

# ROI of an ATS

Applicant Tracking  
System



# Introduction



Are you a newly appointed HR professional?



Have your organization and your predecessors always managed recruitment using Excel files, an email inbox, and a phone?



Do you understand the benefits of implementing an Applicant Tracking System and are convinced it is the way forward for the future?



**You now have the tough task of demonstrating the potential savings and advantages of this system...**



## Good news!

Many resources exist on this subject, and **this document will undoubtedly help you** in your argumentation.



Section 01 - The first major aspect that will allow your organization to save time and money is related to

the quality of your hires, and more specifically, the ability to avoid bad hires.

## The Impact of a Bad Hire

FACTOR	AMOUNT / TIME
Financial loss per bad hire	\$14,900 (approximately 30% of the first-year salary) <sup>1</sup>
Average time to recognize a bad hire	11 weeks <sup>2</sup>
Additional time to fill the position	5 weeks <sup>2</sup>
Impact on team morale	One in three cases <sup>3</sup>

## How Does an ATS Help Avoid Bad Hires?

Implementing an ATS will help reduce the risks of making a bad hire through various features, such as:



Standardization  
of your selection  
process

Filtering based  
on skills and  
experience

Access to historical  
data and predictive  
indicators

**Section 02** - The second major aspect that will help justify the acquisition of an ATS is related to the increase in the efficiency of your recruiter or recruiters.

If you work with an external recruiter, you will easily be able to reduce the number of billable hours.

## Reduction in Workload

You can expect a 20%<sup>4</sup> reduction in the workload required to complete a hire. For example, if you conduct 10 hires per year and spend an average of 50 hours per hire, you can expect to save 100 hours.

PARAMETER	VALUE
Number of hires per year	10 hires
Number of hours per hire	50 hours
Number of hours saved (20% reduction)	100 hours

## Increasing Recruiter Efficiency

BEFORE	AFTER
Job posting writing	Automation via templates
Job posting publication (job boards, career page)	Multi-channel publication in a few clicks
Recruitment	Centralized and efficient candidate management
Candidate information extraction via LinkedIn	Automated resume screening

#### SOURCES :

- 1 [Zippia](#)
- 2 [Robert Half](#)
- 3 [Career Builder](#)
- 4 [Study by the Journal of Business Economics](#)

## Continued - Increasing Recruiter Efficiency

### BEFORE

Answering various inquiries

Obtaining and classifying documents (forms, contracts, etc.)

Communication and coordination (recruiter, manager, candidate)

Report generation

Interpreting results and trends

### AFTER

Standardized and automated responses (emails and texts)

Digital and automated archiving

Centralized communication, complete history (Microsoft/Google integration for emails/calendars)


Automated reports

Advanced analytics tools for improvement targeting

### In addition...

Besides time savings, using an ATS allows your company to securely classify, process, and archive candidate information in compliance with current regulations.





**Section 03** - The third major aspect that will help justify the acquisition of an ATS is related to reducing the time required to fill the position.

## The Impact of Reducing the Time to Replace a Position

Suppose a company typically takes 35 working days between an employee's resignation and a new hire's start date. If the same company reduces this period from 35 to 28 working days using an ATS, this translates into a 7-day saving.

### How to Convert These 7 Working Days into Revenue Growth

Annual company revenue	\$10,000,000
Number of employees	50
Number of working days per year	250 days (assuming 10 public holidays)
Revenue per working day per employee	\$800

\*Although the revenue per working day will vary depending on the job category, it is common practice to calculate an average revenue to simplify the calculations.

### Calculation of Additional Revenue Generated With an ATS

Number of days saved per hire	7 days
Additional revenue per hire	\$5,600
Number of hires per year	10
Total additional revenue	\$56,000

This shows that reducing the time required to fill a position can generate \$56,000 in additional revenue each year.

## Section 04 - Summary of Savings and Additional Revenue



### Example for a Company with 100 Employees

Here is the annual economic impact of implementing an ATS in a company with 100 employees using the following parameters:

FACTOR	AMOUNT
Avoiding a bad hire	\$14,900
Monetary value of recruiter hours saved*	\$6,250
Additional revenue due to reduced time to fill positions**	\$84,000
Total savings and additional revenue	\$105,150

\*Assuming an hourly rate of \$31.25/h, 20 hires, and 10 hours saved per hire.

\*\*Assuming a revenue of \$15,000,000, 250 working days, and a reduction of 7 days per hire.



The ATS can therefore be profitable in just a few weeks and will help simplify your HR team's daily operations.

# Conclusion

Implementing an ATS allows you to:

---

Improve the quality of hires and avoid bad hires

---

Significantly increase recruiter efficiency

---

Reduce the time required to fill a position  
and thus generate additional revenue

---

**In the case of a company with 100 employees, an  
ATS can generate \$105,150 per year, starting from  
the first year!**