



# THE BUSINESS IMPACT OF BEST-OF-BREED IN TALENT ACQUISITION

As talent acquisition directly impacts the bottom line, organizations need to invest in providers with deep domain expertise. Companies recognize the value of a best-of-breed provider in addressing a wide range of talent acquisition challenges from sourcing talent to onboarding new hires. In fact, according to Aptitude Research Partners' 2017 Hire, Engage, Retain study, 1 in 3 companies plan to move from ERP to best-of-breed in the next year. This report, based on data collected in 2017, will discuss the current talent acquisition technology landscape, the value of best-of-breed solutions, and the importance of ERP and best-of-breed providers working together.

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## A NEW PARTNERSHIP

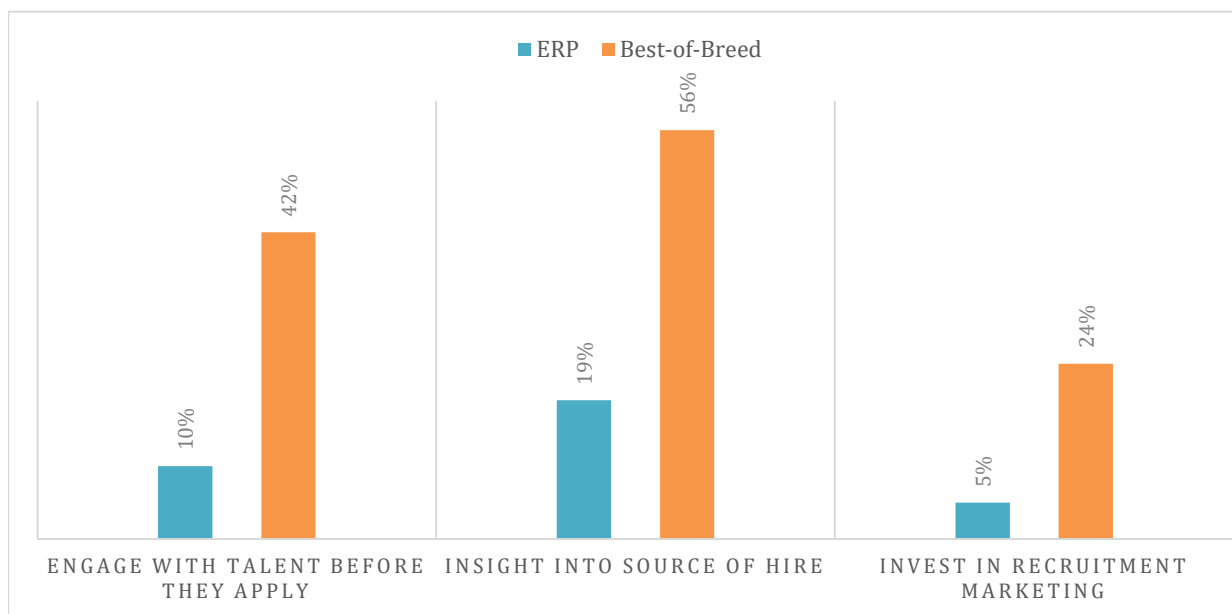
Today, talent acquisition is becoming more complex, with new responsibilities being placed on recruitment professionals. Organizations must provide greater efficiency in the way they identify and attract talent while ensuring a positive candidate experience. It is becoming clear that providers that focus outside of recruitment are not able to help organizations achieve these goals or meet the demands of the modern talent acquisition function. These systems were designed to address compliance and workflow rather than the flexibility organizations need today. According to Aptitude Research Partners' 2017 Hire, Engage, Retain Study, companies using best-of-breed talent acquisition solutions are more advanced in their recruitment processes and their ability to align with business outcomes. Companies with best-of-breed solutions are more likely to engage with talent early in the process, understand source of hire, and invest in recruitment marketing capabilities (Figure 1).



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“ Companies using best-of-breed providers are 4 times more likely to be satisfied with their provider. ”

**Figure 1: ERP vs. Best-of-Breed Maturity**



Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2017. N=404

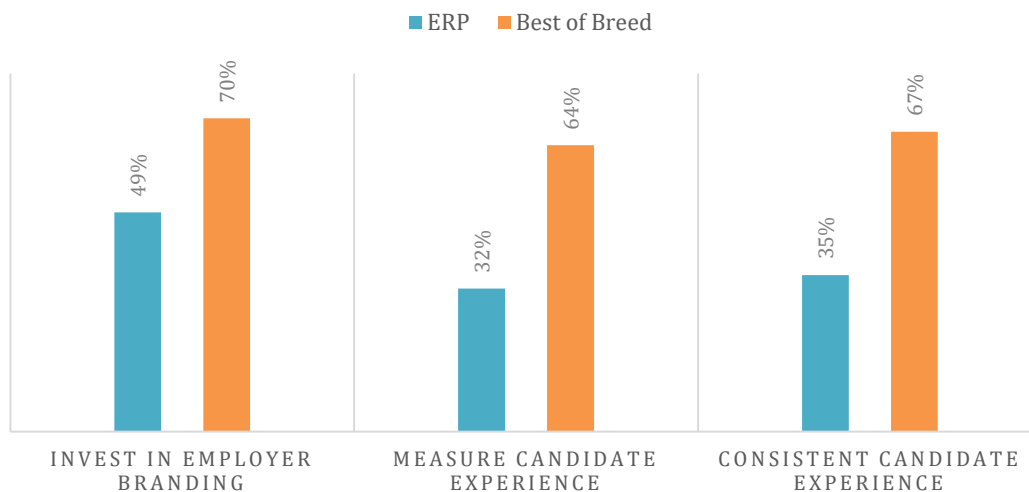
As organizations become more sophisticated in their talent technology decisions, best-of-breed solutions are able to provide both seamless integration and depth in functionality. Best-of-breed providers understand how to adopt cutting-edge technologies to deliver more efficient integration capabilities to support organizations with large volumes of hiring data. These providers integrate with third-party providers such as background screening, assessment, and video interviewing providers, as well as existing HRIS providers. Aptitude’s research found that companies are 4 times more satisfied with a best-of-breed talent acquisition provider than a traditional ERP provider. Companies want a strategic partner; not a transactional provider. They are looking for providers to do more than basic workflow and compliance; instead, they want a partner with deep domain expertise in talent acquisition and provide scalability to help them grow.

Aptitude identified 3 major areas where best-of-breed solutions are outshining traditional ERPs: expertise, experience, and adoption.

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- **Expertise:** Many best-of-breed solution providers are building expertise into their solutions. These providers understand how to help organizations navigate talent acquisition and have product roadmaps designed for talent acquisition functions. Some providers are demonstrating their deep domain expertise by helping companies improve diversity and inclusion, offering organizations capabilities such as anonymous screening, job description checkers, and bias detection initiatives. These providers are also providing scalability to help support clients as they grow. According to Aptitude's research, 56% of companies are investing in providers that can demonstrate deep domain expertise in talent acquisition.
- **Experience:** Recruiters need an easy way to attract, recruit, and hire talent. If a technology provider is not solving that problem, they do not have a viable solution. Many legacy ERP solutions are too complicated. Best-of-breed technology providers need to make it simple and address the challenges they are facing. According to Aptitude's research, companies using best-of-breed solutions are improving the experience for recruiters and candidates (Figure 2).

**Figure 2: The Impact on the Candidate Experience**



Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2016. N=311

**Adoption:** Less than 20% of companies view their ERP provider as a partner once a solution has been implemented. Companies need to look at not only how their provider will partner with them during implementation, but also how they will make that

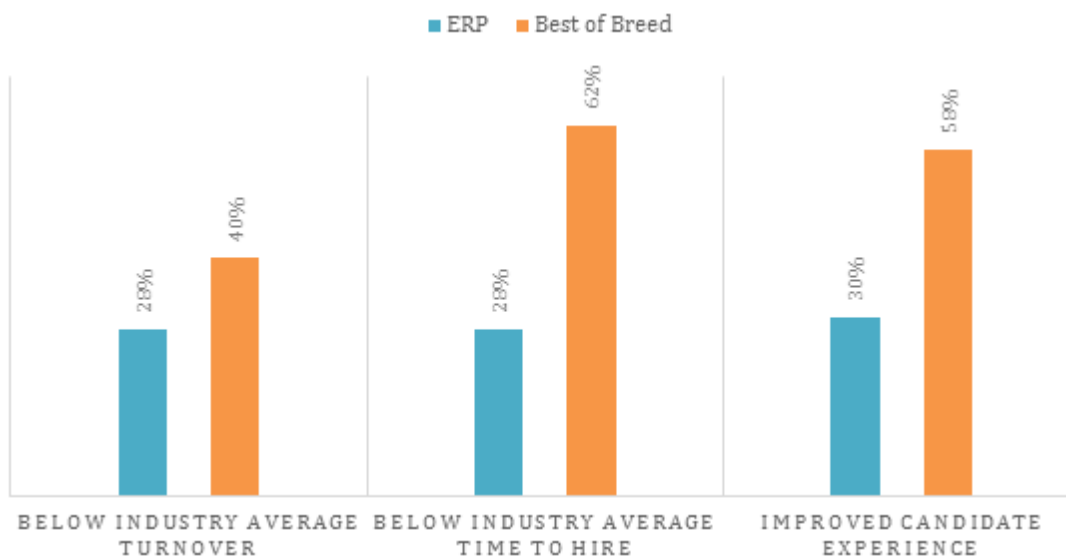
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relationship stick after year 1, year 2, and ongoing. Adoption is a true test of a provider's impact on talent acquisition efforts.

## THE BUSINESS IMPACT

Many of the ERP providers have been unable to keep up with the changes in talent acquisition. These solutions often lack the functionality, domain expertise, and customer satisfaction that can be found in a best-of-breed investment. Also, companies that are investing in best-of-breed perform better with reduced turnover, shorter time-to-hire, and a stronger candidate experience. Figure 3 illustrates how companies that use an ERP compare to companies using a best-of-breed talent acquisition platform. Companies using best-of-breed cited lower turnover than the industry average, a shorter time to fill positions and an improved candidate experience (Figure 3).

**Figure 3: The Business Impact of Companies Using Best-of-Breed for Talent Acquisition**



Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2016. N=311

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## THE FUTURE

The value in talent acquisition technology market can be found in best-of-breed providers that offer the expertise, experience, and adoption that organizations need. Companies must make more strategic decisions about their technology and look for providers that will act as a partner – helping them scale and better align with business objectives. Aptitude’s research found that companies that do invest in best-of-breed provide a better candidate experience, stronger partnerships with their providers, and more strategic initiatives.

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Aptitude Research Partners is a research-based analyst and advisory firm focused on the new conversation required by changes in how HCM technology is delivered and utilized by today's organizations.

Our goal is to look beyond the obvious product capabilities to identify the real differentiators organizations should be looking for when considering providers, as well as the change management and change readiness capabilities consumers must have in place for successful technology adoption.

We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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