discriminate on the basis of race, color, sex, sexual orientation, gender identity, religion, national origin, disability, or status as a protected veteran. The latter is enforced by the OFCCP. Employers are responsible for ensuring their hiring practices follow the laws of each country they reside in, and that detailed records are maintained, and corresponding reports are submitted per the government regulations. Further, organizations that must respond to a charge or violation, will be required to submit detailed records on their hiring practices, which after investigation may result in substantial fines.

⁷ The Good Jobs Violation Tracker is the first wide-ranging database on corporate misconduct. It covers banking, consumer protection, false claims, environmental, wage and hour, safety, employment discrimination, price-fixing, bribery, and other cases resolved by over 50 federal regulatory agencies and all parts of the Justice Department since 2000 — plus cases from state attorney generals and selected state regulatory agencies as well as employment-related class actions. In all, the tracker accounts for 437,000 civil and criminal cases with penalties of \$627 billion. The Violation Tracker is produced by the Corporate Research Project of Good Jobs First.

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