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[Economics 101](#)

[Expenses Must be Self-Supporting](#)

[Hiring Delays Cost Money](#)

[The \[resumevaulttm\]\(#\) Staffing Solution](#)

The Huge Cost of Hiring Delays



The best solution to eliminate the cost of hiring delays is to accelerate the hiring process by automating the first interview

Let's take a moment to examine an issue that travels completely beneath the radar of most corporate staffing organizations – and many in senior management, too. We are speaking of the huge cost of hiring delays.

What!! You say. The costs don't start until after an employee starts cashing a paycheck! Nothing could be further – much further from the truth. As a matter of fact, most often the largest single cost associated with the hiring process is the delay in staffing the open position; larger than advertising, larger than recruiting costs, even larger than agency fees. Don't believe it? Just ask your friendly Chief Financial Officer (CFO).

Economics 101

To see why this is so, we need to go back to the Economics 101. Economics class! I see you rolling your eyes but don't worry, this will just be a quick review – nothing too boring, I promise!

First, private, for-profit companies (the kind that 99.999% of us work for) are not social services agencies. A corporation's primary responsibility is to make money for their shareholders. Corporations have many other laudable goals as well, but first among many is to turn a profit. Otherwise, they go out of business - leaving all those other laudable goals sadly unfulfilled. OK, so we are in business first and foremost to make a profit. What does this mean? Well among other things, it means that companies must earn more in profits than they pay out in expenses. Simply put, expenses are justified if – and only if – they lead to an increase in profits. For example:

- The expense of a new computer system may be justified because it will help us to better track our costs, thus reducing expenses more than the cost of installing the new system and thereby increasing our profits.
- The expense of a new advertising campaign is justified because it helps us attract more customers, increasing sales more than the cost of the new campaign and thereby increasing our profits.
- Similarly, the expense of hiring a new employee is justified if it will help us bring our newest product to market sooner, allowing us to beat our competition and increasing our market share more than the cost of the new employee and thereby increasing our profits.

Expenses Must be Self-Supporting

Notice that in each example, the item in question had to "pay for itself" to become a justified expense. Jobs are created, filled and maintained only if they generate more revenue for the organization than they cost - in other words, it is profitable to the organization.

Since a competent senior management team only approves staffing positions that will result in a profit for the organization, the corollary must also be true. Once approved, every day that an open position is not filled results in a loss of profit for the organization. This is self-evident. Now, let's take a look at the magnitude of the profits lost as a result of hiring delays and see how quickly they accumulate. A little math is involved but don't worry, it's not that bad.

Hiring Delays Cost Money

To calculate the cost of hiring delays, we need to know the following; The accompanying chart shows this graphically.

The **resumevault** Staffing Solution

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SONASEARCH is the developer of **resumevault**, a patent-pending, on-line recruiting solution borne of years of experience in the staffing industry and doing just that while providing these attendant benefits;

- Cut Corporate Cost-per-Hire in Half
- Boost Recruiter Productivity by 33%
- Accelerate the Candidate Interview Process
- Automate all First Interviews
- Eliminate Resume Reviews & Key Word Searches
- Deliver Comprehensive, Uniform Skills Assessments
- Track & Report all Corporate Employment Applicants

resumevault is unique in several ways. Since it does not rely on a resume, **resumevault** is equally at home whether the job seeker is blue collar or professional. **resumevault** is a comprehensive, hosted recruiting solution with a big difference. **resumevault** stores the resumes, screens the applicants and forwards only the qualified candidates!

resumevault completely automates the first interview. *Imagine* how much more responsive your Staffing Professionals will be when resume collecting is relegated to the competition (along with the time & expense) and **resumevault** provides the fully interviewed, technically quantified candidates they wanted in the first place! Using our unique Executive Summary Sheet, Hiring Manager will evaluate a candidate's suitability for follow-up interviews at a glance.

Over the past 25 years, our principals have worked with hundreds of organizations. We have listened, learned, offered insight and collaborated on solutions. The resulting **resumevault** Staffing Solution dramatically lowers costs, increases quality & reduces time-to-hire.

We have yet to see a case where **resumevault** could not reduce a firm's cost-per-hire by at least 51%, with savings in the 70% range being more typical.