

EVOLVIEW

EXECUTIVE BRIEF

Follow the Dollars — Tying Solution Performance to Your P&L

BY JIM MEYERLE



There are certain key business processes and environmental factors that drive the profitability of your operation. Since changes in any of these directly impact underlying profitability, it follows that the expected impact of any change should be quantified and evaluated in advance. Otherwise, how can you tell if you are making progress or worse yet, dragging down the company?

Jim Meyerle, co-founder of Evolv, is the company's Executive Vice President of Corporate Strategy & Finance. Current and prospective business partners regularly engage Jim to collaboratively build highly analytical business cases and set up the business partnership for success. Jim can be reached at jmeyerle@evolvondemand.com. For more information, visit www.evolvondemand.com or call (866) 971-4473.

The recruiting process is one of these key processes where hiring the right people up front has significant downstream effects. And the recruiting process is such that with the right tools in place, changes can be definitively quantified, their impact clearly measured.

Leaders — in Operations, Finance, HR or otherwise — can and should quantify how changes to the recruiting process can drastically impact your overall P&L and progress towards your annual goals.

From a talent standpoint, primary drivers of the P&L are post-hire attrition and post-training production performance. Both of these can be directly correlated with the quality of talent identified in the recruiting process and ultimately hired. Training, coaching and other downstream activities clearly impact performance and talent attrition; but identifying the right people up front is core to meeting performance and attrition targets.

We will delve into a detailed analysis of following the dollars in a future brief, but at a high level...

We have found it effective to quantify performance impacts by determining the margin improvement delivered in one of two ways — either looking at a high-level percentage improvement in hourly margin, or through specific metrics based around customer/client commitments and contracts.

For collections positions, for instance, you can look at the average collections by month — talent identified through Evolv collect \$7,000/month versus a historical baseline of \$6,000/month.

For other job types, we can determine performance impact through penalty or cost avoidance. For example, my client might incur additional expense payable to their client when calls exceed a target Average Handle Time. Where historically it took six months to reach the target AHT, Evolv-hired talent can reach it in

five months. This reduces the AHT penalty by a full month, PLUS the talent performs better than average in each of those five months.

On quantifying attrition impacts, the costs of replacing departed talent varies. Veteran talent is more expensive to replace, as newly hired talent will take months to reach their productivity level. Similarly, talent that leave halfway through training are less costly to replace than those that leave at the end of training.

Identifying the right people up front is core to meeting performance and attrition targets.

We quantify attrition savings by determining with you the cost per turn at different points in a person's employment lifecycle and the number of turns we will prevent at each stage. If each turn costs \$5,000 and we can help you prevent 1,000 turns per year, that's \$5 million straight to your bottom line.

On quantifying the financial impact of improved process efficiency, we analyze each step of your hiring process (e.g., reviewing applications/resumes, scheduling phone interviews, performing in-person interviews, etc.) and compare this to what my clients typically see. The savings look at the total additional recruiter, HR, and Operations resources freed up by processing fewer hires and spending less time on each hire.

Only by following the dollars can you tell if your current processes and solutions are setting up your organization for year-over-year success. ■

About Evolv

Evolv is the leader in on-demand Talent Intelligence solutions, enabling enterprises around the world to systematically improve their operations, brands and bottom line through superior talent. Not only that: both employees and employers enjoy a better job match, improving day-to-day satisfaction. Clients benefit from a world-class combination of selection science, analytics and continuous improvement that translates disparate data into actionable business intelligence, identifying more productive talent that stays longer. Employees benefit from the satisfaction of excelling at jobs well suited to them. Evolv delivers data-driven certainty and custom-configured solutions that easily integrate with existing workforce solutions such as applicant tracking systems. Visit www.evolvondemand.com or call (866) 971-4473.