5 STAFFING METRICS FOR YOUR WORKWEEK

A Daily Dose of Recruiting Intelligence to Help You Build a Healthier Business

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INSIGHT**SQUARED**

BULLHORN®

Fifteen years ago we didn't analyze emails, online video or website activity.

We never considered tracking the value of our candidate source and certainly never thought about measuring the profitability of each one of our clients. We relied on IT departments (if we even had one at all) to manage our desktop environments and keep our databases running. If we were lucky they could also provide us static views of business data. Today, the cloud, smartphones and data visualization tools have made data more accessible and easier to understand. For most small to midsized businesses, this has created a fundamental shift in responsibility for collecting, sorting and analyzing business data.

While this creates tremendous opportunity for business leaders to gain insights into day-to-day operations, recruiting managers and business owners have become overwhelmed with data and frequently lack the tools needed to analyze information about their business. Even companies with data analysis software often miss out on the true potential of business intelligence because they don't take the critical step of moving from insights to action. While business intelligence may seem complex, it offers enormous growth potential if used effectively to enable better decision making and better business performance on a daily basis.

Breaking Through Barriers

A study from Techaisle revealed that only 22% of small to mid-sized organizations currently use business intelligence solutions.[1] What does this mean for your business? If you are behind in data analysis, it means you are not alone, and you could easily gain an edge over your competition by investing in your business with business intelligence.

Why the lack of adoption? Many companies have hesitated to invest in business intelligence solutions because of a few common issues that have caused them concern including:

Poor data quality: Many companies feel that the data behind their business intelligence is untrustworthy because it is inconsistent, incomplete and/or incorrect.

"**46%** of respondents saw poor data quality as a barrier to adopting BI/analytics tools."

With many sources of data entry, including multiple recruiters and/or admins entering in data by hand, as well as the reliance on resume parsing engines, errors are caused by misentry, lack of entry, self-reallocation of fields for other data points or unnecessary required fields in the applicant tracking

[1] Dan Berthiaume, How to Capitalize on SMP Plans for Business Intelligence, MSP Mentor, 2012
[2] Robert Woo, 7 Facts About Data Quality, InsightSquared, 2012

system (ATS). Other times it is the customer relationship management (CRM) system causing users to add known bad data that's required in order to enter in the good data that they want to save. A 2012 BI Survey revealed that 46% of respondents saw poor data quality as a barrier to adopting BI/ analytics tools.[2]

Don't know what to measure: Often times recruiting firms measure the wrong metrics that don't provide a pathway to improvement in the organization. This causes frustration among business leaders who then struggle to quantify the level of return they will get from business intelligence.

Don't know where to start: Business leaders are overwhelmed with data on a daily basis and although they know that tracking key performance indicators (KPIs) is important, the idea of determining which ones to measure on a regular basis is a daunting task. Because of this some firms resort to tracking everything or nothing at all.

Don't have enough time: Without the man-power or a skilled data analyst onboard, many firms fear that getting started with business intelligence is challenging and takes a tremendous amount of time, and the return on investment (ROI) is questionable.

Making Data a Weeklong Habit

Whatever your hesitations may be, it's critical to add business intelligence into your workweek. Data quality best practices alone can boost revenue by up to 66 percent.[3] When coupled with good analytics, the return is high. In fact, a 2012 survey report revealed that companies that invest in analytics have 33 percent higher revenue growth, 12 times more profit growth and 32 percent higher return on invested capital than their peers.[4] Employers who embrace running their business by the numbers have a better understanding of their team's strengths and weaknesses and know where to improve efficiency and allocate their time. In a competitive market like the staffing industry, you can't afford to lag behind.

"Data quality best practices alone can boost revenue by up to **66** percent."

Get started with business intelligence today by focusing on one key metric per day throughout the workweek. This will simplify the process as you learn to make data a daily habit.

This approach has a couple of advantages. First, it gives you the opportunity to cut out the noise so you don't feel buried. Second, this allows you to focus on key challenges and use insights to set clear goals. Forming a good habit doesn't happen overnight, it takes time. Dedicating time each day to one metric will help you define actionable next steps that will drive your firm to success.

"Companies that invest in analytics have **33** percent higher revenue growth, **12** times more profit growth and **32** percent higher return on invested capital than their peers."

[3] Robert Woo, 7 Facts About Data Quality, InsightSquared, 2012
[4] Krishna Rupanagunta, Meena Anantha Padmanabhan and Vinay Mony, June 2012

Creating a Metrics Daily Calendar

In order to become more involved and engaged with your data, it's important to schedule time for analysis into your daily routine. Use the metrics calendar below to track critical metrics throughout the workweek to improve your data quality and ultimately build a healthier (and stronger) business.

MONDAY — Open Job Orders

Start your week off with a fresh look at your key metrics, starting with your employees' **Open Job Orders.** Think of **Open Job Orders** as a pipeline for each of your employees. When considered by stage *(i.e. Job Order, Internal Submission, Sendout, Interview, Placement, or whatever nomenclature you might use)* this will show you a snapshot of what each employee is working on for the coming week.
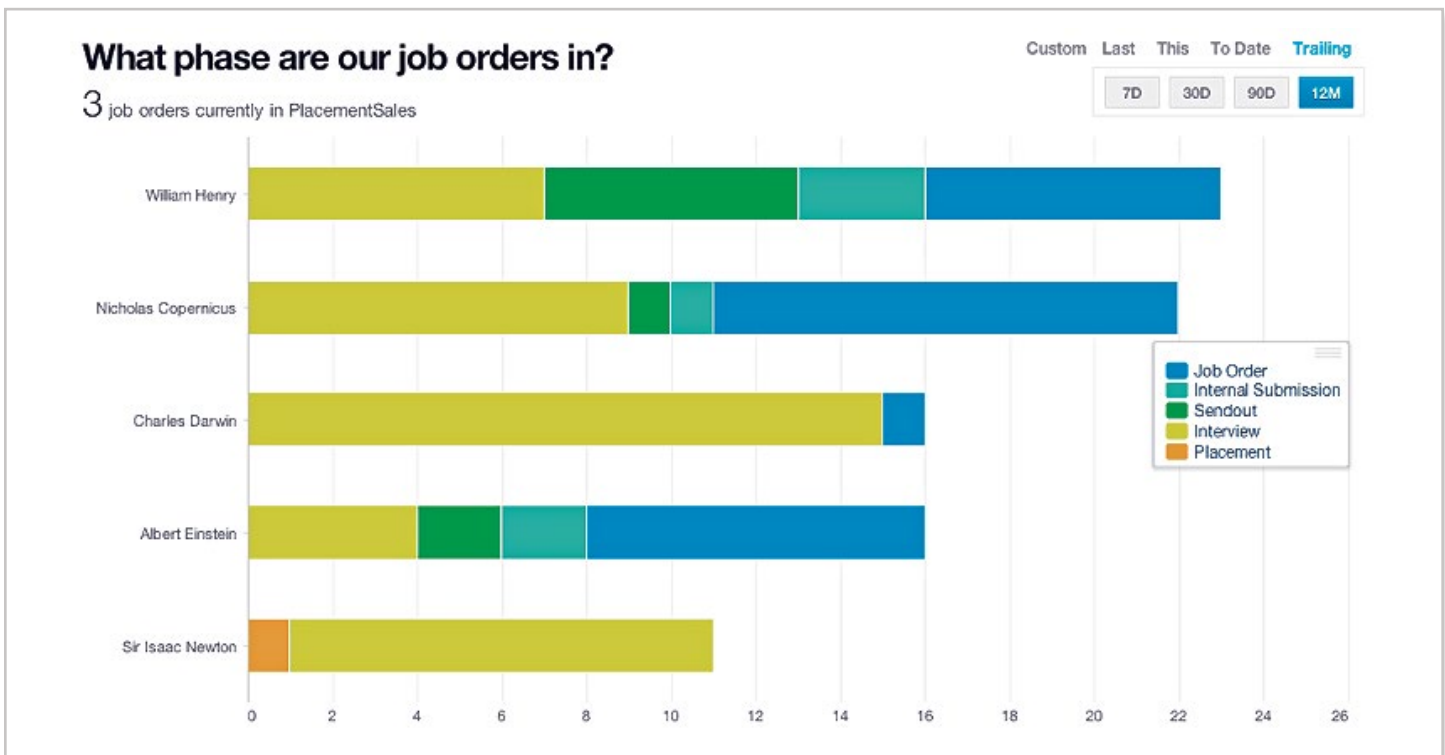
Knowing this on the employee level is important for a manager to plan the week out.
It can answer questions for you like:

• Can I expect placements this week?
• Does the team need to hit the phones harder this week?
• Knowing the monthly goals, how does the team look in terms of hitting them?
• Has a certain employee improved upon his pipeline from the last week?
• Who might need coaching on moving Job Orders from stage to stage?
• Which employees have a weaker pipeline?

How to Calculate

Choose a timeframe (current week or month are good) and use a Pivot Table in Excel to tally the number of Job Orders in various stages for each employee. Of course, in order for you to impact your business, you'll need to make sure your Job Orders are consistently being entered when you get them, not just when they close, and updated appropriately. Otherwise your data quality won't be up to snuff.
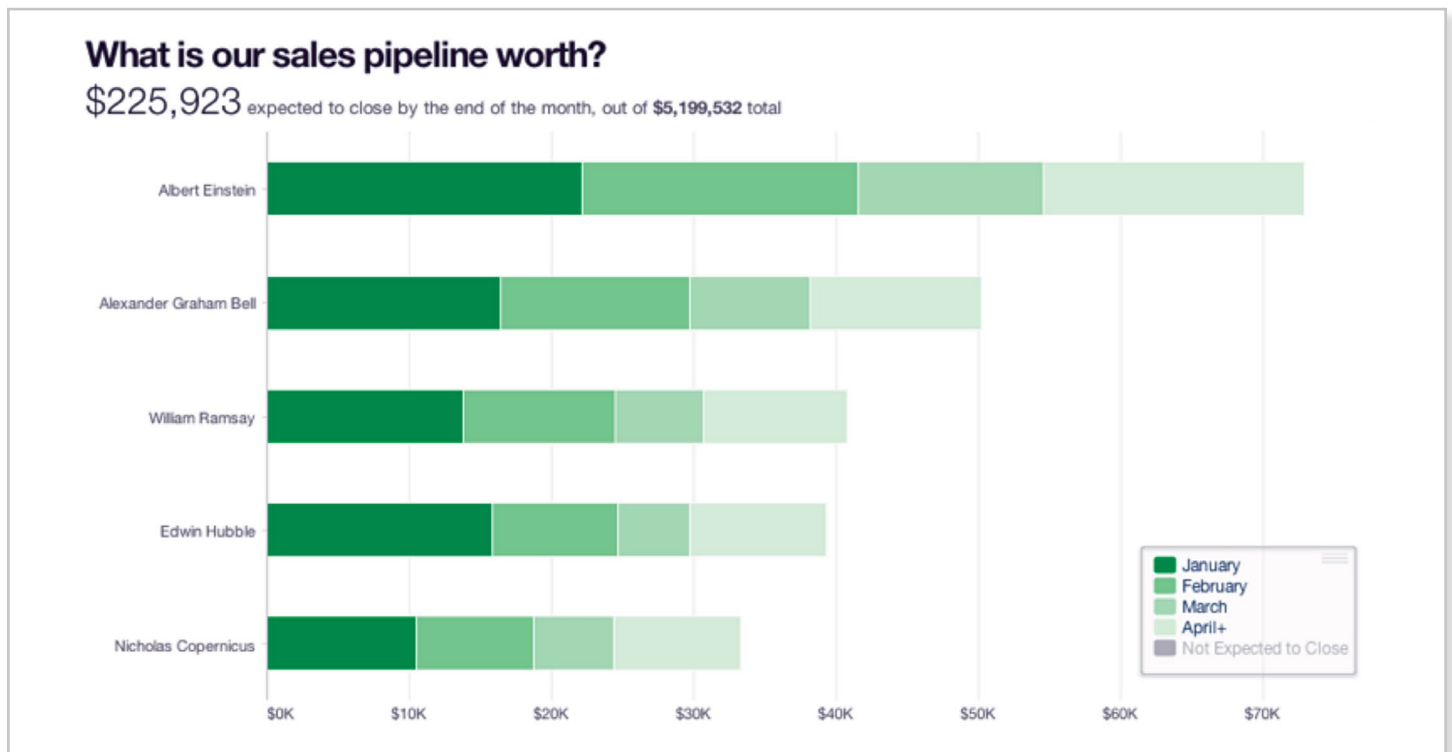
This report can also clue you in to when you might want to consider walking away from a Job Order. Drilling into the report, is there a Job Order that's been stuck in a certain stage for a long time, or one that has never really gotten off the ground? Running this report each week will start showing you trends of how swiftly Job Orders last in each stage. If one is stuck in neutral, you might want to consider moving on.

Many recruiting managers already pull overall Job Order pipelines, but slicing them by employee is often eye-opening when you can see the division of work and stages among your team. Run the *Open Job Order* report each and every Monday and then share it with your team. Let these metrics start your week off with a clear picture of what's ahead.

TUESDAY — Sales Forecast

Tuesday's metric is about showing you the money — specifically, the expected revenue from your bookings, sliced by employee. Are you on pace to break last year's benchmark?

Especially at the beginning of the year, knowing how much revenue your employees are expected to bring in each month is important. Not only does this help you estimate whether your business is on pace to break last year's revenue benchmarks, but it's also a good real-time indicator of the health of your pipeline. It reveals action items: if the *Sales Forecast* is weak, you need to spend more energy generating leads. If it's strong, then you can shift your focus to making sure each and every placement gets made.

What is our sales pipeline worth?
$225,923 expected to close by the end of the month, out of $5,199,532 total

Legend:
- January
- February
- March
- April+
- Not Expected to Close

Recruiting firms that don't keep an eye on their forecast run into situations where they are blindsided by revenue gaps. Often times many staffing firms will experience high and low months – while this is often blamed on seasonality, in reality it is typically a result of cyclical behavior of reps, months of hard core cold

calling, followed by months with less calls and more action on getting candidates placed into the jobs. In the end, firms are left scrambling for answers, and nearly all of the time, it's too late to do anything about it. Knowing your *Sales Forecast* months in advance gives you time to take action on an upcoming weaker month, so that they might not be so weak after all. This predictability in your revenue stream can stabilize your sales team and help them see the big picture.

*Knowing your **Sales Forecast** by employee will also show you:*

• An estimate of when you can expect certain revenue to come in.
• A percentage of what deals are and are not expected to close.
• A view of which employees are more optimistic (or realistic) than others.
• Which employees will have a strong and consistent January, February, or March and beyond.

> ### How to Calculate
>
> Sales Forecasting is a pretty tough thing to calculate correctly. You can read InsightSquared's primer on this topic to get a general sense of the various methods. Overall, you need to know what is in the pipeline, what the likelihood of each of those jobs will close (this can often be predicted by past indicators on the employees, client and type of job, plus a general knowledge of how many quick closes you might get in a given period (a job that lands on your plate next week and closes the following week).

At the end of the day, revenue matters. Your employees' commissions and hiring decisions are based on it, as well as the health of your company. Looking at the Sales Forecast each week will help you understand how much each employee is expected to contribute to the top line in the coming months, giving you solid numbers behind one-on-one performance and coaching conversations.

WEDNESDAY — Placement Funnel

On Wednesdays, examine what you can learn from your *Placement Funnel*, one of the most interesting and potentially the highest ROI report you could be running from your ATS numbers. The *Placement Funnel* is a visual way of understanding the total number of Job Orders you start with that eventually become placements, with conversion rate for each step in your process. This is much like a comprehensive ratio report that measures the number of Internal Submissions to Job Orders or Interviews to Placements, etc. This report has immediate implications to increasing your bottom line, thus the importance of looking at it every week.

From Job Order to Internal Submission to Sendout, all the way to a placement, this funnel shows you how efficiently you are converting your flow step-by-step. Knowing where your weakest conversion step is will show you exactly what part of your process needs improvement, giving you a clear action item that will directly affect your revenue. Many times the business' overall metrics are decent, but when you drill down to employee or client there may be some large opportunities for improvement.

For example, say your worst conversion step is from Interview to Placement. It currently stands at 45%, leading to 297 Placements (from 660 Interviews). Let's say you coach your team so they know how to prep their candidates to interview better and this conversion rate goes up by just 10%. At 55%, you're now seeing 361 Placements made, an improvement of nearly 22%. If you take it further and assume your average placement fee is $X that means an additional $Y in revenue. A huge win.
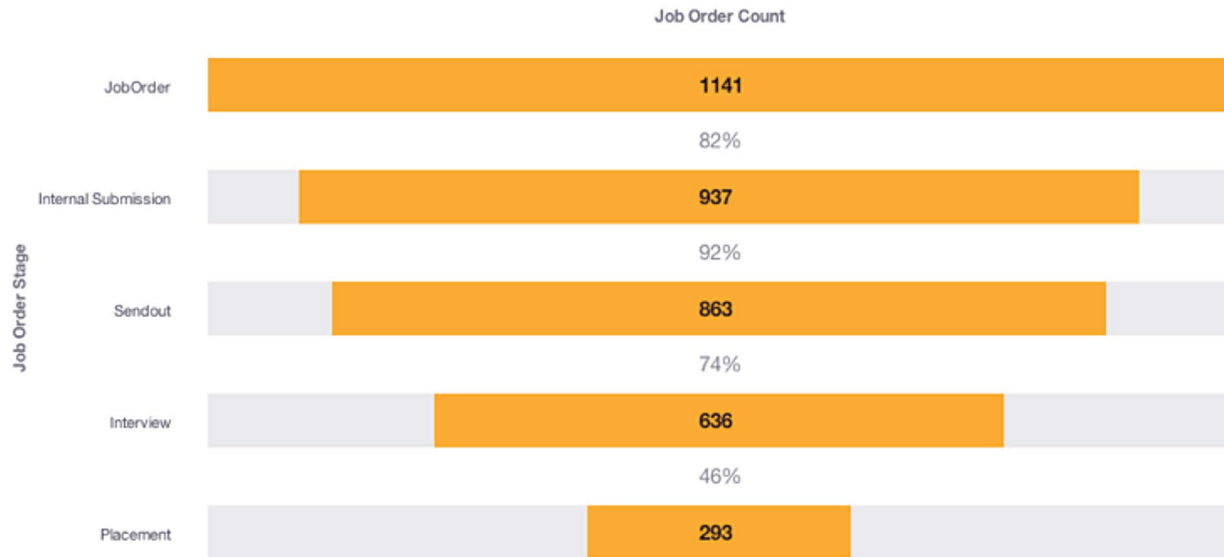
Where is the weakness in our recruiting process?

26% win rate for job orders closed in the previous 12 months.

Job Order Count

Job Order Stage	Job Order Count
JobOrder	1141
	82%
Internal Submission	937
	92%
Sendout	863
	74%
Interview	636
	46%
Placement	293

*Knowing your **Placement Funnel** will also tell you:*

• Overall, how many of your Job Orders actually make it to Placements.
• The total number of Jobs you have at each stage.
• Your Won Percentage from each stage *(Job:Placement, Sendout:Placement, etc)*


How to Calculate

In a given period of time (the past year works well as a snapshot), start with the number of Job Orders that were created. Tally the number of Job Orders that moved to the next step in your process, as well as the number that didn't. You can then calculate the conversion rate for this step. This calculation can be difficult since you'll have to trace the Job Orders that have converted through each step.

If you take this even further and consider these ratios per employee and per client, you may discover additional opportunities for improvement. For example, if you have a client whose jobs always get stuck at the interview phase, perhaps a conversation is in order to further clarify the types of candidates they are looking for. Or if you have a recruiter that can't seem to get candidates through the sales person for a Sendout, perhaps there is a disconnect between the recruiter and the sales person.

Finding the weakest point in the conversion process is something very few recruiting companies know how to do. The **Placement Funnel** report can be a game-changer for your efficiency, giving you a clear view of what needs work and what is working well.

Do you know how your strongest employee is closing deals so quickly? The answer lies in your *Time-to-Fill* report. Thursday is a good day to examine your employees' *Time-to-Fill* cycles. You can use this report to mentor employees and increase efficiency in your company.
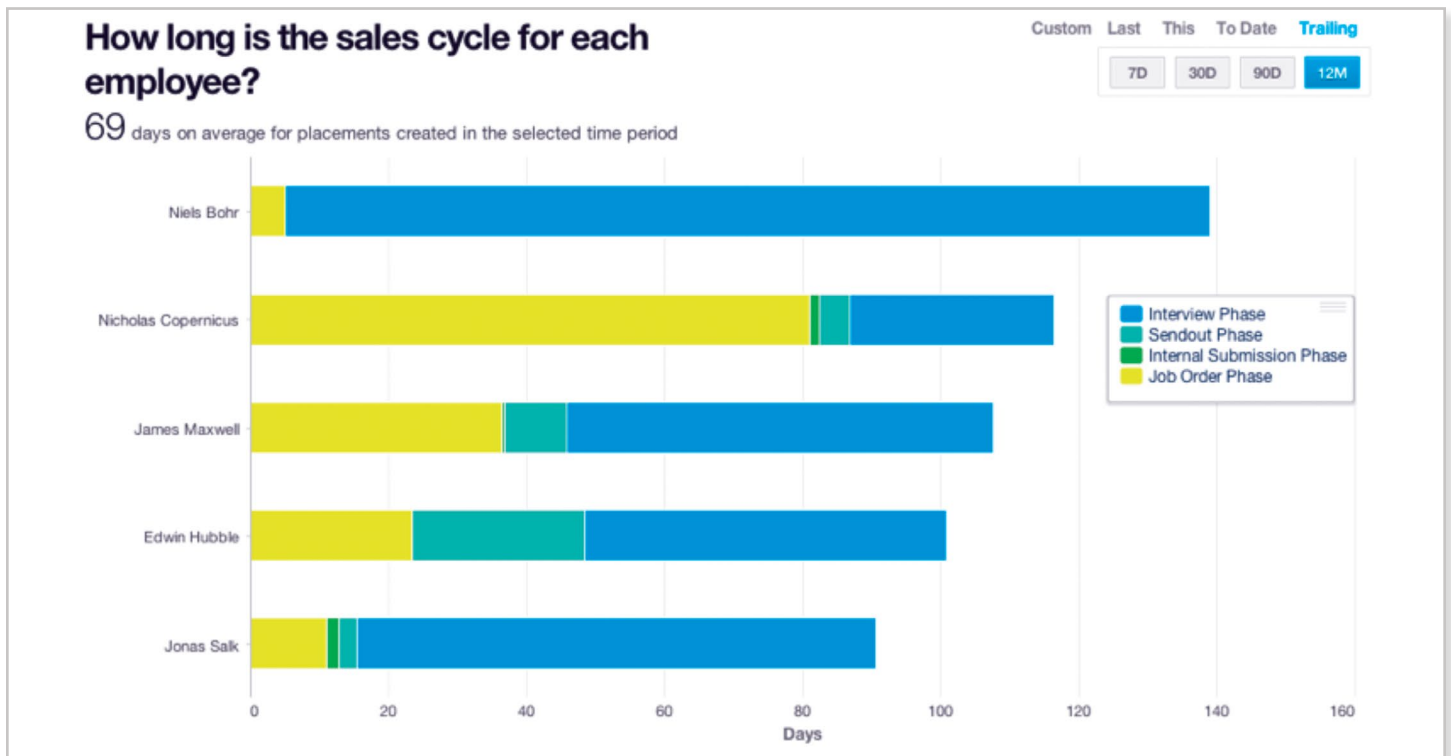
The *Time-to-Fill* report shows you the average length of time it takes each employee to place a candidate across all his or her clients. Of the placements made in the time period you select, you also see how long on average they spent in the various stages *(Interview phase, Sendout phase, etc).* We would all agree a shorter sales cycle is better. With this report, you can see which employees close jobs faster. This is a great way to learn what they are doing right so you can share the learnings with the rest of your team.

*The **Time-to-Fill** report will also answer for you:*

- What stage is typically longest in your process?
- How was last quarter's *Time-to-Fill* report compared to the previous quarter? Are we improving?
- Are employees skipping stages? (Usually a sign of poor ATS usage)

How to Calculate

To calculate *Time-to-Fill* by Employee, pull a report of all placements (not open job orders) that were created within a given time frame, by stage (the furthest progress a job order has made). Average the number of days each placement spent at each stage, for each employee. For multi-unit placements, count only the first placement in this calculation to make things simpler.

Everyone wants their employees to work efficiently. This report can show you which employees are "speed demons" at closing deals, giving you the impetus to find out their secret sauce. There's no reason a veteran shouldn't be mentoring the team with ideas on how to decrease *Time-to-Fill.* It's a team effort, and you can easily build in incentives to team leaders for decreasing the overall sales cycle length over time.

FRIDAY — Activities Overview

On Friday's share a weekly summary report with your team to get them motivated for the upcoming week. Weekly emails can turn your employees from being data-averse to becoming data-driven. Look for weekly trends in your data and learn how each employee performed. In addition, they are critical to increasing data quality and improving your baseline activity metrics.

INSIGHTSQUARED — Update for the Week of Dec 23, 2012

Team Comparables   view full report

	Job Order	M5 Dial	Internal Submission	Sendout	Interview	Placement
Last Week	27	199	107	92	81	5
Average, last 90d	21	210	127	106	92	9
Highest, all time	121	380	253	230	132	70

New Placements   view full report

Placement Title (Client)	Owners	Value
Advertising Sales Manager (Hess)	Thomas Alva Edison, Albert Einstein	$0
Client Services Director (Bank of America Corp.)	Albert Einstein	$27,000
SharePoint Developer / Sr. Architect (Lowe's)	Henry Bessemer, Ernest Rutherford	$0
Technical Oracle EBS Consultants (Walgreen)	William Henry, Paul Dirac	$43,440
Senior Sales Rep (Alcoa)	Carl Sagan, Sir Isaac Newton	$22,000
Senior Sales Rep (Alcoa)	Carl Sagan, Sir Isaac Newton	$0
Onboarding Data Specialist (J.P. Morgan Chase & Co.)	Jonas Salk, Niels Bohr, Joseph John Thomson	$52,500
Regional Business Director - MidAtlantic (Boeing)	Marie Curie, Louis Pasteur	$49,500
		$194,440

Top Performers   view full report

Activity	Employee Name	Last Week (+/- Prev Week)
JobOrder	Albert Einstein	9 (+9)
M5 Dial	Thomas Alva Edison	26 (+18)
Internal Submission	Johannes Kepler	15 (-6)
Sendout	Johannes Kepler	14 (-1)
Interview	Emil Fisher	13 (+6)
Sales Placement	William Henry	1 (-1)

If you don't get into the habit of making sure your data quality is up to par, looking at the numbers, and taking action on the insights you glean, then having access to all this data won't do you much good. That's why today is all about making sure you are building in an automated way to motivate better data usage.

A weekly summary email is a great place to start to drive compliance in this way. Choose four to five key performance indicators (KPIs) and automate a weekly summary to your inbox segmented by your employees for a granular look. Email this report to all your employees, and don't segment so each employee only sees their own metrics — this is a race, and each and everyone one of them should want to be first every week. This will motivate them (and yourself) to look at the number each week, which will greatly facilitate learning the trends and patterns that emerge from your week over week data.

Things you will notice:

- **Zeros where there should be a number.** You'll hear employees saying "wait, I can't have zero subs this week. I definitely did a few (fill in the blank)." Turns out, they didn't log their information into the applicant tracking system (ATS) correctly (or at all). Having this weekly summary will point out data errors and help drive data quality and also make your employees more accountable for their ATS usage.
- **Big numbers where there should be medium ones:** Some employees log internal submissions as external ones increasing the number — when it's directly compared to their colleagues (especially with a zero next to internal submissions), bad ATS usage quickly evaporates.
- **Trends in your data.** Do your numbers dip each Friday? Maybe you'll see that *employee A* always logs higher numbers on Wednesdays for some reason. Simply looking at the data week over week will get you to notice important trends that can have a positive impact on your business if acted upon.
- **Healthy competition.** Having this type of activity summary emailed to all employees is like having a leaderboard constantly updated and available. Everyone wants to be at the top of the pile. Making sure your team is aware of each other's numbers will go far in driving a healthy sense of competition in your office (and an increase in overall activity). Bayside Solutions, a technical staffing company, saw an immediate increase in production from staff after implementing InsightSquared including a 100% increase in submissions and 68% decrease in data errors.[5]

How to Calculate

Pick a small number of KPIs you want your employees to focus on and run the report at the end of each week for the previous seven days (alternately, you can choose to send it each Monday morning for the same results). Keep in mind that you should choose your KPI's carefully, they should reflect events in your business that impact your ability to make money. Even if you need an intern to pull the report and send it manually each week, it will be worth the effort when you start seeing your team shift into a data-driven mentality.

By the end of this workweek, you should have a great base of reports that will get your company making decisions due to the numbers, rather than gut feeling.

For More Information

Contact Bullhorn to learn how you can run your business by the numbers with analytics. Adding InsightSquared to your ATS and CRM can quickly provide these metrics and additional analytics, to help you get the most out of Bullhorn.

InsightSquared for Bullhorn:

• Scrubs your data automatically, notifying you of any data entry errors to help keep your data quality at 100%.

• Automatically tracks the actionable goals important to staffing firms recruiters and salespeople:
  Job Orders, Internal Submissions, Sendouts, Interviews, and Placements.

• Displays activity ratios at the click of a button.

• Shows expected value of pipeline over time, by client, or by employee. And advanced filtering options show
  Job Orders by client, by team, or contract versus permanent.

• Provides daily email summaries of employee activity, and an online employee dashboard, that aggregates
  important stats and activities.

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