

Choosing The Right ATS

The definitive guide to choosing the right applicant tracking system



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Introduction

As a small and medium-sized company, choosing an applicant tracking system should be an exciting endeavor, not a daunting task. To free you from the time and stress often associated with choosing a new ATS, we have developed a quick and comprehensive guide explaining everything that you should look for and expect while going through your selection process.

Ironically enough, choosing the right applicant tracking system is not unlike choosing the right candidate for a job. First, you need to take a step back and evaluate your internal environment. What are your immediate needs? What problems are you really solving? Taking the time to distil your key requirements will, in the end, save you time and keep you from getting distracted by the bells and whistles that you don't really need.

Once you have established your core criteria, you must go through and evaluate the available options, efficiently vetting their offerings against your needs. You're making an important decision here. Introducing an ATS at your company is incredibly impactful. Selecting the right one gives you the opportunity to dramatically improve the recruiting and hiring processes at your company.

Of course with great power comes great responsibility. The risk is that you end up choosing technology that others won't ever enjoy using, or worse, a system that hampers your recruiting process instead of improving it. Your name is likely on this project for the next 12 months at the very least, so don't leave this important decision to chance. To help guide you through the selection process, we are excited to share our definitive guide to choosing the right applicant tracking system for your business.



INSIDER TIP: Unlike CRM or accounting platforms, applicant tracking systems are incredibly collaborative. From hiring managers to executives, and even staff members carrying out interviews, ATS users run the gamut. This means that many different groups of people within your organization will "touch" your ATS platform. Be sure to loop your team members in to identify your core needs and include them throughout your evaluation as well. Remember, the cost of "hiring" the wrong ATS far outweighs the time spent on a couple of discovery calls and demos.

ATS for Employers vs Recruiting Software for Agencies

If your organization is the end employer for the candidates that you are hiring, a good rule of thumb is to choose a good corporate applicant tracking system. Corporate ATS's are technology platforms designed for HR and recruiting departments to manage and organize internal hiring processes. These systems maintain the one to one relationships between an employer's candidates and the internal staff that interviews them. Typically, corporate applicant tracking software will include the following features:

- Tools for requesting and approving jobs and job offers
- Interview scheduling that integrates with your company's email system
- Functionality that facilitates collaboration amongst internal hiring managers allowing for easy collection of interview notes and feedback
- Recruiting analytics that measure KPIs such as the stage-to-stage conversion rates
- Built-in compliance measures to keep you safe
- Fully integrated, responsive career pages that offer a great candidate experience
- Integrated background checks, drug screens & pre-screen assessments
- Robust workflows and comprehensive dashboards

Recruiting software typically refers to technology that is used by recruiting agencies, executive search firms, and staffing agencies to manage external recruiting projects. These systems are designed to help recruiting firms manage candidates and their contact information for many employers. Features will focus on sourcing candidates and managing "job orders." These systems don't offer robust workflows because they are not designed to integrate with your company's internal process. For this reason, your hiring managers won't effectively interface with recruiting software for a staffing firm. Lastly, the analytics built into such recruiting software is designed exclusively to measure recruiter performance but won't (and can't) take into account the data created by hiring managers and interviewers.

INSIDER TIP: Technology providers that say they sell to both employers and staffing agencies often fail to deliver a focused feature set that makes either side happy. Ask a vendor who their customers are. If there is not a clear answer differentiating between direct employers and recruiting agencies, avoid that vendor.

Now that we have drawn a distinction between these two often mistaken types of hiring software. So where do you go from here? Clearly you don't have the time to reach out to every ATS provider, so you must further refine your search amongst applicant tracking systems. Start by outlining your selection process and establish a launch timeline for your expected go-live date.

Establish a Timeline for Your Go-Live Date

As with any important project, you'll want to create a timeline. Start with the end in mind. In this case, the end goal is your go-live date. When do you really want to have a new system fully activated? Take that date and work backwards. A good rule of thumb is that you'll want to have a full month to activate your new system. That means that you'll want to wrap up your selection process about four weeks before your go-live date. Unless selecting a new applicant tracking software is your only project, you'll want to give yourself a month to complete research, discovery calls and product demos. This means that a well-run selection process for choosing a new applicant tracking system, from research to the go live date, will take approximately eight weeks.

Outline a Selection Process

If you're like most HR and recruiting practitioners, you want to be thorough in your ATS search, but you don't have dozens of hours to spare. Having a structured outline of your selection process is key to choosing the right ATS in an efficient manner. It will help you vet amongst the top offerings and track progress against your timeline to go live. The three phases of your selection process should be as follows:

Independent Research: One of the best places to start is with your peers. Ask around. Your peers will have opinions that will lead you to platforms to investigate. Be sure that you understand their use cases and ask for their rationale as they were going through the selection process. You'll also want to search the web. There are some good business software review sites such as Capterra. Use search terms like, "applicant tracking system", "applicant tracking software" and "ATS." Remember, if you are looking for a corporate ATS, avoid the term "recruiting software."

Discovery Calls: Before you go and schedule your day full of 60-90 minute product demos, at least insist on an initial phone call with a sales person. This discovery call should yield answers about basic functionality, detailed pricing information and reassurance that the vendor is successful with similar size employers from your industry. Also, on this call the salesperson should offer you a customized price as well as general contract length terms. Don't agree to a product demonstration or another meeting without understanding how the pricing works and the length of the commitment they require.

Product Demos: Like what you hear on the discovery call? Set up a product demo. These days, modern technology is bought and sold mostly over the web. Web meetings are the norm. Let the salesperson set the agenda. A good seller will be prepared to tailor the demo based on information from your initial phone call. Your salesperson should be able to demo the product live - no PowerPoints. If the seller is forced to rely on a "sales engineer" to present the product, just imagine how complicated the product must be. How are you and your team ever going to figure it out if the salesperson can't even demo it?



INSIDER TIP: Free trials and demo environments are a waste of your time. As you'll learn below, there are critical steps to activating an applicant tracking system properly and these are never followed when a vendor offers you a free trial. An applicant tracking system is unique in that there are dozens of collaborative actors creating lots of intertwined communication streams. Simulating these interactions is nearly impossible in free trial accounts. Unguided trials and pilots often leave users more frustrated than enlightened. Most importantly, you're never going to put an actual job applicant through a trial version of an applicant tracking system.

While going through these stages of the selection process, you may find a system that appears to fulfill all of your needs as far as functionality is concerned. However, this is not all you should take into consideration when making your decision. You must also account for contract terms, system pricing models, the implementation process and, of course, customer support offerings.

Map Out & Understand the Pricing Structure

Modern Systems, Modern Contracts: Contracts, which are often referred to as user license agreements or terms of service, can be tedious but it is vital that you understand them. These documents spell out the logistical terms and obligations of both parties. Systems that advertise “no contract required” should be avoided by small and medium-size employers that likely require more structured relationships. That said, over litigious contracts aren’t necessary either. The good news is that over the past decade or so, most of the language in software purchase agreements has become similar and quite standard. It’s rare that this will be an issue in your selection of a new applicant tracking system.

Contract length is an entirely different story, however. Be wary of vendors that require multi-year obligations. Recruiting is one of the most dynamic business processes in your entire organization. We all know that the economy can literally shift on a dime, immediately impacting open headcount, recruiting resources and, quite frankly, budget. Small and medium-size businesses should never commit to more than one year with an applicant tracking system vendor. Vendors that offer deep discounts for multi-year contracts are looking to “lock you in” so that you don’t have the freedom to switch systems or cut back on price. This should be an immediate red flag. If a vendor is worried about you wanting to switch after a year, what does that tell you about their product and service offering?

Dollars and Sense: Given the number of applicant tracking systems on the market, it’s no surprise that their pricing methodologies vary quite a bit. To make an informed decision, you must understand exactly how each vendor

on your shortlist charges for their product. The most commonly used pricing strategy is to charge by the user (also called a seat or license) and / or by feature. Avoid systems that charge by the job (or posting). If your open requisition count spikes due to demand or seasonality, this can compound the stress on your recruiting budget.

Speaking of stress on your recruiting budget, there has been a recent trend amongst ATS vendors targeting tech companies. These companies charge a couple of dollars per employee per month. This pricing strategy offers the illusion of a low price, when in reality, these plans can quickly become very expensive. Often times, vendors offering such a pricing strategy have taken tens of millions of venture capital dollars and are under a lot of stress to meet financial goals set by their investors. This stress is passed onto customers in the form of higher fees and more aggressive sales tactics. Additionally, many venture-backed vendors emphasize net new customers to meet their investor projections. This means that once a customer is sold, it is onto the next one, with little consideration for onboarding, account management and ongoing support.

We will dive into what support you should expect from your ATS vendor later in the guide, but a quick note while on the topic of money - you should never pay for support! As part of your contract, you should receive access to the full-service level offered by your vendor free of charge. If a vendor doesn’t provide phone, email and web support, then it’s not the right vendor for you.

INSIDER TIP: Vendors that offer deep discounts for multi-year contracts are looking to “lock you in” so that you don’t have the freedom to switch systems or cut back on price. Be wary. A gift isn’t always what it appears. These vendors are likely reacting to lower than expected retention rates and structure their contracts in this way to avoid solving more systemic problems.

Know the Activation Plan - Steps & Timeline

Of course, once you select an applicant tracking system, there is going to be some onboarding involved to get the system properly configured and live. Similar to when hiring a new candidate, you must understand the timeline for onboarding whichever ATS you choose. In the HR technology world, this onboarding process is commonly referred to as the “implementation.”

This is where you need to really be careful. The most common reason applicant tracking systems fail isn't inadequate features and functionality. Rather, it is because the systems were not activated properly. For this reason, never purchase a product that requires you and your team to “self-activate” or self-provision. Your chosen vendor must dedicate a resource to guarantee a successful launch. Additionally, you must consider the timeline and workload included in the activation. An ATS can have all the features in the world but this isn't necessarily an advantage. If a new system takes several months to set up and thus requires a large investment of your time and resources, then it will become a huge drag on other important projects. Fatigue will set in and by the time you're ready to go live, you will have invested more time and resources than you anticipated causing other projects (like recruiting new employees) to fall far behind.

The days of cumbersome enterprise software, project plans, Gantt charts and months-long implementation timelines are long gone. Select a solution that is agile, lightweight and versatile enough to meet your needs without extensive customization work by the vendor. To enforce this idea, think of your system launch as an “activation” rather than an “implementation.”

Know the Activation Plan - Steps & Timeline, Continued

Step 1. Data Collection

To get started, many vendors will have you fill out a simple “workbook” where you will provide them with basic information about your company’s hiring processes and account configuration preferences. Understanding this information allows the vendor to set up your account to best meet your needs.

Step 2. Kick-Off Call

On the kick-off call, your activation manager should discuss the timeline and set mutual expectations, as well as address any questions that you may have about the process. For this call, expect to bring along your technical resource who is responsible for your company’s website and career page. It is advisable to involve any IT resources to ensure that all the appropriate actors understand their roles and responsibilities.

Step 3. Account Configuration

Following the kick-off call, the activation manager will now have a deep understanding of your hiring processes. This understanding will allow the launch team to properly configure your very account. Configuration should occur in a set it and forget style, meaning that you only have to go through this process one time.

Step 4. System Education

Today’s ATSS don’t require complex training programs to onboard users. That being said, your vendor should offer tutorial sessions to educate your team members on how to leverage your new ATS to improve your hiring processes. No matter how intuitive the system may be, it is unreasonable for the vendor to hand you the reigns and expect you to fully utilize it without any formal training.

Step 5. Connect the System to Your Careers Page

For your ATS to be considered live, it must be connected to your careers page. Once this happens, the applicants will start flowing in and you will be able to fully realize the value of your applicant tracking system. Think of this as the final step in ensuring a successful, well-planned activation process!



INSIDER TIP: Understanding the amount of time and effort required for a successful activation is imperative to selecting the right applicant tracking system for your business. Find a vendor that will be your partner in helping you successfully activate the system and make you look good. These days, a successful ATS activation is something you’ll want to put on your resume and LinkedIn profile when you’re looking for a new job.

Post-Activation and Support

Once your applicant tracking system is live, upon first logging in, everything should be set up and ready to go exactly as you may want it. For example, any job openings from your career page should be live in the system as well, and when applicants apply to jobs on your career page they should automatically populate as a candidate within your system.

You're Looking For a Partner, Not Just Another Vendor

When evaluating amongst vendors, keep in mind that your relationship with them does not terminate upon transaction. Ongoing support and education are two of the most important factors leading to the successful roll-out and adoption of an applicant tracking system at your company. Unfortunately, it is hard to evaluate either of these aspects until you are already locked into a contract and actively using the product. To work around this, be sure to key in on support questions during your discovery call and product demo. Ask vendors what is included in their support offering. What support resources will you have access to as a customer? What metrics does the vendor have on the performance of their support team:

- Response times
- Resolution times
- Customer satisfaction rates
- Customer retention rates

A vendor that can provide you with well thought out, transparent answers to these questions (or can quickly put you in touch with someone on their team that can), clearly places an emphasis on the quality of their customer

support and will offer a more comprehensive support program. Bonus: Have vendors provide you with customer references vouching for the quality of their support.

Personalized Service

When it comes to customer support, you want a partner that offers an honest and meaningful experience. Nobody wants to be guided through a new system on generic tutorial videos or reams of support documentation. Your hiring process is unique to your company. When questions arise, you want immediate responses tailored for your environment. For this reason, you need a dedicated, living and breathing individual who deeply understands your environment and can provide you with personalized solutions via phone, email and an online help portal.

Also, essential for a great support experience is a U.S. - based support center. Outsourced support centers are completely removed from the day-to-day operations of core business units. This leaves them incredibly disjointed and removed from the actual product with no real insights into the use cases of customers. How can you expect a support representative on a team like this to provide you with comprehensive solutions to your complex needs?

Last note on support - expecting 24/7 call and email support is unrealistic. If an applicant tracking vendor offers this, it implies that their support is outsourced. You want a support team that can provide you with effective answers in real-time, during the hours that you will have them.

Educational Resources & Career Development

Outside of personalized support, your ATS vendor should also provide you with educational resources that not only improve your knowledge of the application, but also help you grow in your career. Think about this. The best ATSs seamlessly integrate with your hiring and recruiting activities, ultimately, becoming one along with them. As a result, an applicant tracking system becomes much more than a standalone software application. It is the vessel through which you carry out your daily work and pursue your career path. Because of this, your ATS vendor should constantly provide you with resources that aid in your career development. Some examples of this are educational seminars recurring on a consistent basis, community groups where users can collaborate to share their experiences and best practices, and access to a 24/7 knowledge base.

INSIDER TIP: When corresponding with a vendor, ask yourself, is this a company that will have my back once they have received my money? If your gut tells you no, chances are the answer in reality is no as well. Remember, when choosing your applicant tracking system, you are looking for a partner, not just another vendor.

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Transform Your Hiring. Start Your Search Today!

There you have it! Our definitive guide to selecting the right applicant tracking system for small and medium-sized business. Congratulations on getting through the guide, we know it's not the quickest read but choosing the right ATS is a major decision. Chances are if you made it this far, you are in the market for a new applicant tracking system. The good news is that you are in the driver's seat. Have some fun with the selection process! Adopting new technology is exciting and can make your job that much more fulfilling, especially when you find the right fit.

Just remember, buying a new applicant tracking system is much like hiring a new candidate. First, evaluate your internal environment and identify your immediate needs. Next, interview the applicants vetting what they offer against your core requirements. Beyond features and functionality, you must also take into consideration the contract terms, pricing models, activation timeline, post-activation support and educational offerings. Remember, you're looking for a good partner, not just another vendor.

This guide was developed by Newton, the leading applicant tracking system specifically designed for employers between 75-1500 employees. Over 100 U.S. based, medium-size employers choose Newton every month. Visit newtonsoftware.com to connect with a Newton Expert today.